



DIVINUS FABRICS LIMITED

(FORMERLY KNOWN AS AVISHKAR FINANCE COMPANY LIMITED)
CIN NO.: L51909DL1984PLC019733

Dated:17th October, 2016

To,

The Department of Corporate Services
BSE Limited
Phiroze, Jeejeebhoy Towers
Dalal Streets
Mumbai - 400001

Sub: Submission of Annual Report (BSE Scrip Code- 538432)

Dear Sir/Madam,

In reference to captioned subject and in pursuant to regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company **Divinus Fabrics Limited** (hereinafter referred as "**the Company**") is hereby submitting the annual report of the Company, which was being approved and adopted in the 31st Annual General Meeting of the Company held on 30th September, 2016.

Please take note of the same and do the needful.

For Divinus Fabrics Limited

For DIVINUS FABRICS LIMITED

Gagan Anand
Managing Director
DIN: 06957651

Gagan Anand
Director






Place: New Delhi



DIVINUS FABRICS LIMITED

(FORMERLY KNOWN AS AVISHKAR FINANCE COMPANY LIMITED)
CIN NO.: L5-1909DL1984PLC019733

Declaration

Name of the Company	Divinus Fabric Limited
Annual financial Statement for the Financial Year ended	31 st March, 2016
Type of Audit observation	Un qualified
Frequency of observation	N.A.
To be signed by:	
<ul style="list-style-type: none">Mr. Gagan Anand Managing Director & CFO DIN: 06957651	For DIVINUS FABRIC LTD.  Director
<ul style="list-style-type: none">Auditor of the Company M/s. Sudhir Agrawal & Associates Chartered Accountants FRN:509930C	  
<ul style="list-style-type: none">Mr. Kuldip Singh Chairman of Audit Committee DIN: 03188652	For DIVINUS FABRIC LTD.  Director

31st ANNUAL REPORT



divinus fabrics

DIVINUS FABRICS LIMITED

(Formerly Known as Avishkar Finance Company Limited)

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ABOUT THE COMPANY

DIVINUS FABRICS LIMITED IS A PUBLIC COMPANY INCORPORATED AS AVISHKAR FINANCE COMPANY LIMITED ON 31ST DECEMBER, 1984 UNDER COMPANIES ACT, 1956) HAVING ITS RO PLOT NO. 15, B-2, D BLOCK MARKET, VIVEK VIHAR DELHI – 110095 AND HAS BEEN SUCCESSFULLY LISTED ITS ON BSE EXCHANGE IN THE F/Y 2014-15 .

OUR PRODUCTS

YOUR COMPANY IS MAINLY ENGAGED IN TRADING ACTIVITIES, WHICH IS THE ONLY BUSINESS SEGMENT. SEGMENT-WISE REPORTING IS NOT APPLICABLE TO YOUR COMPANY.

FUTURE PROSPECTS

THE INDIAN TEXTILES INDUSTRY IS LEADING TEXTILE INDUSTRY IN THE WORLD IN TERMS OF CAPABILITY AND COMPETIVENESS. THE COMPANY EXPECTS MULTIDIMENSIONAL GROWTH IN ITS IN BUSINESS IN THE NEAR FUTURE. WE ALSO EXPECT TO BROADEN OUR PRODUCT LINE AND CONTINUOUSLY STRIVING TO IMPROVE OUR COMPETITIVENESS


