

# **VELOX INDUSTRIES LIMITED**

## **ANNUAL REPORT 2015-16**

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY STRUCTURE AND DEVELOPMENT

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP). As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015-16 at 2011-12 prices. India is the largest producer, consumer and exporter of spices and spice products. India's fruit production has grown faster than vegetables, making it the second largest fruit producer in the world. India's horticulture output, comprising fruits, vegetables and spices, is estimated to be 283.4 million tonnes (MT) in 2015-16 after the third advanced estimate. It ranks third in farm and agriculture outputs. Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. The agro industry in India is divided into several sub segments such as canned, dairy, processed, frozen food to fisheries, meat, poultry, and food grains.

## OPPORTUNITIES AND THREATS

Over the recent past, multiple factors have worked together to facilitate growth in the agriculture sector in India. These include growth in household income and consumption, expansion in the food processing sector and increase in agricultural exports. Rising private participation in Indian agriculture, growing organic farming and use of information technology are some of the key trends in the agriculture industry.

As per the 3rd Advance Estimates, India's foodgrain production has increased marginally to 252.23 million tonnes (MT) in the 2015-16 crop year. Production of pulses is estimated at 17.06 million tonnes.

With an annual output of 146.31 MT, India is the largest producer of milk, accounting for 18.5 per cent of the total world production. It also has the largest bovine population. India, the second-largest producer of sugar, accounts for 14 per cent of the global output. It is the sixth-largest exporter of sugar, accounting for 2.76 per cent of the global exports. India is a leading country in coconut production and productivity in the world, with annual production of 2,044 crore coconuts and the productivity of 10,345 coconuts per hectare as on 2015-16. Spice exports from India are expected to reach US\$ 3 billion by 2016-17 due to creative marketing strategies, innovative packaging, strength in quality and strong distribution networks. The spices market in India is valued at Rs 40,000 crore (US\$ 5.87 billion) annually, of which the branded segment accounts for 15 per cent. In fact, the Spices Board of India has decided to set up a spice museum at Willingdon Island in Kochi to attract and educate tourists and seafarers about the history and growth of Indian spices industry.

Indian agrochemical industry is expected to grow at 7.5 per cent annually to reach US\$ 6.3 billion by 2020 with domestic demand growing at 6.5 per cent per annum and export demand at 9 per cent per annum\*.

## **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The Company has not undertaken any major operational activities during the year.

## **OUTLOOK**

With the vast opportunity available in the agriculture sector in India , your company is expected to start operations in the agriculture items in the coming years

## **RISKS AND CONCERN**

Generic competition, less margins is a concern. Regulatory constraints pose a threat. The Management is fully acquainted with these risks and concerns associated with the industry and continue to address them from time to time as required.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has adequate internal control system commensurate with its size and complexity. The Internal Financial Control System of the Company is being regularly monitored by the Internal as well as external expert teams, including the Internal Auditor. Any deficiency in the controls is viewed seriously and corrective actions are taken to avoid repetition.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The risks in various departments have been identified. The controls have been established to mitigate those risks and have been divided as key and non-key controls. These controls are regularly monitored by the Internal Auditor to check effectiveness of the controls. The Audit Committee Members/ Board of Directors are regularly updated on the same.

The financial statements are prepared in conformity with the established Accounting Standards and Principles.

## **FINANCIAL PERFORMANCE AND ANALYSIS**

The Company has not undertaken any major activities during the year.

## **HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS**

The Company encourages the employees to upgrade their knowledge and skills. The training sessions on various working parameters are conducted in routine apart from allowing employees for outside specialized training, wherever required.

## **ACCOUNTING TREATMENT**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and as referred to in Section 133 of the Companies Act, 2013.

Statements in "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions are forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. The actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Governmental regulations and tax structure, economic and political developments within India and the countries with which the Company has business. Therefore, the Company assumes no responsibility in respect of forward looking statements herein which may undergo change in future on the basis of subsequent developments, information or events.

# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: khataueximltd@gmail.com

CIN No.L15122MH1983PLC029364

## NOTICE

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Company will be held on Saturday, the 24<sup>th</sup> day of September, 2016 at 11.30 a.m. at Registered Office of the Company situated at The Submit Business Bay, 102-103, Level-1, Service Road, Western Express Highway, Viley Parle, East Mumbai, Maharashtra to transact the following business:

### ORDINARY BUSINESS:

1. To Receive, Consider and adopt audited Balance Sheet as at 31st March, 2016, Statement of Profit and Loss for the year ended on that date and Directors' and Auditors' Report thereupon.
2. To appoint a Director in place of Sh. Vijay Kumar Bhutna (DIN No. 02694772), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and in this regard to consider and, if fit, to pass with or without modification(s), the following resolution as Ordinary Resolution: -

"RESOLVED THAT pursuant to the provision of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s A.F. Khasgiwala & Co., Chartered Accountants (Firm Registration No.105114W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to examine and audit the accounts of the company for the financial year 2016-17 at such remuneration as shall be fixed by the Board of Directors of the Company in mutual consultation with the Auditors."

