

EFFINGO TEXTILE & TRADING LIMITED

Textile Industry



31st ANNUAL REPORT
FOR THE YEAR ENDED
31ST MARCH, 2016

EFFINGO TEXTILE & TRADING LIMITED

DIRECTORS:

Ms. Priya Raval
Mr. Gaurav Bahety
Mr. Rakesh Kumar
Mr. Yogesh Kumar

BANKERS:

AXIS BANK LTD

AUDITORS:

M/S S.B.JAJOO & CO.

REGISTERED OFFICE:

L-30/A "Dreams" The Mall,
Gate No.2 L.B.S Marg,
Near Bhandup Station,
Bhandup (West) Mumbai-400078.

REGISTRAR AND SHARE TRANSFER AGENT

Abhipra Capital Ltd , (bm-1),
A-387, Abhipra Complex,
Dilkhush Industrial Area,
G. T. Karnal Road, Azadpur, Delhi,
Delhi -110033
Tele. 011 -42390725
Fax: 011-42390830.
E-Mail: Jeewatrai@Abhipra.Com

LISTING

The Bombay Stock Exchange Ltd

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the shareholders of the Company will be held on 30th September, 2016 at 10.00 AM at Registered Office no. L-30/A, Dreams The Mall Gate No. 2, L.B.S. Marg, Near Bhandup Station, Bhandup West, Mumbai -400078, India to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Audited Profit and Loss Account of the Company for the period ended 31st March, 2016 together with Directors' Report and Auditors' Report thereon.
- 2 To consider and if thought fit, to pass with or without modifications, the following, resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Gaurav Bahety (DIN: 05167731), a Director liable to retire by rotation pursuant to section 152(6) of the Companies Act 2013, who seek re-election, be re-appointed as the director of the Company."

- 3 To ratify the appointment of M/s S.B.JAJOO & CO, Chartered Accountants, as Statutory Auditors of the Company by passing following resolution:

"RESOLVED THAT pursuant to the provisions of Section 139(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s S.B.JAJOO & CO, Chartered Accountants, (Firm Reg No.125915W), who were appointed as the Statutory Auditors of the Company, to hold office from the conclusion of 29th Annual General Meeting till the conclusion of 33rd Annual General Meeting, be and is hereby ratified for the financial year 2016-17"

**By Order of the Board of Directors
For Effingo Textile & Trading Limited**

Sd/-

**Priya Rawal
(Din:-05108446)
(Managing Director)**

**Place: Mumbai
Date: 31st August 2016**

NOTES:

1. A member entitled to attend and vote on a poll is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. a person can act as proxy on behalf of members upto and not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company. further, a member holding more than ten percent (10%) 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 proxy for any other person or member. The instrument appointing proxy must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting.

2. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the company will remain closed from 24th September 2016 to 30th September 2016 both days inclusive.
3. Members are requested to address all communication regarding transfer of shares, change of address etc. directly to the Share Transfer Agent of the Company, **Abhipra Capital Limited**, Abhipra Complex, Dilkhush Industrial Estate, A 387, G T Karnal Road, Azadpur, Delhi – 110033 and in case their shares are held in the dematerialized form, this information should be passed on to their respective Depository Participants without any delay.
4. Members desirous of availing nomination facility may send their nomination in the prescribed form. Nomination forms can be obtained from the Registrars/ Company.
5. Members desirous of obtaining any information concerning the account and operations of the Company are requested to address their queries to the Chairman, so as to reach the Registered Office of the Company at least seven days before the date of the Meeting, to enable the Company to make available the required information at the Meeting, to the extent possible.
6. On dematerialisation of shares, the nomination registered by the Company automatically stands cancelled. In the case of shares held in electronic (dematerialised) form, the Members are given an option of nomination at the time of opening a demat account. If no nomination is made at the time of opening the demat account, they should approach their respective Depository Participant.

We, therefore, appeal to the members to register their name in getting the documents in electronic mode by sending an e mail giving their Registered Folio No. and/or DP Id/Client Id to the dedicated e mail address at maltitextile@yahoo.com

7. Members/Proxies are requested to bring the Attendance Slip sent with this Notice duly filled-in for attending the meeting.
8. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice hereto.
9. Members are requested to bring their copy of Annual report to the meeting.
10. In terms of circular no.MRD/DoP/Cir-05/2010 dated 20th May, 2009 issued by Securities and Exchange Board of India (SEBI) it is now mandatory for the transferee of the physical shares to furnish copy of PAN card to the Company or its RTA for registration of transfer of shares. Shareholder is requested to furnish copy of PAN card at the time of transferring their physical shares.
11. Details of Directors seeking appointment / re-appointment:

Name	Mr. Gaurav Bahety
Age	26 years
Qualification	B.Com
Nature of Expertise	Account & Finance
No of years of Experience in the industry	5 years
Name of the Companies in which also holds Directorship	Nil
Name of the Companies in committees of which also holds Membership/ Chairmanship	Nil

E voting:

1. According to section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 e-voting is mandatory for all listed Companies or Companies having Shareholders not less than one thousand.
2. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (I) Limited (CDSL):
3. A member may exercise his vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
4. During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on a fixed date, may cast their vote electronically.
5. The e-Voting shall remain open from 27th September 2016, 09.A.M upto 29th September 2016, 05.P.M.
6. *E-Voting shall be completed one days prior to the date of Annual General Meeting which is scheduled to be held on 30th September, 2016.
7. The Board of Directors at their meeting have appointed Mr. Harsh Vijay Gor, Partner of H V Gor & Co, Practicing Company Secretaries as the scrutinizer for e-Voting to unblock the votes in favour or against, if any, and to report forthwith to the Chairman. The scrutinizer will be responsible to conduct e-Voting in a fair and transparent manner.
8. Vote once casted by the member cannot be changed/ altered.

Process of E voting:

1. The voting period begins on 27th September 2016, 09.A.M and ends on 29th September 2016, 05.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 23rd September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com
4. Click on "Shareholders" tab.
5. 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.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

8. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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 demat account/folio number in the PAN field. In case the folio 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 1 then enter RA00000001 in the PAN field.
Dividend Bank Details# OR Date of Birth DOB#	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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 (v).

9. After entering these details appropriately, click on "SUBMIT" tab.

10. Members holding shares in physical form will then directly reach 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

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

12. Click on the EVSN for the relevant Effingo Textile & Trading Limited on which you choose to vote.

13. 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.

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

15. 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.

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

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

18. 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.

19. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

20. Note for non- Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- 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.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

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

Registered Office:
L-30/A "Dreams" The Mall,
Gate No.2 L.B.S Marg,
Near Bhandup Station,
Bhandup (West) Mumbai-400078,

For Effingo Textile & Trading Ltd
Sd/-
Ms. Priya Rawal
(DIN: 05108446)
Managing Director

DIRECTORS' REPORT**1. INTRODUCTION**

Your Directors are elated in presenting the 31st Annual Report of the Company along with the Audited Statement of Accounts for the year ended as on 31st March, 2016.

2. FINANCIAL RESULTS**(Amount in Rs)**

Particulars	Current Financial Year (2015-2016)	Previous Financial Year (2014-2015)
Net Profit/(Loss)Before Depreciation and Tax	2,731,789	5,356,828
Depreciation	14,240	3,566
Profit / (Loss) before Tax	2,717,549	5,353,263
Provision for Tax	843,045	1,697,112
Profit/ (loss) after Tax	1,877,490	3,656,150
Balance Brought forward	2,629,224	(972,228)
Add : Excess / (short) Provision of Income Tax	(10,871)	(54,698)
Balance carried to Balance Sheet	4,495,843	2,629,224

3. BUSINESS OVERVIEW

Due to adverse market situations, the profit of the Company has declined from Rs. 3,656,150 to Rs. 1,877,490 .The Company's policy of management has provided cushion effect to the adversities of the market on the performance of Company. The Board of Directors looks towards the future performance with a positive approach.

4. DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and with a view to conserve the resources, they do not recommend any dividend for the year ended 31st March, 2016.

5. CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable.

6. STATUTORY AUDITORS

M/s. S. B. Jajoo & Co, Chartered Accountants, Mumbai were appointed as the Statutory Auditors of the company at the 29th AGM held on 27th September 2014, for four consecutive years, subject to ratification at every Annual General Meeting. Accordingly, their appointment is proposed to be ratified in the ensuing AGM. They have given their eligibility & consent for the proposed ratification.

7. SECRETARIAL AUDITORS

M/s. H V Gor & Co, Practicing Company Secretaries have been appointed in the Board Meeting held on 27th May, 2016 as the Secretarial Auditor of the Company u/s 204 of the Companies Act, 2013 to conduct Secretarial Audit of the matters of the Company and report thereof. The Secretarial Auditor's Report has been annexed to the Board Report under Annexure IV.

8. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualification, reservation or adverse remark made by the Auditors in their report. The explanations made by the Board relating to the qualifications, reservations, adverse remarks made by the Practicing Company Secretary in his Secretarial Audit Report are furnished as under:

Secretarial Auditor's comment:

1. Pursuant to Section 203 (1)(b) & (c) of the Companies Act, 2013 read with Rule 8 and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has failed to appoint a Company Secretary in whole time employment of the Company

Explanation:

1. The Company has been inviting the applications for the post of Company Secretary in whole time employment of the Company by issuing classifieds in the newspapers. However, the Company has failed to receive application from a suitable candidate for the aforementioned responsibilities.

Secretarial Auditor's comment:

2. Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Company has failed to appoint Internal Auditor for the Financial Year 2015-16

Explanation:

2. Although the appointment of Internal Auditor is mandatory, the Board of Directors of the Company are of the opinion that looking at the size of the company and its business operations, the Statutory Auditors appointed by the Company have devised proper systems for internal financial control and to ensure compliance with the provisions of all the applicable laws, and that such systems are adequate and are operating effectively.

Secretarial Auditor's comment:

3. The Company has filed certain intimations to the Stock Exchange under the Listing Agreement read with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, related to Outcome of Board meetings after stipulated time period.

Explanation:

3. The Company has failed to submit the intimations and disclosures with the stock exchange within stipulated time frame due to inadvertent error. However, the Company has made sure that all the required disclosures and intimations has been delivered to the stock exchange.

Secretarial Auditor's comment:

4. The Shareholding Holding Pattern for the quarter ended December 31, 2015 as per Regulation 31(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, has been filed with the Stock Exchange beyond the stipulated time period.

Explanation:

4. The Company has failed to submit their shareholding Pattern with the stock exchange within stipulated time frame due to inadvertent error. However, the Company has made sure that all the required disclosures and intimations has been delivered to the stock exchange.

Secretarial Auditor's comment:

5. The Company is in process of updation of its website with documents required to be uploaded thereon as per the provisions of the Companies Act, 2013 and Listing Agreement read with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Explanation:

5. The website of the Company has not been updated due to technical reasons. However, the Company is in the process of updating the website.

Secretarial Auditor's comment:

6. The Company is not in compliance with Clause 41 (III)(b) of the Listing Agreement for the period 1st April, 2015 to 30th November, 2015 and Regulation 47 (1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period 1st December, 2015 to 31st March, 2016, related to publication of Notice of Board Meeting in news paper.

Explanation:

6. The Company has failed to comply with the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to publication of notice of Board Meetings in news paper due to genuine oversight on the part of the Company. However, the Company has proposed to comply with the same from this financial year.

Secretarial Auditor's comment:

7. The Company is not in compliance with Clause 41(IV)(a) of the Listing Agreement for the period 1st April 2015 to 30th November, 2015 and Regulation 47(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period 1st December, 2015 to 31st March, 2016, related publication of Financial Results in news paper.

Explanation:

7. The Company has failed to comply with the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to publication of Financial Results in newspaper due to genuine oversight on the part of the Company. However, the Company has proposed to comply with the same from this financial year.

Secretarial Auditor's comment:

8. The composition of the Nomination and Remuneration Committee is not as per the provisions of the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation:

8. The Company has failed to effect the appointment of the Independent Directors due to genuine oversight on the part of the Company. However, the Company has proposed to appoint Additional Independent Director to meet with the desired composition of the Nomination & Remuneration Committee as per the provisions of the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchange read with SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015..

9. DIRECTORS

There was no change in the Board of Directors of the Company during the financial year under review.

10. DECLARATION BY THE INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

11. BOARD MEETINGS

During the financial year under review, the Board of Directors met Six times.

12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

13. INFORMATION PURSUANT TO RULE 5 (2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

14. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16.

No of complaints received:	Nil
No of complaints disposed off:	Nil

15. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, your Directors state that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of its profit for the year ended on that date;
- c. They have taken proper and sufficient care to the best of their knowledge and ability 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; and
- d. They have prepared the annual accounts for the year ended 31st March, 2016 on a 'going concern' basis; and
- e. They have laid down Internal Financial Controls, which are adequate and are operating effectively.
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loan given or guarantee given or investment made or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review and hence the said provisions are not applicable.

17. DISCLOSURES OF AMOUNTS, IF ANY, TRANSFER TO ANY RESERVES.

It is not proposed to carry any amount to any reserves from the profits of the Company. Hence, disclosure under Section 134 (3) (j) of the companies act, 2013 is not required.

18. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS 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 statement relate on the date of this report.

19. ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption are not required to be furnished considering the nature of activities undertaken by the Company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

20. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

The Company has developed & implemented Risk Management Policy. However, Company has not come across any element of risk which may threaten the existence of the Company.

21. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

22. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (viii) OF COMPANIES (ACCOUNTS) RULES, 2014:

The Company has an adequate Internal financial control system, commensurate with the size of its business operations.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

24. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "Annexure - MGT-9".

25. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members;

- | | | | | |
|----------------------|---|--------------------------|---|----------|
| a. Mr. Rakesh Kumar | - | Independent Director | - | Chairman |
| b. Mr. Yogesh Kumar | - | Independent Director | - | Member |
| c. Mr. Gaurav Bahety | - | Executive Director & CFO | - | Member |

The above composition of the Audit Committee consists of independent Directors viz., Mr. Rakesh Kumar and Mr. Yogesh Kumar who form the majority.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and directors of the Company.

26. CORPORATE GOVERNANCE:

Your Company is committed to adopting the best Corporate Governance practices. It believes that proper corporate governance is not just a regulatory compliance nut also a facilitator for enhancement of stakeholder's value. Reports on Corporate Governance and Management Discussions & Analysis are annexed and form part of this report.

27. APPRECIATION AND ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the co-operation and support of the Company's Bankers, its valued customers, employees and all other intermediaries concerned with the Company's business.

Your directors are grateful towards all members for supporting and sustaining us during the intricate days. We look forward to your continued support and reiterate that we are determined to ensure that the plans are successfully implemented.