31ST ANNUAL GENERAL MEETING

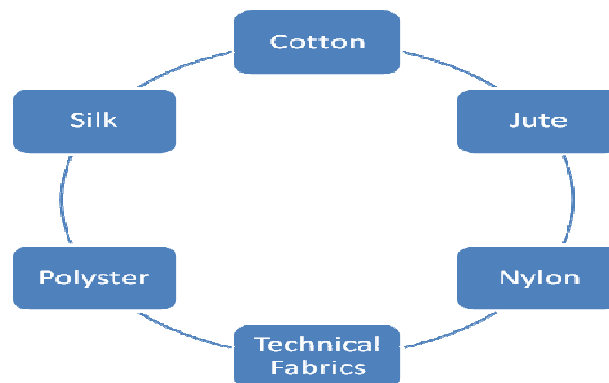
FRIDAY, 30TH SEPTEMBER, 2016

AT 11:30 AM

AT

HOTEL AURA GRAND, 439, JAGRITI ENCLAVE, NEW DELHI-110092

<p>BOARD OF DIRECTORS</p> <ul style="list-style-type: none"> ➤ Mr. Gagan Anand (DIN: 06957651) Managing Director and Chief Financial Officer ➤ Mr. Kuldip Singh (DIN: 03188652) Independent Director ➤ Mr. Arvind Agrawal (DIN: 03035484) Independent Director ➤ Ms. Preeti Srivastava (Din: 07035595) Independent Director 	<p>BANKERS TO THE COMPANY</p> <p>HDFC BANK</p> <hr/> <p>REGISTRAR & SHARE TRANSFER AGENT</p>  <p>TOWARDS EXCELLENCE M/s. Skyline Financial Services Limited 1st Floor, D-153A, Okhla Industrial Area, Phase I, New Delhi - 110020 Tel: 011-26822681 Email: admin@skylinerta.com Website: www.skylinerta.com</p>
<p>INTERNAL AUDITOR</p> <p>SUMIT MOHIT & CO. Chartered Accountants FRN: 021502N</p>	<p>SECRETARIAL AUDITOR</p> <p>RANJEET VERMA & ASSOCIATES Company Secretaries CS Ranjeet Kumar Verma Laxmi Nagar, Delhi Tel No. +91 - 011 - 43634198</p>
<p>BSE LIMITED (Scrip Code: 538432) P.J. Towers, Dalal Street Mumbai – 400001</p> <p>CIN: L51909DL1984PLC019733</p> <p>ISIN: INE478P01018</p>	<p>STATUTORY AUDITORS M/s. Sudhir Agrawal & Associates Chartered Accountants FRN:509930C S-524, 1st Floor, School Block, Shakarpur New Delhi-110092</p>
<p>CONTACT DETAILS</p>	
<p>REGISTERED OFFICE: Plot No. 15, B-2, D Block Market, Vivek Vihar Delhi - 110095 Tel: 011-43583832 Fax: 011-23210917</p>	<p>Email & Website</p> <p>Company & Investor Grievances divinus.fabrics@gmail.com www.divinusfabrics.com</p>



COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE

Mr. Kuldip Singh	Member & Chairman
Mr. Arvind Agrawal	Member
Mr. Gagan Anand	Member

REMUNERATION AND NOMINATION COMMITTEE

Mr. Kuldip Singh	Member & Chairman
Mr. Arvind Agrawal	Member
Mr. Preeti Srivastava	Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Kuldip Singh	Member & Chairman
Mr. Arvind Agrawal	Member
Mr. Gagan Anand	Member

IMPORTANT COMMUNICATION TO THE MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, with the Registrar & Share Transfer Agent of the Company.



DIVINUS FABRICS LIMITED

R.O.: Plot No. 15, B-2, D Block Market, Vivek Vihar, Delhi 110095

Tel: 011-4353 6697, E-mail: divinus.fabrics@gmail.com, Website: www.divinusfabrics.com

CIN: L51909DL1984PLC019733

NOTICE OF 31ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st Annual General Meeting of the members of the Company will be held on Friday, 30th Day of September, 2016 at 11:30 A.M. at the Hotel Aura Grand, 439, Jagriti Enclave, New Delhi-110092 to transact the following business:

ORDINARY BUSINESSES:-

1. To consider and adopt the balance Sheet as at 31st March 2016, the profit and Loss Account for the year ended on that date and the report of Directors and Auditors thereon.
2. To ratify the appointment of M/s. Sudhir Agrawal & Associates, Chartered Accountants, FRN 509930C as the Statutory Auditor of the Company.

SPECIAL BUSINESSES:

3. TO APPROVE THE APPOINTMENT OF GAGAN ANAND AS MANAGING DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of other Government authority/agency/board, if any, the consent of the members of the Company be and is hereby required for the appointment of Mr. Gagan Anand as Managing Director of the Company for a period of three years with effect from 30th May, 2016 on the remuneration, terms and conditions as set out in the Appointment letter dated 30th May 2016 entered into by the Company and recommended by the nomination and remuneration committee.

RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Government authority/agency/board, if any, approval of the members of the Company be and is hereby accorded to pay remuneration of Rs. 15,000/- (Rupees Fifteen Thousand) per month all inclusive to Gagan Anand, Managing Director of the Company, the details of which are given in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Gagan Anand, Managing Director of the Company including the components of the above mentioned remuneration payable to him subject to the said overall cap of remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the above resolution.”

4. TO APPROVE ALTERATION IN ARTICLES OF ASSOCIATION OF COMPANY

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable rules made thereunder, the Articles of Association of the Company be and are hereby altered/amended/ deleted as the case may be in the following manner:

- i. Proviso of Existing Article No. 2 (z) (dd) be and is hereby amended as follows:

Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity

RESOLVED FURTHER THAT, altered copy of Articles of Association of the Company as placed before the meeting be approved and recommended to the Assembly of member for their re-adoption;

RESOLVED FURTHER THAT, the Board of the Directors of the Company, be and is hereby authorized to sign and file all the forms, documents, returns with appropriate authority as may be required to give effect the aforesaid resolution of the Company.”