For VELOX INDUSTRIES LIMITED  
(Formerly Khatau Exim Limited)

Sd/-  
(SANJIV JAIN)  
CHAIRMAN

PLACE: Mumbai

DATE: 12.08.2016

### NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A blank Proxy Form is enclosed with this notice and if intended to be used, the form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of Companies, Societies etc. must be supported by appropriate resolution/ authority as applicable.

3. The Members/ Proxies attending the meeting are requested to bring the enclosed Attendance Slip and deliver the same after filling in their folio number at the entrance of the meeting hall. Admission to the Annual General Meeting venue will be allowed only on verification of the signature(s) on the Attendance Slip.

# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,

Western Express Highway, Viley Parle (East), Mumbai - 400 052

Ph: 022-42288300, 08146995909 Email: khataueximltd@gmail.com

---

CIN No.L15122MH1983PLC029364

4. Duplicate attendance slip shall not be issued at the Annual General Meeting venue. The same shall be issued at the Registered Office of the Company up to a day preceding the day of the Annual General Meeting.

5. Corporate Members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.

6. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.

7. As a measure of economy, copies of the Annual Report will not be distributed at the venue of the Annual General Meeting. The Members are, therefore requested to bring their copies of the Annual Report to the meeting. Those members who have not received copies of Annual Report can collect their copies from the Corporate/ Registered Office of the Company.

8. The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> September, 2016 to 24<sup>th</sup> September, 2016, both days inclusive.

9. The members are requested to inform changes, if any, in their Registered Address along with Pin Code Number to the Company at the Registered Office address.

10. Members desirous of seeking any information relating to the Accounts of the Company may write to the Company at the Registered Office address for the attention of Mr. Sanjiv Jain, Director, at least seven days in advance of the Meeting so that requisite information can be made available at the Meeting.

11. Electronic copy of the Annual Report and Notice of the 33<sup>rd</sup> Annual General Meeting of the Company along with Attendance Slip and Proxy Form and instructions for e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice of the 33<sup>rd</sup> Annual General Meeting of the Company along with Attendance Slip, Proxy Form and instructions for e-voting is being sent in the permitted mode.

12. In terms of section 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the Company is providing the facility to its Members holding shares in physical and dematerialized form as on the cut off date 16<sup>th</sup> September, 2016 to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice. Necessary information and instructions for e-voting is also enclosed.

## THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:

(i) The voting period begins on 21<sup>st</sup> September, 2016 (10.00 a.m.) and ends on 23<sup>rd</sup> September, 2016 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.

(iii) Click on "Shareholders" tab.

(iv) Now, select the "COMPANY NAME – Velox Industries Limited" from the drop down menu and click on "SUBMIT"

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

## 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)

# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: khataueximltd@gmail.com

CIN No.L15122MH1983PLC029364

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter A00000100 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 Bank demat account or in the company records for the said Details demat account or folio.

- 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 number of shares held by you as on the cut off date in the Dividend Bank details field.

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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 e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of Velox Industries Limited which is provided in the e-voting document.

(xiii) 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 Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Institutional Shareholders & Custodians:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and evoting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

13. Members who have not registered their e-mail address so far are requested to register their email addresses for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

For VELOX INDUSTRIES LIMITED  
(formerly Khatau Exim Limited)

Sd/-

(SANJIV JAIN)  
CHAIRMAN

Place: Mumbai

Date: 12.08.2016

# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: khataueximltd@gmail.com

CIN No.L15122MH1983PLC029364

## ATTENDANCE SLIP

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

Joint Shareholders may obtain additional Slip at the Venue of the meeting.

DP Id*		Folio No.	
Client Id*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

Please register/ update my/ our under mentioned E-mail ID for sending all future Company's correspondence:

E-mail ID.....

Shareholder(s) Signature.....

I hereby record my presence at the **33<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company held on **Saturday, 24<sup>th</sup> September, 2016 at 11:30 AM** at the Registered Office of the company i.e. **The Submit Business Bay, 102-103, Level-1, Service Road, Western Express Highway, Viley Parle, East Mumbai 400 052, Maharashtra .**

\*Applicable for investor holding shares in electronic form.