**By Order of the Board of Directors
For Effingo Textile & Trading Limited**

Sd/-

**Priya Rawal
(Managing Director)**

Place: Mumbai

Date: 31st August 2016

MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2016

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L17110MH1985PLC035398
Registration Date	:	18/02/1985
Name of the Company	:	EFFINGO TEXTILE & TRADING LIMITED
Category / Sub-Category of the Company	:	Company having share capital
Address of the Registered office and contact details	:	L-30/A"Dreams" The Mall, Gate No.2 L.B.S Marg, Near Bhandup Station, Bhandup (West) Mumbai – 400078.
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Abhipra Capital Ltd ,(BM-1), A-387, Abhipra Complex, Dilkhush Industrial Area, G. T. Karnal Road, Azadpur, Delhi, 110033. Tel no.011- 42390909, Fax no.011- 23414503 Email:- rta@abhipra.com Webmail:- www.abhipra.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/ service	% to total turnover of the company
1	Wholesale of Textiles, Fabrics, yarn, Household linen, Articles of Clothing	46411	100%

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
1	N.A	N.A	N.A	N.A	N.A
2	N.A	N.A	N.A	N.A	N.A

I 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. Promoters									
(1) Indian									
a) Individual/HUF	897400	N.A	897400	0.82	897400	N.A	897400	0.82	N.A
b) Central Govt	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
c) State Govt(s)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
d) Bodies Corp.	2250000	N.A	2250000	2.05	2250000	N.A	2250000	2.05	N.A
e) Banks / FI	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
f) Any other	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Sub-total(A)(1):	3147400	N.A	3147400	2.86	3147400	N.A	3147400	2.86	N.A
(2) Foreign									
a) NRIs - Individuals	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
b) Other – Individuals	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
c) Bodies Corp.	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
d) Banks / FI	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
e) Any other	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Sub-total (A)(2):									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3147400	N.A	3147400	2.86	3147400	N.A	3147400	2.86	N.A
B. Public Shareholding	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
(1) Institutions	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
a) Mutual Funds	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
b) Banks / FI	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
c) Central Govt	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
d) State Govt(s)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
e) Venture Capital Funds	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
f) Insurance Companies	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
g) FIIs	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
h) Foreign Venture Capital Funds	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
i) Others (specify)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Sub-total (B)(1):	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
(2) Non-									

Institutions									
a) Bodies Corp.	23714447	354000	24068447	21.89	22975982	354000	23329982	21.21	N.A
i) Indian	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
ii) Overseas	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
b) Individuals	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1436501	44400	1480901	1.35	1612536	93400	1705936	1.55	N.A
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	67634145	1250000	68884145	62.64	68167039	1250000	69417039	63.13	N.A
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
c) Others/HUF Clearing Members	12379107	N.A	12379107	11.26	12359643	N.A	12359643	11.2	N.A
Total Public Shareholding (B)=(B)(1)+(B)(2)	105164200	1648400	106812600	97.14	108262600	1697400	109960000	N.A	N.A
C. Shares held by Custodian for GDRs & ADRs	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Grand Total (A+B+C)	108311600	1648400	109960000	100	108262600	1697400	109960000	100	N.A

ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's 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/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	MANISH JAIN	779680	0.71	N.A	MANISH JAIN	779680	0.71	N.A
2	VINEET JAIN	45200	0.04	N.A	VINEET JAIN	45200	0.04	N.A
3	ANJU JAIN	72520	0.07	N.A	ANJU JAIN	72520	0.07	N.A
4	MANTRA CONSOL PRIVATE LIMITED	2250000	2.05	N.A	MANTRA CONSOL PRIVATE LIMITED	2250000	2.05	N.A
	Total	3530800	3.21	N.A	Total	3530800	3.21	N.A

iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	N.A	N.A	N.A	N.A
	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)	N.A	N.A	N.A	N.A
	At the End of the year	N.A	N.A	N.A	N.A

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.		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
	For each of the Top 10 Shareholders				
	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	N.A	N.A	N.A	N.A
	At the End of the year (or on the date of separation, if separated during the year)	N.A	N.A	N.A	N.A

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.		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
	For each of the Directors and KMP				
	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	N.A	N.A	N.A	N.A
	At the End of the year	N.A	N.A	N.A	N.A

II 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	N.A	N.A	N.A	N.A
i) Principal Amount	N.A	N.A	N.A	N.A
ii) Interest due but not paid	N.A	N.A	N.A	N.A
iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A
Change in Indebtedness during the financial year	N.A	N.A	N.A	N.A
Addition	N.A	N.A	N.A	N.A
Reduction	N.A	N.A	N.A	N.A
Net Change	N.A	N.A	N.A	N.A
Indebtedness at the end of the financial year	N.A	N.A	N.A	N.A
Principal Amount	N.A	N.A	N.A	N.A
ii) Interest due but not paid	N.A	N.A	N.A	N.A
iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A

III 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
		Priya Rawal				
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	300000/-	N.A	N.A	N.A	300000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A	N.A	N.A	N.A	N.A
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A	N.A	N.A	N.A	N.A
2	Stock Option	N.A	N.A	N.A	N.A	N.A
3	Sweat Equity	N.A	N.A	N.A	N.A	N.A
4	Commission	N.A	N.A	N.A	N.A	N.A
5	Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total (A)	N.A	N.A	N.A	N.A	N.A
	Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors	N.A	N.A	N.A	N.A	
	Fee for attending board / committee meetings			N.A	N.A	N.A
	Commission	N.A	N.A	N.A	N.A	N.A
	Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total (1)	N.A	N.A	N.A	N.A	N.A
	2. Other Non-Executive Directors	N.A	N.A	N.A	N.A	N.A
	Fee for attending board / committee meetings	N.A	N.A	N.A	N.A	N.A
	Commission	N.A	N.A	N.A	N.A	N.A
	Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total (2)	N.A	N.A	N.A	N.A	N.A
	Total (B)=(1+2)	N.A	N.A	N.A	N.A	N.A
	Total Managerial Remuneration	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Priya Rawal	Company Secretary	CFO	Total
1	Gross salary	300000/-	N.A	N.A	300000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A	N.A	N.A	N.A
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A	N.A	N.A	N.A
	N.A	N.A	N.A	N.A	N.A

IV 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	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
B. DIRECTORS					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A

REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Effingo culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Director.

In addition, the Company has adopted a Code of Conduct for Non-Executive Directors. The Company's Corporate Governance philosophy has been further strengthened through the Business Excellence Model, Governance Guidelines for Board Effectiveness, the Effingo Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Policy.

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

The Company is in compliance with the requirements stipulated under the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations,2015 ('Listing Regulations') and also the erstwhile Clause 49 of the Listing Agreement with regard to corporate governance.

2. BOARD OF DIRECTORS

▪ **Composition:**

The Board of the Company presently consists of Four Directors. The Board comprises of 50-50% strength i.e. Two Executive Directors & Two Non- Executive Directors. The Board also comprises of Independent Directors which brings in Independent judgement in the Board's deliberations and decisions. The Composition of Directors is as under:

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies were as Under:

Name of the Director / DIN No	Nature of Directorship	No. of Directorships in other public limited companies	Memberships of other Committee(s) of other public limited companies		No. of Board Meetings Attended	Last AGM Attended (Yes/ No)
			Chairman	Member		
Ms. Priya Rawal DIN:05108446	Managing Director	-	-	-	06	Yes
Mr. Gaurav Bahety DIN: 05167731	Whole Time Director	-	-	-	06	Yes
Mr. Rakesh Kumar DIN: 01973690	Non Executive Independent Director	-	-	-	06	Yes
Mr. Yogesh Kumar DIN: 02774016	Non Executive Independent Director	-	-	-	06	Yes

2. MEETINGS OF BOARD OF DIRECTORS:

During the year 2015-2016, the Board met Six times and the gap between two meetings did not exceed one hundred and twenty days. The date on which the said meetings were held are as under :

30th May, 2015, 14th August, 2015, 2nd September, 2015, 6th November, 2015, 10th February, 2016, 29th February, 2016.

The necessary quorum was present for all the meetings.

During the year a meeting of the Independent Directors was held on 23rd March, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

3. BOARD COMMITTEES:**I. AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013.

The Terms of Reference of the Audit Committee are broadly as under:

- Oversight of Companies financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payments to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviving, with the management, the Annual Financial Statements & Auditors Report thereon before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors Responsibility Statement to be included in the Boards Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act.
 - Changes, if any, in Accounting policies and practices and reasons for the same.
 - Major Accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications under Draft Audit Report
- Reviving with the management, the quarterly financial statements before submission to the Board .
- Review and monitor Auditor's Independence and performance, and effectiveness of Audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Examination of Financial Statements and the Auditors Report thereon.
- Evaluation of Internal Financial Controls and Risk Management Systems
- Establish Vigil Mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
- The Audit Committee may call for comments of the auditors about Internal Control Systems, the scope of audit, including observations of the auditors & review of financial statements before their submission to the Board and may also discuss any issue with the internal and Statutory Auditors and the management of the Company.
- The Audit Committee shall review the information required as per SEBI listing Regulations.