**Regd. Office:
Plot No. 15, B-2, D-Block Market,
Vivek Vihar, New Delhi – 110095**

**Date: 03.09.2016
Place: New Delhi**

**By the order of Board of Director of
Divinus Fabrics Limited**

**Sd/-
Gagan Anand
Managing Director
DIN: 06957651
C- Block, 131 2nd Floor,
Jhilmill Colony Delhi 110095**

NOTES

1. APPOINTMENT OF PROXY

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to the notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. APPOINTMENT OF AUTHORISED REPRESENTATIVE

No person shall be entitled to attend or vote at the meeting as a duly authorised representative of a Company or body corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative certified to be a true copy by the Chairman of the meeting at which it was passed, shall have been deposited at the Office of the Company not less than TWO DAYS before the date of the meeting.

3. BOOK CLOSURE DATES

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)

4. **JOINT HOLDERS**

As per Articles of Association, if any share stands in the names of two or more persons, the person name listed first in the register shall, as regards voting, be deemed to be the sole holder thereof. Hence if shares are in the name of joint holders, then first named person is only entitled to attend the meeting and is only eligible to vote (by poll or by show of hands) in the meeting.

5. **GREEN INITIATIVE**

As a measure of economy and a step toward green initiative, Members are requested to bring their copy of Notice to the meeting. Members/ Proxies should bring the attendance slip duly filled in and signed for attending the meeting and should have proof of Identity.

6. **SUBMISSION OF PAN**

SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.

7. **NOMINATION**

Members holding shares in physical form and desirous of making a Nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrars and Transfer Agents the details as required in Form No. SH-13 of Companies (Share Capital and Debentures) Rules 2014. If a member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14.

8. **INSPECTION**

All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Office of the Company during office hours on all working days, up to and inclusive of the date of the Annual General Meeting.

9. **ELECTRONIC VOTING**

In terms of Section 108 of the Companies Act, 2013 Read with the rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is mandatory on the part of the Company to provide e-Voting facility to the members of the Company. Your company is pleased to offer the e-voting facility for the Annual General meeting of the Company. In this regard Company has appointed Mr. Yashlok Dubey, the Practicing Company Secretary having Membership No. 39066 and C.P. No. 14742 as the Scrutinizer to conduct the E-Voting Facility in transparent and fair manner. E-Voting shall be opened on 9:00 A.M. of 27th day of September 2016 and shall close on 29th Day of September 2016 at 5:00 P.M.

PROCEDURE & INSTRUCTION

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 09:00 a.m. on Tuesday, 27th September, 2016 and ends on 05:00 p.m. on Thursday, 29th September 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholders should Log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" tab to cast your votes.
- (v) Now Enter your User ID,
 - (a) For CDSL: 16 digits beneficiary ID
 - (b) For NSDL: 8 character DP ID followed by 8 Digit Client ID
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<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 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account in DD/MM/YYYY format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (ii) 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.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN of Divinus Fabrics Limited on which you choose to vote.
- (v) 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.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) 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.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (x) 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.
- (xi) Note for Non-Individual Shareholders & 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 Corporates.
 - 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 should be mailed 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.

Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.



Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 19th September 2016 may follow the same instructions as mentioned above for e-Voting.

(xix) 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.com under help section or write an email to helpdesk.evoting@cdslindia.com.

10. Members are requested to write their folio number/ DP ID, Client ID in the attendance slip for attending the meeting.
11. Members seeking any clarification or information or having any queries/ questions, are requested to may send the same in writing at least 7 days in advance, enabling proper replies.
12. Members/Shareholders are requested to bring their copies of the Notice to the Meeting.

Regd. Office:
Plot No. 15, B-2, D-Block Market,
Vivek Vihar, New Delhi – 110095

Date: 03.09.2016
Place: New Delhi

By the order of Board of Director of
Divinus Fabrics Limited

Sd/-
Gagan Anand
Managing Director
DIN: 06957651C- Block, 131 2nd Floor,
Jhilmill Colony Delhi 110095

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

ITEM NO. 3

The Board of Directors, at its meeting held on 26th August 2014 has appointed Mr. Gagan Anand as an Additional Director of the Company with effect from 26th August, 2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 69 of the Articles of Association of the Company. And he was further regularize as Director in the AGM held in 2014.

Further his continuous association with the Company is necessary for conducting the business successfully, hence it is thought expedient to appoint Mr. Gagan Anand as Managing Director of the Company for a term of 3 years.