Signature of Shareholder / Proxy

**ADMISSION AT THE ANNUAL GENERAL MEETING VENUE WILL BE ALLOWED ONLY ON VERIFICATION OF THE MEMBERSHIP DETAILS AND SIGNATURES ON THE ATTENDANCE SLIP.**

## PROXY FORM

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

### VELOX INDUSTRIES LIMITED

(formerly known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road, Western Express Highway,  
Viley Parle (East), Mumbai - 400 052      CIN No.L15122MH1983PLC029364

Name of the member(s): Registered address:		e-mail Id: Folio No/*Client Id: *DP Id:	
---	--	---	--

I/We, being the member(s) of ----- shares of Velox Industries Limited, 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 on my/our behalf at the **33<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company held on **Saturday, 24<sup>th</sup> September, 2016 at 11:30 AM** at the Registered Office of the company i.e. **The Submit Business Bay, 102-103, Level-1, Service Road, Western Express Highway, Viley Parle, East Mumbai 400 052, Maharashtra** and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
	<b>Ordinary Business</b>
1.	Receive, consider and adopt the financial statements of the Company for the year ended 31 <sup>st</sup> March, 2016 and the report of the Auditor and Directors thereon.
2.	Re-appointment of Mr. Vijay Kumar Bhutna, Director who retires by rotation
3.	Appointment of Auditor and fixing their Remuneration.

Signed this.....day of .....2016

Signature of shareholder

Affix  
Rs.1.00  
Revenue  
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

### Note:

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.



# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: veloxindustriesltd@gmail.com

CIN No.L15122MH1983PLC029364

## DIRECTORS' REPORT

To,

Dear Shareowners,

Your Directors have great pleasure in presenting the Annual Report together with audited statement of accounts for the financial year ended 31st March, 2016.

### FINANCIAL SUMMARY/STATE OF AFFAIRS

(Amount in Rs.)

Particulars:	Financial Year Ended 31st March, 2016	Financial Year Ended 31st March 2015
Income from operations	-	-
Other Income	1,194	9,67,966
Less : Expenses	3,96,554	6,24,484
Net Profit (+) / Loss (-)	(395,475)	3,43,482

During the financial year 2015-16, the Company has not conducted any major business activity.

### DIRECTORS

Sh. Vijay Kumar Bhutna, Director of the company is retiring by rotation at the forthcoming annual general meeting and being eligible offers himself for re-appointment. The Board recommends his reappointment.

In terms of the Companies Act, 2013 ('Act') Independent Directors are required to be excluded while computing the number of Directors to retire by rotation. Accordingly only the promoter directors have been considered for calculating the number of those who are to retire by rotation.

The Company has received statements of declarations from the Independent Directors pursuant to Section 149 (6) of the Companies Act, 2013.

### CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

The equity shares of the company are listed at the BSE Limited, Mumbai and the Annual Listing fee for the financial year 2015-16 has been paid to the Stock Exchange within prescribed time.

During the year under review, no new shares were issued.

### AUDITORS

The Statutory Auditors of the Company M/s. A.F. Khasgiwala & Co., Chartered Accountants (Registration No.105114W) retire at the conclusion of ensuing Annual General Meeting and have

# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: veloxindustriesltd@gmail.com

---

CIN No.L15122MH1983PLC029364

confirmed their eligibility and willingness to accept office of Auditors, if reappointed. The Board recommends reappointment of M/s. A.F. Khasgiwala & Co. as Statutory Auditors for the financial year 2016-17 for shareholders approval.

The Report of Statutory Auditors for the Financial Year 2015-16 is self-explanatory and does not require any explanation from the Board.

## SECRETARIAL AUDITORS AND THEIR REPORT

The Secretarial Audit Report in the prescribed form MR- 3 is attached as `Annexure 1` and forms part of this report. There are no qualifications or observations or other remarks of the Secretarial Auditors in the Report for the financial year 2015-16 which call for any explanation from the Board of Directors.

## INTERNAL AUDITORS

A.F. Khasgiwala & Co. performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

## MEETINGS OF BOARD

During the year, The Board of Directors met six times on 28.05.2015, 12.08.2015, 18.08.2015, 24.08.2015, 04.11.2015 and 02.02.2016

## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013, extract of the Annual Return in Form MGT-9 is given in `Annexure 2` to this Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of Section 134(3)(g) of the Companies Act, 2013 (Act), particulars of loans/guarantees/ investments/securities given under Section 186 of the Act are given in the notes to the Financial Statements forming part of the Annual Report..

## AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Board has constituted an Audit Committee to perform the functions as prescribed under the said section with two Independent Directors and one Non-Executive Director as the members of the Committee.

# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: veloxindustriesltd@gmail.com

---

CIN No.L15122MH1983PLC029364

## **NOMINATION AND REMUNERATION POLICY**

Pursuant to the provisions of Section 178 (1) of the Companies Act, the Company has constituted a committee under the name Nomination and Remuneration Committee to perform the functions as specified under the said section.

The Nomination and Remuneration committee has laid down the criteria as specified under Section 178 (3) of the Act and also carried out evaluation of every Director's performance.

## **RISK MANAGEMENT POLICY**

The Company has developed a Risk Management Policy as per the provisions of the Companies Act, 2013 which is implemented and periodically reviewed by the Board of Directors.