Composition and Attendance of Audit Committee

During the year the Committee met 4 times on

1) 30th May, 2015, 2) 12th August, 2015, 3) 5th November, 2015, 4) 8th February, 2016

Name of Director	Category	No. of Meetings Attended
Mr. Rakesh Kumar	Independent - *N E D (Chairman)	4
Mr. Yogesh Kumar	Independent - *N E D (Member)	4
Mr.Gaurav Bahety	WTD - Executive (Member)	4

*N E D: Non Executive Director, *WTD: Whole Time Director

The necessary quorum was present at the meetings.

- All members of the Board Audit Committee are financially literate and have relevant finance and /or audit exposure.
- At least One Audit Committee Meeting was held every quarter.

The Chairman of the Audit Committee Mr. Rakesh Kumar was present at 30th Annual General Meeting held on 29th September, 2015.

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Recommend to the Board the set up and composition of the Board and its Committees including the formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board the appointment and re-appointment of the Directors.
- Recommend to the Board the appointment of Key Managerial Personnel ("KMP" as defined by the Act) and Executive team members of the Company (as defined by this Committee)
- Carry out evaluation of every director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its committees and individual directors. This shall include the formulation of criteria for evaluation of Independent Directors and Board .
- Recommend to the Board the Remuneration policies for directors, executive team, key managerial personnel as well as rest of employees.
- Reviewing the performance of the Managing Director(s) and recommending to the Board the quantum of annual increments and annual commission.
- Oversee familiarization programmes for directors.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Companies Charter.

Composition and Attendance of Remuneration Committee:

During the year 2015-2016, the Committee met twice on 2nd September, 2015 and 10th February, 2016

The Composition and Attendance at the Remuneration Committee Meeting during the year were as under:

Name of the Director	Category	No. of Meetings attended
Mr. Rakesh Kumar	Independent – *N E D (Chairman)	2
Mr. Yogesh Kumar	Independent – *N E D (Member)	2
Ms. Priya Rawal	Managing Director- (Member)	2

*N E D: Non Executive Director

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration committee. Indicative lists of factors that may be evaluated include participation and contribution by a director. Commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

Remuneration Policy:

The Remuneration Policy has been formed in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013. The criteria for determining the remuneration of directors are laid down by the Nomination and Remuneration committee. Indicative list of criteria defined in the policy are;

Minimum Qualification:	Graduate
Positive Attribute:	Analyzing, Visionary, Determined
Experience:	5 Years (2 years for professional)

a. Managing Director and Executive Director

Name of the Director	Remuneration (Rs. in Lakhs)	Benefits, Perquisites and Allowances (Rs. in Lakhs)	Commission (Rs, in Lakhs)
Ms. Priya Rawal	3,00,000	Nil	Nil

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

The Broad terms of reference of the Stakeholders Relationship Committee areas under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer of securities, non receipt of dividend/notice/annual reports, etc. and all other securities holders related matters.
- Consider and approve issue of share certificates(including issue of renewed or duplicate Share certificates), transfer and transmission of securities, etc.

COMPOSITION AND ATTENDANCE OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year 2015-2016, the Committee met thrice on 2nd September, 2015; 6th November, 2015; 29th February, 2016.

The Composition and Attendance at the Remuneration Committee Meeting during the year were as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Rakesh Kumar	Independent – *N E D (Chairman)	3
Mr. Yogesh Kumar	Independent – *N E D (Member)	3
Ms. Priya Rawal	Managing Director- (Member)	3

*N E D: Non Executive Director

4. GENERAL BODY MEETING:

Details of the location of the last three AGMs & EGMs and the details of the resolution passed or to be passed by Postal Ballot.

Year Ended	AGM/E GM	Date of Meetings	Place of meeting	Special Resolution passed	Time
2012-13	EGM	28/01/2013	502, Arcadia Building, 195, NCPA Marg, Nariman Point, Mumbai - 400 021.	Increase in Authorized Capital of the Company. Consequential Changes in Memorandum and Articles of Association of the Company. Issue of shares on preferential basis. Change in the name of the Company	11.00 A.M.
2012-13	AGM	27/09/2013	The Maharaja Business Hotel, Kohinoor Complex, Service Road, Western Express Highway, Rawalpada Dahisar(east), Mumbai-400068	Subdivision of Equity Shares of the Company. Alteration of Capital Clause of the Articles of Association of the Company. Appointment of Ms. Priya Rawal as the Chairperson and Managing Director of the Company. Appointment of Mr. Gaurav Bahety as Executive Director of the Company.	10.00 A.M.
2013-14	AGM	27/09/2014	The Maharaja Business Hotel, Kohinoor Complex, Service Road, Western Express Highway, Rawalpada Dahisar(east), Mumbai-400068	Appointment of Independent Directors Appointment of MD & CEO Appointment of Chairman & CFO Adoption of Articles of Association as per Table F of Schedule I of the Companies Act, 2013	10.00 A.M.
2014-2015	AGM	29/09/2015	The Avenue Thakur complex, W. E.Highway, Kandivli-(East), Mumbai - 400101,	No Special Resolution Passed	11.00 A.M

5. DISCLOSURES:**a) Subsidiary Companies**

The Company does not have any subsidiary as on 31st March, 2016.

b) Disclosures on materially significant transactions with related party

There were no materially significant Related party Transactions during the financial year ended 31st March, 2016, that may have potential conflict with the interest of the Company at large. The details of related party transactions as per AS-18 form part of the Notes to Accounts.

c) Disclosure of Accounting Treatment

The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and in the preparation of financial statement, the Company has not adopted any treatment of Accounting Policies different from those prescribed in Accounting Standards.

d) Proceeds from Public issue or Preferential allotment

The Company has not made any public issue or preferential allotment during the year under review.

e) Management Discussion and Analysis Report

The Management Discussion and Analysis Report has been annexed to the Directors report.

f) Details of non-compliances with regard to Capital market

With regard to the matters related to the Capital market, the Company has complied with all the requirements of listing Agreement as well as SEBI Regulations. No penalties were imposed or strictures passed against the Company by the Stock Exchange, SEBI or any other Statutory Authority during the last three years in this regard.

g) Whistle Blower Policy And Vigil Mechanism

Pursuant to the provisions of Section 177 of Companies Act, 2013 and the rules made there under, the Company has established "Whistle Blower Policy/ Vigil Mechanism," in its endeavor to provide its Board, Senior Management and Employees a secure and a fearless working environment, for directors and employees to report genuine concerns to the chairman of the Audit Committee. The purpose of this policy is to create an awareness and fearless environment for the employees to report an instance of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The Framework of the policy strives to foster responsible and secure Whistle Blowing. The policy should be read in conjunction with applicable regulation and existing policies and procedures of the Company.

h) Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The Audit report confirms 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.

i) Code of Conduct

The Company has adopted a Code of Conduct for the Directors and Senior Management Personnel of the Company. The Members of the Board and Senior Management Personnel have affirmed the compliance with code applicable to them during the year ended March 31, 2016.

The Annual Report of the Company contains a certificate issued by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

j) Details of director seeking appointment

The details of Directors seeking appointment / re-appointment forms part of notice of Annual General Meeting.

6. MEANS OF COMMUNICATION:

The quarterly, half yearly, Annual Results of the Company, are published in leading newspapers in India. The results are also displayed on the company's website www.effingotextileandtradingltd.com. Further press releases made by the Company from time to time are also displayed on the Company's website.