Having regards to the dynamic Business situation and the expansion programs on anvil it is thought fit and proper to appoint a Managing Director who shall be responsible for taking care of the day to day activities of the Business of the Company. He has rich experience of Industry. At present, Rs. 15000/- remuneration is proposed to be paid to Mr. Gagan Anand for his term pursuant to such appointment as Managing Director of the Company.

Terms of appointment of Managing Director

The appointment of Mr. Gagan Anand as the Managing Director shall be subject to the terms and condition in the appointment letter dated 30th May 2016. Aforesaid appointment letter is available for inspection of the members at the registered office of the Company from 11:00 AM to 5:00 PM on all working days except Saturday.

Term & Termination

The appointment of Mr. Gagan Anand as the Managing Director shall be effective for period of three years from 30th May 2016 and shall be subject to the approval of shareholders in the general meeting.

The employment may be terminated by either party at least two months prior notice in writing.

Duties & Powers

The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him. Subject to the supervision and control of the Board, the Managing Director be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company. The Managing Director shall not exceed the powers so delegated by the Board pursuant to clause above.

The Managing Director undertakes to employ the best of his skill and ability to make his utmost endeavors to promote the interests and welfare of the Company and to conform and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

Remuneration

- A. **SALARY:** Rs. 15000 remuneration shall be payable to Mr. Gagan Anand during his tenure / term as Managing Director of the Company.
- B. **Benefits, Perquisites, Allowances:** Managing Director shall not be entitled to any benefits and perquisites:

Variation

The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Companies Act, 2013 or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and Managing Director, subject to such approvals as may be required.

Confidentiality

The Managing Director is aware that in the course of his employment he will have access to and be entrusted with information in respect of the business and finances of the Company including IP, processes and product specifications, etc. and relating to its dealings, transactions and affairs and likewise in relation customers or clients all of which information is or may be of a confidential nature.

The Managing Director shall not except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law divulge to any person whatever or otherwise make use of and shall use his best endeavors to prevent the publication or disclosure of any Confidential Information of the Company or any of its suppliers, agents, distributors or customers.

All notes, memorandum, documents and Confidential Information concerning the business of the Company or any of its suppliers, agents, distributors or customers which shall be acquired, received or made by the Managing Director



during the course of his employment shall be the property of the Company and shall be surrendered by the Managing Director to the Company upon the termination of her employment or at the request of the Board at any time during the course of his employment.

Non - Competition

The Managing Director covenants with the Company that he will not, during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly, either on her own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company.

Code of Conduct of the Company

The provisions of the Code of Conduct of the Company shall be deemed to have been incorporated into the appointment letter by reference. The Managing Director shall during his term, abide by the provisions of the Code of Conduct in spirit and in letter and commit to assure its implementation.

Summary termination of employment

The employment of the Managing Director may be terminated by the Company without notice:

- if he is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company; or
- in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the appointment letter;
- in the event the Board expresses its loss of confidence in the Managing Director.

Resignation from directorship

Upon the termination by whatever means of her employment under the Agreement:

The Managing Director shall immediately tender her resignation from office as a director of the Company without claim for compensation for loss of office and in the event of her failure to do so the Company is hereby irrevocably authorised to appoint some person in her name and on her behalf to sign and deliver such resignation to the Company.

The Managing Director shall not without the consent of the Company at any time thereafter represent herself as connected with the Company or any of the subsidiaries and associated companies.

Agreement co-terminus with directorship

If and when this Agreement expires or is terminated for any reason whatsoever, Mr. Gagan Anand shall cease to be the Managing Director. If at any time, Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and this appointment shall forthwith terminate.

Notices

Notices may be given by either Party by letter addressed to the other Party at, in the case of the Company, its registered office for the time being and in the case of the Managing Director his last known address and any notice given by letter shall be deemed to have been given at the time at which the letter would be delivered in the ordinary course of post or if delivered by hand upon delivery and in proving service by post it shall be sufficient to prove that the notice was properly addressed and posted.

Disclosure of Interest of Board Members

None of the Director except Mr. Gagan Anand is interested in the proposed resolution to the extent of their appointment as the Managing Director.

The resolution stated in the item No. 3 is placed for kind consideration and approval of members of the Company. Board recommends the appointment of Mr. Gagan Anand as the Managing Director of the Company.



ITEM NO. 4

The Management of Company has noticed that existing Articles of Associates which was adopted by the Company on 29th September 2014 has some typographical error. Article No. 2(z)(dd) of existing Articles of Association” of the Company the name of the promoters are inadvertently written as Mr. Rajiv Aggarwal and Mr. Amit Aggarwal which is typographical error. The Board of Directors on being aware about this has decided to take action to rectify the mistake in abovementioned Article.