## **CORPORATE SOCIAL RESPONSIBILITY**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

## **EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, *inter-alia*, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

The performance evaluation of all the Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

## **VIGIL MECHANISM/WHISTLEBLOWER POLICY**

In compliance with the provisions of Section 177(9) of the Companies Act 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, your Company has in place a 'Whistleblower Policy,' which provides an opportunity to the directors and employees to raise

# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,

Western Express Highway, Viley Parle (East), Mumbai - 400 052

Ph: 022-42288300, 08146995909 Email: veloxindustriesltd@gmail.com

---

CIN No.L15122MH1983PLC029364

concerns about unethical and improper practices or any other wrongful conduct in or in relation to the Company. The Whistle- Blower Protection Policy aims to:

- Allow and encourage stakeholders to bring to the management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis. The Committee has, in its Report, affirmed that no personnel have been denied access to the Audit Committee.

## RELATED PARTY TRANSACTIONS

During the year under review, there were no contracts or arrangements with any related parties as referred to in sub-section (1) of Section 188 of the Companies Act.

## PARTICULARS OF REMUNERATION OF DIRECTORS

The Company has not paid any remuneration to any Director during the year.

## CONSERVATION OF ENERGY, TECHNOLOGY, ADOPTION & FOREIGN EXCHANGE EARNING & OUTGO

Since the Company has not been carrying out any type of commercial activity during the year, there is no information relating to the conservation of the energy and Technology Adoption. There are no foreign exchange earnings or outgo by the Company.

## DIRECTORS RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are

# VELOX INDUSTRIES LIMITED

(formerly Known as Khatau Exim Limited)

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: veloxindustriesltd@gmail.com

---

CIN No.L15122MH1983PLC029364

- reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - d) that the annual financial statements have been prepared on a going concern basis;
  - e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
  - f) that proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report as required under SEBI (LODR) Regulations, 2015 forms part of the Annual Report.

## **DIVIDEND**

In the absence of adequate profits during the year under consideration, your directors express their inability to declare any dividend on shares.

## **RESERVES**

Since company has not declared any dividend so no amount is to be transferred to any reserve.

## **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is no change in the nature of business during the year under review.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is no order passed by the regulators or courts or tribunals that impact Company's affairs.

## **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

# VELOX INDUSTRIES LIMITED

**(formerly Known as Khatau Exim Limited)**

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: veloxindustriesltd@gmail.com

---

CIN No.L15122MH1983PLC029364

## PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

The company does not have any subsidiary, joint venture or associate company.

### DEPOSITS

The Company has not accepted any deposits from public during the year under review.

### ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Employees, Shareholders, Customers and Suppliers, for their support and cooperation during the year under review.

**By Order of Board of Directors  
For VELOX INDUSTRIES LIMITED**

**Place: Mumbai  
Date: 12.08.2016**

**(SANJIV JAIN)  
CHAIRMAN**

---

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

**TO**  
**THE MEMBERS,**  
**VELOX INDUSTRIES LIMITED**

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

Based on my verification of the **VELOX INDUSTRIES 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, 2016 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **VELOX INDUSTRIES LIMITED** ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-



- 
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

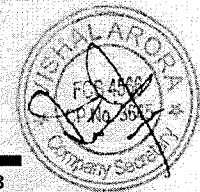
I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by the institute of company secretaries of India.
2. The listing agreement and Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange Limited (BSE).

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

**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 are carried out in compliance with the provisions of the Act. The Company has





**VISHAL ARORA**

B.COM. F.C.S., M.F.C.

---

complied with section 203 of Companies Act 2013 in relation to the appointment of KMP for the relevant financial year under review.

Adequate notice is given to all the Director's to schedule the Board Meetings, agenda and detailed notes on agenda are sent atleast 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 while the dissenting members' views are captured and recorded as part of the minutes

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

PLACE: CHANDIGARH

DATE: 11/08/2016



(VISHAL ARORA)

COMPANY SECRETARY

FCS NO. 4566

CP NO.3645

"Annexure -A"

**VISHAL ARORA**

B.COM. F.C.S., M.F.C.

---

**TO  
THE MEMBERS,  
VELOX INDUSTRIES LIMITED**

**My report of even date is to be read along with this letter.**

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**PLACE: CHANDIGARH  
DATE: 11/08/2016**



**(VISHAL ARORA)  
COMPANY SECRETARY  
FCS NO. 4566  
CP NO.3645**

**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L15122MH1983PLC029364
ii)	Registration Date	21/02/1983
iii)	Name of the Company	VELOX INDUSTRIES LIMITED (formerly Khatau Exim Ltd.)
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	The Submit Business Bay, 102-103, Level-1 Service Road, Western Express Highway, Viley Parle, East Mumbai, Maharashtra Tele:- +91-022-42288300 Email: khataueximltd@gmail.com
vi)	Whether listed company	Yes (Listed at BSE)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Alankit Assignments Ltd. 205-208 Anarkali Extension Jhandewalan Extension, New Delhi- 110055 Tel:- +91-11-42541965 Fax:- +91-11-41540064 E-mail: info@alankit.com Website: www.alankit.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be Stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ services	% to Total turnover of the company
1	Foods and Beverages	101-110	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN/UIN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Zeus Trading Enterprise Pte. Ltd	-	Holding	68.61	2 (46)