7. GENERAL SHAREHOLDERS INFORMATION:

i.	Date of Incorporation	18 th February, 1985
ii.	Corporate Identity Number (CIN)	L17110MH1985PLC035398
iii.	Registered Office	L-30/A"Dreams" The Mall, Gate No.2 L.B.S Marg, Near Bhandup Station, Bhandup (West) Mumbai – 400078. Contact: 9223601602. E-mail: maltitextile@yahoo.com
iv.	Annual General Meeting	Date : 30 th September 2016 Time : 10.00 A.M Address: L-30/A"Dreams" The Mall, Gate No.2 L.B.S Marg, Near Bhandup Station, Bhandup (West) Mumbai – 400078
v.	Financial Calendar	a) April to March b) 1st Quarter Results - within 45 days from the end of the Quarter c) 2nd Quarter Results- within 45 days from the end of the Quarter d) 3rd Quarter Results - within 45 days from the end of the Quarter e) 4th Quarter Results - within 60 days from the end of the Quarter
vi.	Date of Book Closure	24 rd September 2016 to 30 th September 2016
vii.	Listing on Stock Exchanges	The Bombay Stock Exchange, Mumbai
viii.	ISIN Number for CDSL/NSDL	INE907N01029
ix.	BSE Scrip Code	512207
x.	Registrar and Transfer Agents	Abhipra Capital Ltd, (Bm-1), A-387, Abhipra Complex, Dilkhush Industrial Area, G. T. Karnal Road, Azadpur, Delhi -110033 Tele. 011 -42390725, Fax: 011-42390830. E-Mail: Jeewatrai@Abhipra.Com Website: www.Abhipra.Com

xi. Listing of Equity Shares:

The securities of your Company are listed at BSE and securities of the Company has been suspended by the BSE. The matter is under the proceeding with the Securities Appellate Tribunal.

xii. Market Price Data:

The trading of Securities has been suspended at the Bombay stock Exchange Limited for which litigation is been preceded with the Securities Appellate Tribunal. Hence no information can be provided on the Company's market price (high/low) during the financial year under review

xiii. Buy-Back Of Shares:

There was no buy-back of shares during the year under review.

xiv. Share Transfer System: (For physical and Demat)

All the transfer received are processed by the Share Transfer Agent –

Abhipra Capital Ltd ,

A-387, Abhipra Complex, Dilkhush Industrial Area,

G. T. Karnal Road, Azadpur, Delhi, Delhi -110033

Tele. 011 -42390725, Fax: 011-42390830

E-Mail: Jeewatrai@Abhipra.Com

Website: www.abhipra.com and approved by the Board/Committee and returned well within the stipulated period from the date of receipt.

Distribution Of Shareholding As On 31.03.2016:

Distribution of Shares	No. of Shareholders	Percentage to Total No. of Shareholders	No. of Shares held	Percentage to total Share Capital
Upto - 2500	192	39.26	65162	0.06
2501-5000	18	3.68	84500	0.08
5001-10,000	30	6.14	262878	0.24
10,001-20,000	49	10.02	789138	0.72
20,001-30,000	31	6.34	753180	0.69
30,001-40,000	19	3.89	668585	0.61
40,001 – 50,000	14	2.86	628905	0.57
50,001-1,00,000	32	6.54	2290732	2.08
1,00,001 & Above	104	21.27	104416920	94.96
Total	489	100.00	109960000	100.00

xv. Shareholding pattern as on 31.03.2016 is as follows:

Category	No. of Shares held	Holding Strength %
Insurance Cos./Banks	0.00	0.00
U.T.I.	0.00	0.00
NRIs	2425000	2.21
Mutual Funds	0.00	0.00
Resident Indians/other public shareholding	0.00	0.00
Indian Corporate Bodies/Trusts/Partnerships	25579982	23.26
Indian Individuals/HUFs	81955018	74.53
Clearing Members	0.00	0.00
Promoters/Directors and their relatives	0.00	0.00
Total	109960000	100.00

xvi. Dematerialization of shares

As per Notification issued by SEBI, with effect from June 26, 2000, it has become mandatory to trade in the Company's shares in the electronic form. The Company's shares are available for trading in the depository systems of both the National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility.

98.46% of the Company's total paid up capital representing 10,82,62,600 equity shares were held in dematerialised form as at March 31, 2016 and the balance 1.54% representing 16,97,400 equity shares were held in physical form.

Segments	Holding as on 31 st March 2016	% Holding as on 31 st March 2016
NSDL	45804598	41.66
CDSL	62458002	56.80
PHYSICAL	1697400	1.54
Total	109960000	100

xvii. Address for correspondence:**EFFINGO TEXTILE AND TRADING LIMITED**

30/A "Dreams" The Mall, Gate No.2,

L.B.S Marg, Near Bhandup Station,

Bhandup West, Mumbai 400078.

Shareholders correspondence may be directed to the Company's Registrar and Share Transfer Agents whose address is given below:

Abhipra Capital Ltd ,

A-387, Abhipra Complex,

Dilkhush Industrial Area,

G. T. Karnal Road, Azadpur, Delhi -110033.

Tele.011-42390725.Fax:011-42390830.

Registered Office:

L-30/A "Dreams" The Mall,

Gate No.2 L.B.S Marg,

Near Bhandup Station,

Bhandup (West) Mumbai-400078,

For Effingo Textile & Trading Ltd

Sd/-

Mrs. Priya Rawal

(DIN: 05108446)

Managing Director

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For Effingo Textile & Trading Ltd

Sd/-

Mrs. Priya Rawal

(DIN: 05108446)

Managing Director

Place: Mumbai

Date: 31st August, 2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To,
The Members of
Effingo Textile & Trading Limited.

We have examined the compliance of conditions of Corporate Governance by Effingo Textile & Trading Limited, for the year ended on 31st March, 2016 as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23(1 to 8) and 24(1 to 6) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

For S.B.JAJOO & CO.
Chartered Accountants
Firm Reg.No : 125915W
Sd/-
Santosh.B.Jajoo
Proprietor
Membership No. 118622

Place: Mumbai
Date: 27th May 2016

FORM MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
For the year ended 31st March, 2016

To,
The Members,
Effingo Textile & Trading Limited,
CIN: L17110MH1985PLC035398

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to the good corporate practices by **Effingo Textile & Trading Limited**. (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes 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, we hereby report that in our 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 Process and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2016** according to the provisions of:

1. The Companies Act, 2013 and rules made thereunder;
2. The Securities Contract (Regulation) Act, 1956 and rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investments, External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities Exchange Board of India (SEBI) Act, 1992 (the Act):
 - a. The SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b. The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(not applicable to the Company during the Audit period);**
 - e. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit period);**
 - f. The SEBI (Registrar to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;
 - g. The SEBI (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit period);**
 - h. The SEBI (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the Audit period);**

6. We have relied on the representations made by the Company and its officers for system's and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head group of Acts, Laws and Regulations as applicable to the Company is given below:
- a. Additional Duties of Excise (Textiles and Textile Articles) Act, 1978;
 - b. Textiles Committee Act, 1963;
 - c. Textiles (Development and Regulation) Order, 2001;
 - d. Textiles (Consumer Protection) Regulations, 1988;
 - e. Handlooms (Reservation of Articles for Production) Act, 1985;
 - f. Sale of Goods Act, 1979;
 - g. Acts as prescribed under Direct Tax and Indirect Tax
 - h. Minimum Wages Act, 1948;
 - i. Payment of Wages Act, 1936;
 - j. Equal Remuneration Act, 1976;
 - k. Employees' State Insurance Act, 1948;
 - l. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
 - m. Payment of Bonus Act, 1965;
 - n. Payment of Gratuity Act, 1972;
 - o. Workmen's Compensation Act, 1923;
 - p. Maternity Benefit Act, 1961;
 - q. The Child Labour (Prohibition and Regulation) Act, 1986;
 - r. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
 - s. Negotiable Instruments Act, 1881;
 - t. Indian Contract Act, 1872;
 - u. Local Laws as applicable at the Registered office of the Company;

We have also examined compliance with the applicable clause of the following:

1. Secretarial Standards 1- on Meetings of Board of Directors and Secretarial Standard-2 on General Meetings, issued by the Institute of Company Secretaries of India. (Other Secretarial Standards are not applicable since the same are not notified during the audit period.)
2. The Listing Agreements entered into by the Company with Bombay Stock Exchange, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i. Pursuant to Section 203 (1)(b) & (c) of the Companies Act, 2013 read with Rule 8 and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has failed to appoint a Company Secretary in whole time employment of the Company;
- ii. Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Company has failed to appoint Internal Auditor for the Financial Year 2015-16.