The altered articles after making required correction is place for the approval of shareholders by way of Special Resolution.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financial or otherwise), in this resolution.

The Board recommends the Special Resolution set out in Item no. 4 of the Notice regarding alteration in Articles of Association of Company, for approval by the Members.

Regd. Office:
Plot No. 15, B-2, D-Block Market,
Vivek Vihar, New Delhi – 110095

Date: 03.09.2016
Place: New Delhi

By the order of Board of Director of
Divinus Fabrics Limited

Sd/-
Gagan Anand
Managing Director
DIN: 06957651
C- Block, 131 2nd Floor,
Jhilmill Colony Delhi 110095

Dear Stakeholders,

Your Directors present herewith the 31st Annual Report of the Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTSHIGHLIGHTS

(Amt. in Lakhs)

<i>Particulars</i>	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
Sales	326.40	503.44
Other Income	12.49	6.94
Total Income	338.89	510.38
Total Expenditure	335.11	502.35
Profit/(Loss) before tax	3.78	8.03
Provision for Tax	1.24	2.68
Net Profit/(Loss)	2.74	5.35
Paid Up Share Capital	445.70	445.70

REVIEW OF OPERATION

During the year under review your Company’s performance satisfactory under the challenging market circumstances. The turnover and the net profit of the company has decreased by 35.11% and by 63.73% respectively, in comparison to the turnover and net profit of the previous year. The Company has earned the total revenue of Rs. 326.40 Lakh and other income of Rs. 12.49 Lakh as compared to Rs. 503.44 Lakh of Sale and Rs. 6.94 Lakh of other incomes in previous Financial Year. The profit margin of the company has contracted.

SHARE CAPITAL

The issued, subscribed and paid up capital of the Company is Rs 44,570,040 (Rupees Four Crore Forty Five Lacs seventy Thousands Forty) divided into 44, 57,004 (Forty four lacs fifty seven thousands four) equity shares of Rs 10 each. There has been no change in the share capital of the Company during the year.

DIVIDEND

The Board of Directors of your Company is of the opinion that keeping in view the future fund requirements of the Company and average financial performance, your Directors have not recommended any dividend on equity shares for the year under review. The Board assures you to present a much strong financial statements in coming years.

RESERVE

The net movement in major reserves of the Company for Financial Year 2015-16 and the previous year as follows:

Particulars	31/03/2016	31/03/2015
Surplus in Statement of Profit and Loss		
Opening balance	2,635,680	2,131,174
Net Profit / (Loss) for the year	274,206	534,752
Excess / (Short) of Previous Years	-	(30,246)
Sub Total	2,909,886	2,635,680
(-) Utilized for issue of Bonus Shares	-	-
(-) Tax on Dividend	-	-
	2,909,886	2,635,680

DETAIL OF BOARD MEETING

The Board met Six times during the financial year. The gap between any two meetings was within the period prescribed by the Companies Act, 2013

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTOR

The Board of Directors of the Company has received declaration of Independence from each Independent Director in pursuance of section 149(7) of the Companies Act, 2013.

POLICY REGARDING THE APPOINTMENT OF BOARD OF DIRECTORS

The Board of Directors adopted uniform policy for the appointment of Director in pursuance of various provisions of Companies Act and Listing Agreement.

Detail of Board of Directors

Sr. No.	Name of Director	Designation	Date of Appointment	Date of Cessation
1.	Gagan Anand	Managing Director	30.05.2016	-
2.	Arvind Agarwal	Director	01.03.2013	-
3.	Kuldip Singh	Director	14.06.2013	-
4.	Preeti Srivastava	Director	31.03.2015	-
5.	Rajesh Agarwal	Director	01.03.2013	19.10.2015

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act is annexed as **Annexure 1** to this Report.

ANNUAL EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS AND ITS COMMITTEES

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. The following process was adopted for Board Evaluation:

Feedback was sought from each Director about their views on the performance of the Board covering various criteria such as degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every director on his assessment of the performance of each of the other Directors.

Every statutorily mandated committee of the Board conducted a self-assessment of its performance and these assessments were presented to the Board for consideration. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

Feedback was provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation were presented to the Board.

DIRECTORATE

In accordance with the requirements of the Companies Act, 2013 and the Company's Articles of Association, there is no such Director who is eligible for retire by Rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013

During the year Company has appointed Mr. Gagan Anand as Managing Director and Chief Financial Officer of the Company with effect from 30th May, 2016. Also Mr. Rajesh Agarwal, Managing Director has resigned from the post with effect from 19th October, 2015.