(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	-	27525	27525	11.05	-	27525	27525	11.05	Nil
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	19025	19025	7.64	-	19025	19025	7.64	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	31600	31600	12.70	-	31600	31600	12.70	Nil
c) Others (specify) Custodians/Clearing Members NRIs									
<b>Sub-total (B)(2):-</b>	-	78150	78150	31.38	-	78150	78150	31.38	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	78150	78150	31.38	-	78150	78150	31.38	Nil
C. Shares held by Custodian for GDRs & ADRs									
Grand total (A+B+C)	-	249000	249000	100	-	249000	249000	100	Nil

ii) Shareholding of Promoters

SL No	Shareholder Name	Shareholding at the beginning of the year			Share holding 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 /encumberred to total shares	No. of Shares	% of total Shares of the company	% of shares pledged /encumberred to total shares	
1	Zeus Trading Enterprise Pte. Ltd	170850	68.61	Nil	170850	68.61	Nil	Nil
	<b>Total</b>	170850	68.61	-	170850	68.61	-	-

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

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Zeus Trading Enterprise Pte. Ltd				
	At the beginning of the year	170850	68.61	170850	68.61
	Change during the year	Nil	Nil	Nil	Nil
	At the end of the year	170850	68.61	170850	68.61

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shukdev Finvest Private Limited	27525	11.05	27,525	11.05
2.	Shalika Malhotra	-	-	10,700	4.30
3.	Lakshya kumar	-	-	10,500	4.22
4.	Meetu Singla	-	-	10,400	4.18
5.	Neha Verma	5150	2.07	5150	2.07
6.	Parminder Singh	-	-	2400	0.96
7.	Harish bhimbraw	-	-	2400	0.96
8.	Ravi Dewan	-	-	2400	0.96

9.	Vijay Chandla	-	-	2300	0.92
10.	Sachin Chhadawa	2250	0.90	2250	0.90

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Sanjiv Jain</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
2	<b>Mr. Vijay Kumar Bhutna</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
3	<b>Mr. Mehul Chandrakant Mehta</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
4	<b>Ms. Veena Dadwal</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
5	<b>Mr. Lalit Goyal</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
6	<b>Mr. Gourav Kapoor</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Change during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

## V. INDEBTEDNESS

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

	Secured loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	Nil	30,00,000	Nil	30,00,000
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	Nil	30,00,000	Nil	30,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (I + II+ III)</b>	Nil	30,00,000	Nil	30,00,000

## 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 Remuneration
		<b>Vijay Kumar Bhutna</b>	
1.	Gross salary	Nil	Nil
	(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	Nil	Nil



	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act	-	-

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Veena Dadwal	Mehul C Mehta		
	3. Independent Directors	Nil	Nil	-	Nil
	· Fee for attending board/ committee meetings				
	· Commission	Nil	Nil	-	Nil
	· Others, please specify	Nil	Nil	-	Nil
	<b>Total (1)</b>	Nil	Nil	-	Nil
	4. Other Non-Executive Directors	-	-	Sanjiv Jain	Nil
	· Fee for attending board/ committee meetings				
	· Commission	-	-	Nil	Nil
	· Others, please specify	-	-	Nil	Nil
	Total (2)	-	-	Nil	Nil
	Total (B)=(1+2)	-	-	Nil	Nil
	Total Managerial Remuneration	-	-	Nil	Nil
	Overall Ceiling as per the Act	-	-	Nil	Nil

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

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company secretary	CFO	Total

1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	Nil	Nil	Nil
2	Stock Option	-	Nil	Nil	Nil
3	Sweat Equity	-	Nil	Nil	Nil
4	Commission - as % of profit - others, specify	-	Nil	Nil	Nil
5	Others, please specify	-	Nil	Nil	Nil
	<b>Total</b>	-	Nil	Nil	Nil

**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)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



# A. F. KHASGIWALA & CO.

CHARTERED ACCOUNTANTS

3/307, Rewa Chambers,  
31, New Marine Lines,  
Mumbai - 400 020.

Off. Telefax : 2200 4167  
Resi. Tel. : 2380 1118  
Mobile : 9820601030  
E-mail : a.f\_khasgiwala@yahoo.com

## INDEPENDENT AUDITORS' REPORT

To,

The members of

**Velox Industries Ltd.**

(formerly known as Khatau Exim Ltd.)