- iii. *The Company has filed certain intimations to the Stock Exchange under the Listing Agreement read with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, related to Outcome of Board meetings after stipulated time period.*
- iv. *The Shareholding Holding Pattern for the quarter ended December 31, 2015 as per Regulation 31(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, has been filed with the Stock Exchange beyond the stipulated time period.*
- v. *The Company is in process of updation of its website with documents required to be uploaded thereon as per the provisions of the Companies Act, 2013 and Listing Agreement read with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.*
- vi. *The Company is not in compliance with Clause 41 (III)(b) of the Listing Agreement for the period 1st April, 2015 to 30th November, 2015 and Regulation 47 (1)(a) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, for the period 1st December, 2015 to 31st March, 2016, related to publication of Notice of Board Meeting in news paper.*
- vii. *The Company is not in compliance with Clause 41(IV)(a) of the Listing Agreement for the period 1st April 2015 to 30th November, 2015 and Regulation 47(1)(b) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, for the period 1st December, 2015 to 31st March, 2016, related publication of Financial Results in news paper.*
- viii. *The composition of the Nomination and Remuneration Committee is not as per the provisions of the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

We 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. There were no changes in the composition of the Board during the year under review. Adequate notice is given to all the directors to schedule the Board meeting, agenda and detailed notes on agenda were sent 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 decisions are carried through while the dissenting members' views are captured and recorded as the part of the minutes.

We 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.

We further report that during the reporting period, there have been no specific events or actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Date: 29th August 2016

Place: Navi Mumbai

**For H V Gor & Co,
Practicing Company Secretaries
Sd/-
Mr. Ketan R Shirwadkar
Partner
ACS No:37829
COP No: 15386**

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A OF SECRETARIAL AUDIT REPORT

To,
The Members,
Effingo Textile & Trading Limited.,
CIN: L17110MH1985PLC035398

Our report of even date to be read along with this letter;

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required we 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, is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy and effectiveness with which the management has conducted the affairs of the Company.

For H V Gor & Co,
Practicing Company Secretaries
Sd/-
Mr. Ketan R Shirwadkar
Partner
ACS No: 37829
COP No: 15386

Date: 29th August 2016
Place: Navi Mumbai

MANAGEMENT DISCUSSION & ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis Reports for the year ended March 31, 2016 as under:

➤ Overall Review :

In Maharashtra, the Company's net profit has been adversely affected. Further, due to demand recession and pressure on selling prices, the financial performance of the Textile has been improving and is expected to be better in the coming years.

The Indian economy has witnessed two successive monsoon failures plus damage due to unseasonal rains, which has adversely impacted growth. An expected normal monsoon in fiscal 2017, will give agriculture a growth kick which will prove good for the Indian economy and should lift upward, the sagging rural demand and overall GDP growth.

➤ Industry Structure & Development:

The Indian textile industry market share presently is USD 108 billion, out of which USD 68 billion is domestic consumption and USD 40 billion is exports, due to which India emerges as the second largest exporter after China having 6% share in the global trade. The industry is taking all steps to promote textile exports, which is the need of the hour.

Costs are increasing due to rising input costs, including labour and power. The fall in the Rupee against the US dollar should act positively for promotion of exports. Focus on new product development and value added products is continuing in this segment.

➤ Opportunities and Threat

India has the potential to double its market size in the long run as China is losing its competitive advantage in textiles mainly on account of increasing labour & power costs, the appreciating Yuan, and focus on the domestic market with high value products. The shift from China to India is expected to happen in the long run, to make India a dependable source of supply for the World.

Increasing competition from countries like Bangladesh, Vietnam, Pakistan and Sri Lanka due to favorable tariff structures on exports to developed markets like the US, EU, Canada, Australia, etc poses a significant challenge to Indian exports. Exports from India attract a much higher duty as compared to other Asian countries.

➤ Business operations:

The company has been now focusing on the Textile projects in and around the city of Mumbai and other state. During the year, the company witnessed inflow of funds for business expansion plans of the company. Further based on this, the company has once again started its operations and the company looks forward at the future with hope and zest which will enhance shareholders value of the Company

➤ Out Look

To overcome the challenges and competition, we have taken various initiatives to reduce the operational cost, development of new innovative value added products, and exploring new markets based on certain parameters, to achieve better margins in the future.

➤ Risks and Concerns

The US dollar has strengthened continuously against the Indian Rupee and other currencies, due to the turmoil in the China market and recession in the European market. Due to a demand recession across the globe, increasing prices in Indian markets has become extremely difficult. The input costs are continuously increasing without commensurate increase in selling prices.

➤ **Human relations**

The Company has adopted a progressive policy for helping employees to develop their organizational skills, knowledge and abilities to achieve efficiency.

The focus of all aspects of Human Resource Development is on developing a superior workforce so that the organization and individual employee can accomplish their work goals of service to customers.

➤ **Cautionary Statement:**

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

**By Order of the Board of Directors
For Effingo Textile & Trading Limited**

Sd/-

Priya Rawal

Director

Sd/-

Gaurav Bahety

Director

Place: Mumbai

Date: 31st August 2016

Independent Auditor's Report

To the Members of Effingo Textile & Trading Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Effingo Textile & Trading Limited ("the Company")** which comprise the Balance Sheet as at **March 31, 2016**, the Statement of Profit and Loss, 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

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

Auditor's Responsibility

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

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

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, of the state of affairs of the Company as at **March 31, 2016**, and its **Profit** and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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 it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S B JAJOO & CO.*chartered accountants*

FRN: 125915W

Sd/-

Santosh B Jajoo

Proprietor

Membership No: 118622

Place: Mumbai

Date: 27.05.2016

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended **March 31, 2016**:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover the useful life of the asset, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) There are no immovable properties held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) There were no discrepancies noticed on physical verification of the inventory as compared to books records.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (l) of section 148 of the Companies Act.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is not required to deposit undisputed statutory dues including Provident Fund, Employees State Insurance, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues except Income-Tax with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has

not taken any loan either from financial institutions or from the government and has not issued any debentures.

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company registered under section 45IA of the Reserve Bank of India Act, 1934 vide registration number 427. The company is in process of completing pending formalities of compliance with RBI.

For S B JAJOO & CO.

chartered accountants

FRN: 125915W

Sd/-

Santosh B Jajoo

Proprietor

Membership No: 118622

Place: Mumbai

Date: 27.05.2016

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Effingo Textile & Trading Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Effingo Textile & Trading Limited** (“the Company”) as of **March 31, 2016** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S B JAJOO & CO.

chartered accountants

FRN: 125915W

Sd/-

Santosh B Jajoo

Proprietor

Membership No: 118622

Place: Mumbai

Date: 27.05.2016

STATEMENT OF PROFIT AND LOSS
For the year Ended 31st March, 2016

Particulars	Note No.	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
INCOME			
Revenue from Operation	19	5,17,80,000	20,15,42,694
Other Income	20	4,261	-
Total Revenue		5,17,84,261	20,15,42,694
EXPENSES			
Purchase of Stock-in-Trade	21	9,30,92,457	19,46,61,094
Changes in inventories	22	(4,66,42,835)	-
Employee Benefit Expenses	23	4,33,600	5,16,000
Depreciation	24	14,240	3,566
Other Expenses	25	21,69,249	10,08,771
Total Expenses		4,90,66,712	19,61,89,431
Profit / (Loss) before tax		27,17,549	53,53,263
Less : Tax expenses (Represents for Current years)		8,41,552	16,96,138
Add/Less : Deferred tax		1,493	975
Profit / (Loss) for the year		18,77,490	36,56,150
Earnings Per Equity Shares			
Basic & Diluted	26	0.02	0.03
Significant Accounting Policies	27		
Notes on Financial Statements	1 to 35		
Notes forming an integral part of the Financial Statements			

AS PER OUR REPORT OF EVEN DATE ANNEXED

For S B JAJOO & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No.125915W
Sd/-
SANTOSH JAJOO
PROPREITOR
M. No. 118622