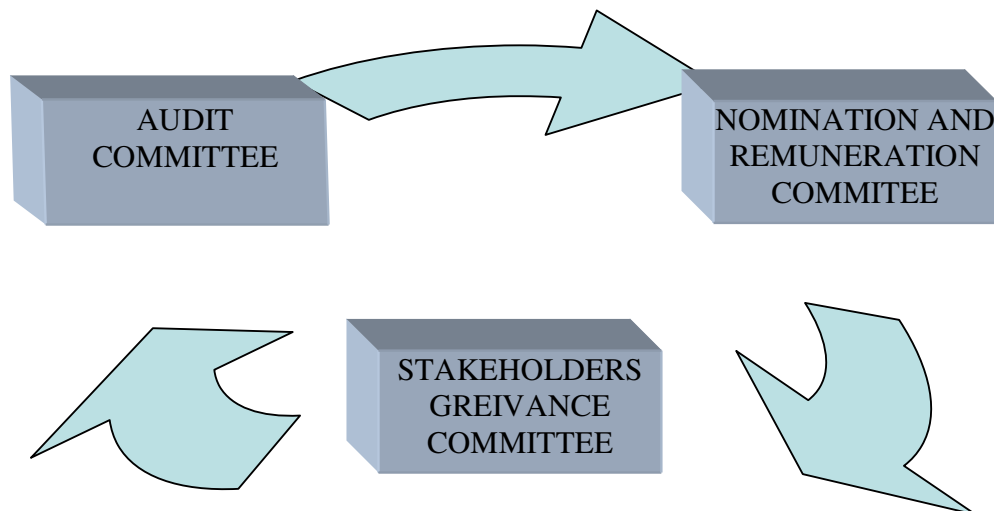
REMUNERATION POLICY FOR THE BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and as per the Listing Agreement, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination and Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity and Director

Attributes and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company. The Remuneration Policy is annexed as **Annexure 2** to this report.

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following substantive Committees constituted by the Board function according to their respective roles and defined scope:



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information on conservation of energy and technology absorption stipulated under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014:

The Company did not use any energy during the year under review. Your Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible.

Further your company has not imported any technology. However we believe and use information technology in all spheres of our activities to improve efficiency levels.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Detail of Foreign exchange earnings and outgo of your Company is below mentioned:

Particulars	FY 2016	FY 2015
Foreign Exchange earning	0.0	0.0
Foreign Exchange outflow	0.0	0.0

LISTING ON THE STOCK EXCHANGE

The Company's shares are listed with BSE Limited and the Company has paid the necessary listing fees for the Financial Year 2016-17,

CORPORATE GOVERNANCE REPORT

In pursuance of SEBI Circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 shall be applicable on those companies having paid up equity share capital exceeding Rs.10 crore and Net Worth exceeding Rs.25 crore, as on the last day of the previous financial year. The paid up share capital and net worth of your company do not qualify for applicability of Regulations of SEBI disclosure requirement. Therefore separate Report of Corporate Governance is not attached herewith.

In spite of above said SEBI circular, Your Company adopts best practices for corporate governance, disclosure standard and enhanced shareholder value while protecting the interest of all other stakeholders including clients, its employee. This has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. Your directors believe that Company profitability must go hand in hand with a sense of responsibility towards all stakeholders, employee and communities.

RELATED PARTY TRANSACTION

There were no contracts or arrangements entered into by the Company in accordance with the Section 188 of the Companies Act, 2013.

DEPOSITS

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

DIRECTOR'S RESPONSIBILITY STATEMENT IN PURSUANCE OF SECTION 134(3)(C) OF THE COMPANIES ACT, 2013

The financial statements are prepared in accordance with the Accounting standard as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). There are no material departures from prescribed accounting standards in the adoption of these standards.

The directors confirm that:

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

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure 3** to the Board's report.

AUDITORS

- **STATUTORY AUDITORS**

At the Annual General Meeting held on 29th September, 2014, Sudhir Agarwal & Associates, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of Sudhir Agarwal & Associates, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. The Auditor Report for the FY 2014-15 forms part of the Annual Report as Annexure 4 to the Board's Report. Auditors Report in respect of the Financial Statement for the current Financial Year given by M/s. Sudhir Agarwal & Associates, Chartered Accountant is self Explanatory and the Statutory Audit Report does not contain any qualification, reservation or adverse remark.

- **SECRETARIAL AUDITOR**
RANJEET VERMA & ASSOCIATES, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2015-16 forms part of the Annual Report as **Annexure 5** to the Board's report.