### REPORT ON STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **Velox Industries Ltd (formerly known as Khatau Exim Ltd.)** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its Loss and its cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. 61 Financial Statements Corporate Overview Statutory Reports Standalone Financial Statements Notice
- 2) As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



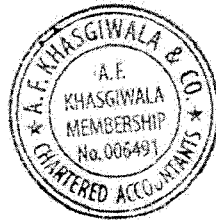
- e) on the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact, if any, of pending litigations as at 31st March 2016, on its financial position in its standalone financial statements.
  - ii) The Company has not entered into any on long-term contracts including derivative contracts requiring provision under the applicable law or accounting standards, for material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For A.F.KHASGIWALA & CO.**  
**Firm Registration No.: 105114W**  
**Chartered Accountants**



**A.F. Khasgiwala.**  
**Partner**  
**(Membership No. 006491)**

**Place: Mumbai,**  
**Dated : 21/05/2016**





# A. F. KHASGIWALA & CO.

CHARTERED ACCOUNTANTS

3/307, Rewa Chambers,  
31, New Marine Lines,  
Mumbai - 400 020.

Off. Telefax : 2200 4167  
Resi. Tel. : 2380 1118  
Mobile : 9820601030  
E-mail : a.f\_khasgiwala@yahoo.com

**ANNEXURE TO THE AUDITORS' REPORT OF VELOX INDUSTRIES LTD**  
**FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2016**  
(Referred to in paragraph 2 Our Report of even date)

On the basis of such checks, as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.  
  
(b) Fixed Assets were physically verified at the end of the year by the management. In our opinion procedure of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (ii) There has been no inventory at any point of time during the year, hence items (a), (b) and (c) of clause 3 (ii) of the Order not applicable.
- iii) According to the information and explanations given to us and on the basis of our examinations of the books of account, the company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 189 of the Act, consequently Clauses 3 (iii) (a) and (b) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase and payment of expenses and Fixed Assets and for the sales of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported in the internal control system.
- v) The Company has not accepted any deposits from the public, which are covered under Section 73 to 76 of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi) As per information and explanations given by management, maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act is not applicable to the company.



- vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, VAT, Cess or any other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Sales Tax , Wealth Tax, Service Tax, Customs Duty, Excise Duty, VAT or Cess which have not been deposited on account of any dispute.
- (c) The Company is not required to transfer any sums to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956(1 of 1956) and rules made thereunder , so there is the question of delay in transferring such sums does not arise .
- viii) The accumulated losses of the Company at the end of year are not less than 50% of its net worth. The Company has incurred cash losses in the current financial year and had not incurred cash losses in the immediately preceding financial year.
- ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, Bank or Debenture holders.
- x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
- xi) Based on our audit procedures and the information given by the management , we report that the Company has not raised any term loans during the year
- xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, no fraud on or by the Company has been noticed or reported during the year in the course of our audit .

**For A.F.KHASGIWALA & CO.**  
**Firm Registration No.; 105114W**  
**Chartered Accountants**



**A.F. Khasgiwala.**  
**Partner**  
**(Membership No. 006491)**

**Place: Mumbai,**  
**Dated : 21/05/2016**



**VELOX INDUSTRIES LTD. (FORMERLY KNOWN AS KHATAU EXIM LIMITED)**  
**BALANCE SHEET AS AT PERIOD ENDED 31, MARCH 2016**

PARTICULARS	Note No.	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>I.EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	I	2,490,000	2,490,000
b) Reserves & Surplus	II	(1246216)	(850,741)
c) Money received against share warrants			-
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liabilities(Net)		-	-
(c) Other Long term liabilities		-	-
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	III	3000000	3000000
(b) Trade Payable	IV	28082567	27864811
(c) Other current liabilities	V	16,854	8,478
(d) Short term Provisions		-	-
	<b>TOTAL</b>	<b>32343206</b>	<b>32,512,548</b>
<b>II.ASSETS</b>			
<b>Non-Current Assets</b>			
<b>(1) (a) Fixed Assets</b>			
(i) Tangible Assets		-	-
(ii) Intangible Assets		-	-
(iii) Capital work in Progress		-	-
(iv) Intangible Assets under Dvelopment		-	-
Accumulated depreciation		-	-
<b>Net Block</b>	<b>TOTAL</b>	<b>-</b>	<b>-</b>
(b) Non-Current investment	VI	44278	44,278
(c) Long-term loans & advances		-	-
(d) Long term loans & advances		-	-
(e) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Current investment		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and Cash equivalents	VII	29127841	29,290,458
(e) Short-term loans and advances	VIII	3171086	3,177,813
(f) Other Current Assets		-	-
	<b>TOTAL</b>	<b>32343205</b>	<b>32,512,548</b>
For A.F. Khasgiwala & Co.	sd/-	sd/-	
Firm Regn. No.105114W	<b>Sanjiv Jain</b>	<b>Vijay Kumar Bhutna</b>	
Chartered Accountants	<b>Director</b>	<b>Managing Director</b>	
 (A.F. Khasgiwala)	 sd/-	 sd/-	
Partner	<b>Gourav Kapoor</b>	<b>Lalit Goyal</b>	
Membership No.6491	<b>Company Secretary</b>	<b>Chief Financial Officer</b>	
Place: Mumbai			
Date: 21/05/2016			