Place: Mumbai
Dated: 27.05.2016

FOR AND ON BEHALF OF THE BOARD OF
EFFINGO TEXTILE & TRADING LIMITED

Sd/-
PRIYA RAWAL
DIRECTOR
DIN: 05108446

Sd/-
GAURAV BAHETY
DIRECTOR
DIN: 05167731

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	27,17,549	53,53,263
Adjustment for		
Depreciation	14,240	3,566
Interest Income	(71,43,503)	(83,18,123)
Other Income	(4,261)	-
Operating Profit Before Working Capitals Changes	(44,15,974)	(29,61,294)
Adjustment for		
(Increase)/Decrease in Trade receivables	1,59,03,290	-2,94,15,571
(Increase) / Decrease in Inventories	-4,66,42,835	-
(Increase)/Decrease in Short term Loans & Advances	21,30,699	-3,90,65,609
(Increase)/Decrease in Other Current Assets	-	-
Increase / (Decrease) in Trade Payables	-3,70,44,967	4,42,34,829
Increase / (Decrease) in Other Current Liabilities	1,49,645	14,455
Net Cash Inflow/(Outflow) in course of Operating Activities	(6,99,20,142)	(2,71,93,190)
Less: Direct Taxes paid	9,87,145	14,79,788
Net Cash Flow Arising From Operating Activities (A)	(7,09,07,287)	(2,86,72,978)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(22,399)
(Increase)/Decrease in Long term loans and advances	6,07,51,867	73,46,938
Interest Received	71,43,503	83,18,123
Other Income	4,261	-
Net Cash Inflow/ (Outflow) in course of Investing Activities (B)	6,78,99,631	1,56,42,662
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Payments of) Long Terms Borrowing	-	1,43,58,600
Net Cash Inflow/(Outflow) in course of Financing Activities (C)	-	1,43,58,600
Net Increase/(decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(30,07,656)	13,28,284
Cash & Cash Equivalents at the beginning of the year	40,14,061	26,85,777
Cash & Cash Equivalents at closing of the year	10,06,405	40,14,061

Note:

- The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 Cash Flow Statement specified in the Companies (Accounting Standard) Rules, 2006.
- Previous Year figures have been regrouped/rearranged wherever considered necessary to confirm to make them comparable.

AS PER OUR REPORT OF EVEN DATE ANNEXED

For S B JAJOO & CO.,

CHARTERED ACCOUNTANTS

Firm Registration No. 125915W

Sd/-

SANTOSH JAJOO

PROPREITOR

M. No. 118622

Place: Mumbai

Dated: 27.05.2016

FOR AND ON BEHALF OF THE BOARD OF
EFFINGO TEXTILE & TRADING LIMITED

Sd/-

PRIYA RAWAL

DIRECTOR

DIN: 05108446

Sd/-

GAURAV BAHETY

DIRECTOR

DIN: 05167731

Notes on Financial Statements

Note 1. SHARE CAPITAL

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of shares	Rupees	No. of shares	Rupees
a) Authorized				
Equity Shares of Rs.1/- each	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
b) Issued, Subscribed and Paid up				
Issued Share Capital of Rs.1/- each	10,99,60,000	10,99,60,000	10,99,60,000	10,99,60,000

I) Rights & restriction attached to equity shareholders

The Company has only one class of equity shares having a face value of Rs.1/- each . Every Shareholder is entitled for one vote per share.

In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

II) Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting period

Equity Shares Outstanding

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of shares	Value Of Shares	No. of shares	Value Of Shares
Number of equity shares at the beginning of the year	10,99,60,000	10,99,60,000	10,99,60,000	10,99,60,000
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
Number of equity shares outstanding at the end of the year	10,99,60,000	10,99,60,000	10,99,60,000	10,99,60,000

Note 2. RESERVE & SURPLUS

Particulars	As at 31st March 2016		As at 31st March 2015	
	Rupees	Rupees	Rupees	Rupees
Share Premium		2,00,00,000		2,00,00,000
Profit & Loss Account				
Opening Balance		26,29,224		(9,72,228)
Add : Additions during the period		18,77,490		36,56,150
Add : Excess / (short) Provision of Income Tax		(10,871)		(54,698)
Closing Balance		<u>44,95,843.17</u>		<u>26,29,224</u>
TOTAL		<u>2,44,95,843</u>		<u>2,26,29,224</u>
Note 3. LONG TERM BORROWINGS				
From Others (Unsecured)		1,43,58,600		1,43,58,600
TOTAL		<u>1,43,58,600</u>		<u>1,43,58,600</u>
Note 4. DEFERRED TAX LIABILITIES				
On account of depreciation on fixed assets		-		975
TOTAL		<u>-</u>		<u>975</u>
Note 5. LONG TERM PROVISIONS				
For Standard Assets		17,200		17,200
TOTAL		<u>17,200</u>		<u>17,200</u>
Note 6. TRADE PAYABLES				
Due to others		45,89,862		4,42,34,829
Advances received for business purpose		26,00,000		-
		<u>71,89,862</u>		<u>4,42,34,829</u>
Note 7. OTHER CURRENT LIABILITIES				
Sundry Creditors for Expenses		1,87,100		22,022
Duties Payable		7,500		22,933
TOTAL		<u>1,94,600</u>		<u>44,955</u>
Note 8. SHORT TERM PROVISIONS				
Provision for Income Tax		8,41,552		16,96,138
TOTAL		<u>8,41,552</u>		<u>16,96,138</u>
Note 9. FIXED ASSETS				
Tangible Assets		4,593		18,833
		<u>4,593</u>		<u>18,833</u>

Note 10. NON CURRENT INVESTMENT**Investment in Equity Instruments:**

Quoted	2,43,44,614	2,43,44,614
TOTAL	2,43,44,614	2,43,44,614

In the opinion of the management the diminution in the value of long term investment is temporary in nature and hence provisions for the same is not considered necessary.

Aggregate amount of quoted investments	2,43,44,614	2,43,44,614
Aggregate market value of quoted investments		30,45,953

Note 11. DEFERRED TAX ASSETS

On account of depreciation on fixed assets	518	-
TOTAL	518	-

Note 12. LONG TERM LOANS & ADVANCES

Unsecured (Considered Good unless otherwise stated)

Loans and advances -To Others	1,11,44,319	7,18,96,186
TOTAL	1,11,44,319	7,18,96,186

Note 13. OTHER LONG TERM ASSETS

IT Refund Receivable - A.Y. 2013-14	71,580	71,580
Deposits	300	300
TOTAL	71,880	71,880

Note 14. INVENTORIES

Fabrics*	4,66,42,835	-
TOTAL	4,66,42,835	-

*Valued at lower of cost or market value

Note 15. TRADE RECEIVABLES

Trade Receivables outstanding for the period **more than six months** from the date they due for payment (Unsecured ,Considered good)

	1,44,83,608	-
--	-------------	---

Trade Receivables outstanding for the period **less than six months** from the date they due for payment (Unsecured ,Considered good)

	-	3,03,86,898
--	---	-------------

TOTAL	1,44,83,608	3,03,86,898
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Note 16. CASH & CASH EQUIVALENTS

Balance with Banks	9,29,156	38,07,469
Cash on hand	77,249	2,06,592
TOTAL	10,06,405	40,14,061

Note 17. SHORT TERM LOANS & ADVANCES

Loans and advances to others (Unsecured)	5,86,84,610	6,07,65,309
Security Deposit	50,300	1,00,300
TOTAL	5,87,34,910	6,08,65,609

Note 18. OTHER CURRENT ASSETS

Tax deducted at source	6,23,975	7,93,839
Advance Tax	-	5,50,000
TOTAL	6,23,975	13,43,839

Note 19. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Revenue from sale of traded goods	4,46,36,497	19,32,24,571
Interest Income	71,43,503	83,18,123
TOTAL	5,17,80,000	20,15,42,694