In the opinion, and to the best of the information and according to the records and explanation provided to Secretarial Auditor, Auditor has found the following observations:

1. NON COMPLIANCE IN APPOINTMENT OF COMPANY SECRETARY OF THE COMPANY

As per the provisions of the section 203 of the Companies Act 2013 & other applicable laws, a listed company has whole time company secretary in employment.

As per the records provided to us and examined by us the Company has not appointed a whole time Company Secretary

2. NON COMPLIANCE IN APPOINTMENT OF CHIEF FINANCIAL OFFICER OF THE COMPANY

As per the provisions of the Companies Act 2013 & other applicable laws, a listed company must have Chief Financial Officer of the Company.

As per the records provided to us and examined by us the Company has not appointed Chief Financial Officer.

3. NON COMPLIANCES OF SS-1 & SS-2 (MINUTES OF BOARD MEETING & GENERAL MEETING)

As per the requirement of the Companies Act 2013, Secretarial Standards issued by ICSI and other applicable laws. Every listed company and other specified companies have to maintain minutes of their all meetings as per the SS-1 & SS-2.

As per the records provided to us and examined by us The Company has not prepared the minutes & notices of Board Meeting , General Meeting and other Meeting as applicable to the Company as per the requirement of SS-1 & SS-2 and other applicable provisions of the Companies Act 2013.

4. STATUTORY RECORDS NOT MAINTAINED AS PER THE REQUIREMENT OF COMPANIES ACT 2013 & OTHER APPLICABLE LAWS

- The maximum Statutory Records of the Company are maintained as soft copy.
- The Various Registers of the Company are not properly maintained.

5. NON COMPLIANCE OF FORM MBP-1(DISCLOSURE OF INTEREST OF DIRECTOR)

As per the requirement of Section 184 of companies Act 2013 every Director of the company has to disclose his interest by giving a notice in writing in form MBP-1.

The Form MBP-1 was not prepared as per the requirement of the Section 184 of the Companies Act 2013. The Directors of the Company have not disclosed their interest in writing as per the applicable provisions.

6. NON UPDATION OF THE COMPANY'S WEBSITE

The Website of the company is under the process for updation .

Management Reply

Management assure you that effective steps will be taken in the coming years to have compliance with all observation provided by the auditors.

LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

The Company has given short term loan & Advances of Rs 34,352,761 in current financial year, the details of which is mentioned in the balance sheet attached to this report.

SIGNIFICANT AND MATERIAL ORDERS

During the year under Review Trading of Shares was suspended on BSE Limited vide Notice No. 20151221-2 dated 21st December, 2015. It is also hereby informed that pursuant to order No. 20160530-13 passed by Hon'ble Delhi High Court dated May 11, 2016, trading in equity shares of the company shall resume with effect from Tuesday, May 31, 2016.

INTERNAL FINANCIAL CONTROL

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. The Company has a well defined delegation of authority limits for approving revenue as well as expenditures. Processes for formulating and reviewing annual and long term business plans have been laid down.

The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the statutory auditors to ascertain, inter alia, their views on the internal financial control systems. The Audit Committee satisfied itself on the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed.

MATERIAL CHANGES AND COMMITMENT

In the year your Company not entered as such contract, agreement or arrangement which affects the material position and financial position of the Company.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has formulated a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules framed thereunder.

SUBSIDIARIES AND ASSOCIATES

Company does not have any subsidiary or associates Company.

PARTICULARS OF EMPLOYEES

During the year under review no employee is covered as per rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, therefore no statement is required be given showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are not applicable.

PARTICULARS OF REMUNERATION

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

No Director has drawn any remuneration from the Company, therefore ratio of remuneration of each director the median remuneration of the employees of the Company is 1.9.

ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015-16:

No Director has drawn any remuneration from the Company during the financial year 2014-15, therefore the percentage increase in remuneration is nil.

iii) The percentage increase in the median remuneration of employees in the financial year 2015-16:



During the financial year 2015-16, Company has not paid any remuneration to the employees. So the percentage increase in median remuneration is not ascertainable.

- iv) The number of permanent employees on the rolls of company: 0
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

No Director has drawn any remuneration from the Company during the financial year 2014-15, therefore the Average percentile increase in remuneration is nil.

- vi) the key parameters for any variable component of remuneration availed by the Directors:
The key parameters for the variable component of remuneration, if any, availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Nomination & Remuneration Policy for Directors.

No Director has drawn any remuneration from the Company during the financial year 2015-16.