**VELOX INDUSTRIES LTD. (FORMERLY KNOWN AS KHATAU EXIM LIMITED )****STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED AS ON 31.03.2016**

	Note No.	Year Ended 31.03.16 (Rs.)	Year Ended 31.03.2015 (Rs.)
Other Income		1,194	967,966
<b>Total Revenue</b>		<b>1,194</b>	<b>967,966</b>
<b>EXPENSES</b>			
Financial Cost	IX	115	955
Other expenses	X	396,554	623,529
<b>TOTAL-B</b>		<b>396,669</b>	<b>624,484</b>
<b>Profit before exceptional &amp; extraordinary items &amp; Tax</b>		<b>(395,475)</b>	<b>343,482</b>
<b>Exceptional items</b>			
Previous Year Income		-	-
Previous Year Expenses		-	-
<b>Profit before extraordinary items and Tax</b>		<b>(395,475)</b>	<b>343,482</b>
<b>Extra ordinary Items:</b>			
(a) Reversal of Previous year Provision		-	-
<b>Profit before Tax</b>		<b>(395,475)</b>	<b>343,482</b>
<b>TAX EXPENSES:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
<b>Profit (Loss) for the period from continuing Operation</b>		<b>(395,475)</b>	<b>343,482</b>

**Earnings per equity share:**

(1)Basic	(1.59)	1.38
(2)Diluted	(1.59)	1.38

For A.F. Khasgiwala & Co.  
Firm Regn. No.105114W  
Chartered Accountants

sd/-  
**Sanjiv Jain**  
Director

sd/-  
**Vijay Kumar Bhutna**  
Managing Director

(A.F. Khasgiwala)  
Partner  
Mambership No.6491

sd/-  
**Gourav Kapoor**  
Company Secretary

sd/-  
**Lalit Goyal**  
Chief Financial Officer

Place: Mumbai  
Date: 21/05/2016

**NOTES FORMING PART OF BALANCE SHEET  
AND STATEMENT OF PROFIT AND LOSS**

PARTICULARS	As at 31.03.2016  (Rs.)	As at 31.03.2015  (Rs.)
<b>Note No. I</b>		
<b>SHARE CAPITAL</b>		
<b>a) Authorised</b>		
10 00,000 Equity Shares of Rs.10/- each (Previous Year 10,00,000 Equity Shares of Rs.10/- Each)	10000000	10000000
	<u>10,000,000</u>	<u>10,000,000</u>
<b>b) Issued, Subscribed &amp; Paid Up</b>		
Balance as per Last Balance Sheet:	2490000	2,490,000
Addition during the year Nil (Previous Year NIL)		-
2,49,000 (Previous Year 2,49,000) Equity Shares of Rs.10/-each fully called up and paid up.		
	<u>2,490,000</u>	<u>2,490,000</u>
<b>Shareholders holding more than 5% shares</b>		
M/s Zeus Trading Enterprise Pte Ltd., Singapore	170850 (68.61%)	170850 (68.61%)
M/s Shukdev Finvest Private Limited	27525 (11.05%)	27525 (11.05%)
<b>NOTE NO II</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>(a) General Reserve</b>		
As per Last Balance Sheet	60	60
Add: Transfer during the year	-	-
<b>(b) Profit &amp; Loss Account</b>		
As per Last Balance Sheet	(850,801)	(1,194,280)
Add: Transfer from Profit & Loss Account	(395,475)	343,480
	<u>(1,246,216)</u>	<u>(850,740)</u>

**NOTES FORMING PART OF BALANCE SHEET  
AND PROFIT AND LOSS ACCOUNT**

PARTICULARS	AS AT	AS AT
	31.03.2016	31.03.2015
	Rs.	Rs.
<b>CURRENT LIABILITIES</b>		
<b>Note No. III</b>		
<b>a) Short term Borrowings</b>		
<b>Unsecured</b>		
- Others	3,000,000	3,000,000
<b>TOTAL</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Note No. IV</b>		
<b>b) Trade Payable:</b>		
Total outstanding dues to small scale Industrial undertakings	50,591	63,400
Total outstanding dues to other undertakings	28,031,976	27,801,411
<b>TOTAL</b>	<b>28,082,567</b>	<b>27,864,811</b>
<b>Note No. V</b>		
<b>Other Current Liabilities:</b>		
Audit Fee Payable	16,854	8,427
TDS Payable	-	51
<b>TOTAL</b>	<b>16,854</b>	<b>8,478</b>
<b>Note No. VI</b>		
<b>Non-Current Assets</b>		
<b>Non-Current investment:</b>		
<b>Investment in Equity Instruments (Quoted)</b>		
PAL CREDIT & CAPITAL LTD., (No. of Shares 2600, Face Value Rs. 10/-) (Market Value Rs.2.34/- per share) valuing to Rs.6,084/-	44,278	44,278
<b>TOTAL</b>	<b>44,278</b>	<b>44,278</b>
<b>Note No. VII</b>		
<b>Cash and Cash equivalents</b>		
Cash balance in hand	28960367	29080367
Bank balances with Scheduled Banks :	167474	210091
<b>TOTAL</b>	<b>29,127,841</b>	<b>29,290,458</b>
<b>Note No. VIII</b>		
<b>Short-term loans and advances</b>		
(a) Advances to other parties	3046325	3043525
(b) Rent Security	15000	15000
(c) TDS Receivable	0	99696
(d) Advance Service Tax	36779	11654
(e) Service Tax Receivable	0	406
(f) Mat Credit Entitlement	72982	7532
<b>TOTAL</b>	<b>3,171,086</b>	<b>3,177,813</b>