Note 20. OTHER INCOME

Other Income	4,261	-
TOTAL	4,261	-

Note 21. PURCHASE OF STOCK-IN-TRADE

Purchases	9,30,92,457	19,46,61,094
TOTAL	9,30,92,457	19,46,61,094

Note 22. CHANGES IN INVENTORIES

Inventories at the end of the year	4,66,42,835	-
Inventories at the beginning of the year	-	-
Net (increase) / decrease	(4,66,42,835)	-

Note 23. EMPLOYEE BENEFIT EXPENSES

Salaries	1,33,600	2,16,000
Remuneration to directors	3,00,000	3,00,000
TOTAL	4,33,600	5,16,000

Note 24. DEPRECIATION

Depreciation Expenses	14,240	3,566
TOTAL	14,240	3,566

Note 25. OTHER EXPENSES

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Rent	1,76,796	89,888
Office Expenses	8,99,790	2,26,680
Advertisement	14,041	17,526
Repairs & Maintenance	-	20,300
Postage & Courier	4,394	24,139
Printing & Stationery	44,072	26,914
Telephone Expenses	2,683	19,550
Conveyance	35,530	1,63,018
Professional & Legal Fees	6,09,653	1,32,721
Miscellaneous Expenses	19,422	-
Depository Exp	1,08,752	1,06,743
Stock Exchange Fees	2,24,720	1,12,360
Interest on Income Tax & TDS	1,088	40,441
Bank charges	2,309	2,491
Auditors Remuneration*	26,000	26,000
TOTAL	21,69,249	10,08,771

*Payment to auditors is as under :

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
As Statutory Audit Fees	13,000	13,000
For Other Services	13,000	13,000
TOTAL	26,000	26,000

26. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Profit After Tax for the year	18,77,490	36,56,150
Profit Attributable to Equity Share Holders (A)	18,77,490	36,56,150
Weighted Average Number of Equity Shares for Basic and Diluted EPS (Nos.)(B)	10,99,60,000	10,99,60,000
Nominal Value of Equity Shares Rs.	1	1
Basic and Diluted EPS Rs. (A/B)	0.02	0.03

Note 27: Significant Accounting Policies**a. Business**

M/s Effingo Textile & Trading Limited is public limited listed company. The company operates in the business of trading in various products & Registered as Non Banking Finance Company (NBFC) with RBI .

b. Basis of Accounting & Preparation of Financial Statements

Financial statements are prepared under historical cost convention on accrual basis in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

c. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d. Interest Income

Interest Income is credited to revenue in the year in which it accrue Income is stated in full with the tax there on being accounted for under advance tax.

e. Investments

Long term investments are stated at cost of acquisition, Provision for diminution in the value of long term investment is made only if, such a decline is other than temporary in the opinion of the management.

f. Taxation

The current Income Tax liability is calculated by the company in accordance with relevant tax provisions and tax advices taken wherever considered necessary.

g. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is reliable estimate of present obligation on a result of past events. Contingent liabilities are disclosed by way of notes on accounts. Contingent assets are neither accounted nor disclosed in the financial statement due to uncertainty of their realization.

h. Events occurring after the Balance Sheet date

Events occurring after the Balance Sheet date and till the date on which the financial statement are approved which are material in nature and indicates the need for adjustments in the financial statements are considered and accounted.

i. Deferred Taxation

Deferred Taxation is calculated using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income & expenditure which are expected with reasonable probability to crystallize in foreseeable future.

Deferred tax is recognized in the financial statement only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in near future.

j. Earning Per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the redeemable preference share dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders (after deducting the redeemable preference share dividend) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

Note 28: Information required under Para 3 (ii) (b) of Part II of Schedule VI to the Companies Act, 1956 in respect of items traded during the year:

a. Since the Company is in the business of trading, the provisions regarding licensed and installed capacity, as well as production & raw - material consumption are not applicable.

b. Details of items traded -

1) Cloth

Particulars	Current Year		Previous Year	
	Units (Meters)	Amount (Rs.)	Units (Meters)	Amount (Rs.)
Opening Stock	NIL	NIL	NIL	NIL
Purchases	8,38,585	9,30,92,457	1,364,884	19,46,61,094
Sales	3,72,175	4,46,36,497	1,364,884	19,32,24,571
Closing Stock	4,66,410	4,66,42,835	NIL	NIL

Note 29: The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures if any, relating to amounts unpaid as at the yearend together with the interest paid/payable as required

under the said Act have not been given.

Note 30: In the opinion of the Board, the Current Assets Loans and Advances are not less than the values stated if realized in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

Note 31: Deferred tax is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Note 32: The Company has been Registered as Non Banking Finance Company with RBI vide Registration No.427. The company is in process of completing pending formalities of compliance with RBI.

Note 33: The balances of Current assets, Current liabilities including Sundry Debtors, Sundry Creditors, Loans & advances, Secured & Unsecured Loan balances are subject to confirmation.

Note 34: Related Party Disclosure

i) Directors & Key management personnel

- Priya Rawal – Women Director , Executive Director .
- Gaurav Bahety – Executive Director
- Rakesh Kumar – Independent Director
- Yogesh Kumar - Independent Director

ii) Summary of related party transactions

The transaction with the above parties was as follows:

Name of the related party	Nature of Payment	March 31, 2016
Priya Rawal	Managerial Remuneration	Rs.3,00,000/-

Note 35: Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

For S B Jajoo & Co.,

Chartered Accountants

Firm Registration No.125915W

Sd/-

Santosh B Jajoo

Proprietor

Membership No: 118622

Place: Mumbai

Date: 27.05.2016

For & on behalf of the Board of Directors of

Effingo Textile & Trading Limited

Sd/-

Priya Rawal

Director

Sd/-

Gaurav Bahety

Director

EFFINGO TEXTILE & TRADING LIMITED.

CIN: L17110MH1985PLC035398

PROXY FORM

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

Name of the Company: **EFFINGO TEXTILE & TRADING LIMITED**

Registered office: L-30/A "Dreams" The Mall. Gate No.2 L.B.S Marg, Near Bhandup, Station ,Bhandup (West) Mumbai-400078.

Name of the Shareholder:-----

Registered Address:-----

Email ID:-----

Folio /No/DPID/ & Client ID-----

I/We, being the member (s) of shares of the above named company, hereby appoint

1) Name-----of-----having e-mail id-----or failing him

2) Name-----of-----having e-mail id-----or failing him

and whose and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the 30th day of September 2016 At 10.00 a.m. at L-30/A "Dreams" The Mall. Gate No.2 L.B.S Marg, Near Bhandup, Station ,Bhandup (West) Mumbai-400078 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.No.	Description	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Balance Sheet as at and the Audited Profit and Loss Account of the Company for the period ended 31st March, 2016 together with Directors' Report and Auditors' Report thereon.		
2.	Re-Appointment of Mr. Gaurav Bahety (DIN: 05167731 as Director liable to retire by rotation		
3.	To Re-appoint M/s. S B Jajoo & Co, Chartered Accountants, as Auditors of the Company.		

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

Signature of the shareholder _____

[Signature of Proxy] _____

Affix Re.
1/-
Revenue

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.

EFFINGO TEXTILE & TRADING LIMITED.

CIN: L17110MH1985PLC035398

ATTENDANCE SLIP

Annual General Meeting

Reg.Folio no. _____	Name of Shareholder _____
D.P.I.D* _____	Client ID* _____
Email ID: _____	

I/We hereby record my/our presence at the Annual General Meeting of the company being held on 30th September, 2016 at L-30/A "Dreams" The Mall. Gate No.2 L.B.S Marg, Near Bhandup, Station, Bhandup (West) Mumbai-400078, At 10.00 A.M.

Signature of the shareholder(s), / Proxy/

Representative _____

Note:

1) Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same duly signed at the Venue.

Book Post

If undelivered Please return to:

EFFINGO TEXTILE & TRADING LIMITED

Regd: L-30/A "Dreams" The Mall, Gate No.2 L.B.S Marg
Near Bhandup Station, Bhandup (West) Mumbai-400078.

Email ID:- maltitextile@yahoo.com