	As at 31.03.16 (Rs.)	As at 31.03.2014 (Rs.)
<b>Note No.-IX</b>		
<b>FINANCE COST</b>		
Bank Charges & Others	115	955
Commission & Brokerage		
Forex Fluctuations-Expenses (gain)		
<b>TOTAL</b>	<b>115</b>	<b>955</b>
<b>Note No -X</b>		
<b>OTHER EXPENSES</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Audit Fees	8,427	8,427
--Certification Fees	0	10309
Rent	130000	240000
Rate fee & Taxes	207984	136513
Commision & Brokerage	-	-
Legal & Professional Charges	26000	132276
Printing & Stationary	0	1155
Directors Fees	0	15000
Other Expenses	0	1297
Balance written off	3	0
Misc. Office Exp.	-	-
Staff Salary	0	42900
<b>TOTAL</b>	<b>372,414</b>	<b>587,877</b>
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement & Publicity	24140	35652.34
<b>TOTAL</b>	<b>24,140</b>	<b>35,652</b>
For A.F. Khasgiwala & Co. Firm Regn. No.105114W Chartered Accountants	sd/- <b>Sanjiv Jain</b> Director	sd/- <b>Vijay Kumar Bhutna</b> Managing Director
(A.F. Khasgiwala) Partner Mambership No.6491	sd/- <b>Gourav Kapoor</b> Company Secretary	sd/- <b>Lalit Goyal</b> Chief Financial Officer
Place: Mumbai Date: 21/05/2016		

**VELOX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS KHATAU EXIM LIMITED)**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**NOTE NO. IX**

**1. SIGNIFICANT ACCOUNTING POLICIES:**

- a. ACCOUNTING CONCEPTS: The Company follows Mercantile System of Accounting and recognises Income and Expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are consistent with the generally accepted accounting principles.
  - b. INVESTMENTS: Investments being of long-term nature are stated at their cost of acquisition.
  - c. PROVISION FOR TAXATION: Provision for current income tax is based on the taxable profits of the Company computed in accordance with the provisions of the Income Tax Act, 1961.
  - d. CONTINGENT LIABILITIES & COMMITMENTS: Contingent Liabilities & Commitments (to the extent not provided for) - Nil.
2. The Company has invested Rs. 44,278/- in quoted equity shares of Pal Credit & Capital Ltd. The market value of such securities is Rs. 6,084 (2,600 equity shares amounting to Rs. 2.34 per share).
  3. The necessary provision for current taxation has been made by the Company in terms of the provisions of the Income Tax Act, 1961.

**VELOX INDUSTRIES LIMITED**  
**(FORMERLY KNOWN AS KHATAU EXIM LIMITED)**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**NOTE NO. IX**

4. In consideration of prudence and on account of the uncertainty involved with regards to future taxable profits, the Company has neither recognized a deferred tax asset (comprising of unabsorbed depreciation and carry forward of business losses) nor a deferred tax liabilities ( being the timing difference on account of depreciation )as at 31<sup>st</sup> March 2015.
5. In the opinion of the Board, Current Asset, Loan and Advances are approximately of the value stated, if realized, in the ordinary course of business. Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
6. Related Party Disclosures:  
List of Related Parties and Relationships: NIL
7. No sitting fees has been paid to the Directors for attending board meetings during the year.
8. EARNINGS PER SHARE: Earnings per share is calculated by dividing the profit/ (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The numbers used in calculating the basic and diluted Earning per Share are as follows:

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Net Profit/(Loss) (A)	(3,95,480)	(3,43,482)
Weighted Average number of equity shares outstanding during the period (B)	2,49,000	2,49,000
Basic & Diluted Earnings per share of Rs.10/- each. (A/B)	(1.59)	(1.38)

9. Previous year's figures have been regrouped/rearranged, wherever necessary, to conform to the current year's classification, keeping in view the Revised Schedule-VI.