- vii) Affirmation that the remuneration is as per the remuneration policy of the Company:
It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

VIGIL MECHANISM

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In line with the Code of Conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code of Conduct cannot be undermined.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of Conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

APPRECIATION

Directors wish to place on record their deep thanks and gratitude to;

- a) The Central and the State Government as well as their respective Departments and Development Authorities connected with the business of the Company, the Bankers of the Company as well as other Institutions for their co-operation and continued support.
- b) The Shareholders, Suppliers and the Contractors for the trust and confidence reposed and to the Customers for their valued patronage.
- c) The Board also takes this opportunity to express its sincere appreciation for the efforts put in by the officers and employees at all levels in achieving the results and hopes that they would continue their sincere and dedicated endeavour towards attainment of better working results during the current year.

**By the order of Board of Director of Divinus Fabrics Limited
(Formerly known as Avishkar Finance Company Limited)**

**Regd. Office:
Plot No. 15, B-2, D Block Market,
Vivek Vihar, Delhi – 110095**

**Date: 03.08.2016
Place: New Delhi**

**Sd/-
Gagan Anand
Managing Director
DIN: 06957651**

**Sd/-
Arvind Agrawal
Director
DIN: 03035484**

ANNEXURE 1

Criteria for Determining Qualifications, Positive Attributes and Independence of Directors

1. Definition of Independence

- A director will be considered as an “independent director” if the person meets with the criteria for ‘independent director’ as laid down in the Companies Act, 2013.
- The Definition of Independent Director as provided in the Act as follows:

“An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

- a) Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) (i) Who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) Who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) who has or had no pecuniary relationship with the company, its holding subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) Who, neither himself nor any of his relatives-
 - I. Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - II. Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
 - (A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - III. Holds together with his relatives two per cent or more of the total voting power of the company; or
 - IV. Is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - V. Is a material supplier, service provider or customer or a Lessor or lessee of the company;
 - VI. Who is not less than 21 years of age.”

Current and ex-employees of a Divinus Fabrics Limited may be considered as independent only if he/ she has or had no pecuniary relationship with any Tata company (due to employment/ receipt of monthly pension by way of Special Retirement Benefits/ holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.



- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee (“NRC”) consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- Independent Directors (“ID”) ideally should be thought/ practice leaders in their respective functions/ domains.

3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

1. “Act in accordance with the articles of the company.
2. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
4. Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
6. Not assign his office.”

Additionally, the Directors on the Board of a Tata Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment.

Independent Director are also expected to abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the code are as follows:

“An independent director shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising his duties;
3. Exercise his responsibilities in a bona fide manner in the interest of the company;
4. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. Not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. Refrain from any action that would lead to loss of his independence;
8. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. Assist the company in implementing the best corporate governance practices.”

Regd. Office:
Plot No. 15, B-2, D Block Market,
Vivek Vihar, Delhi – 110095

Date: 03.09.2016
Place: New Delhi

By the order of Board of Director of Divinus Fabrics Limited
(Formerly known as Avishkar Finance Company Limited)

Sd/-
Gagan Anand
Managing Director

DIN: 06957651

Sd/-
Arvind Agrawal
Director

DIN: 03035484

ANNEXURE 2

Remuneration Policy for directors, Key Managerial Personnel and other Employees

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of Divinus Fabrics Limited (“Company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy. This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and Clause 49(IV)(B)(1) of the Equity Listing Agreement (“Listing Agreement”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. The Remuneration Policy of the company as follows:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy. The remuneration policy as follows:

1. General:
 - The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
 - The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
 - Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
2. Remuneration to Managerial Person, KMP and Senior Management:
 - Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and also depend on the financial position of Company.

- Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

- Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3. Remuneration to Non-Executive / Independent Director:
 - Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

➤ **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

➤ **Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

➤ **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

VI. REVIEW AND AMENDMENT

- The Committee or the Board may review the Policy as and when it deems necessary.
- The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- This Policy may be amended or substituted by the Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.



ANNEXURE -3

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L51909DL1984PLC019733
2	Registration Date	31/12/1984
3	Name of the Company	Divinus Fabrics Limited
4	Category/Sub-category of the Company	Company Limited By Shares Indian Non Government Company
5	Address of the Registered office & contact details	Plot No. 15, B-2, D-Block Market, Vivek Vihar, Delhi-110095
6	Whether listed company	Listed at BSE Limited, Scrip Code 538432
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial services Private Limited, D-153A, Okhla Industrial Area, Phase-I, New Delhi 110020, Tel No. 011 26812682,83

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)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale and Purchase of Fabrics	46411	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	N.A.	N.A.

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (1)	0	0	0	0.00	0	0	0	0.00	00
(2) Foreign									

a) NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
TOTAL (A)	0	0	0	0	0	0	0	0.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	659991	11200	671191	15.06	766895	11200	778095	17.46	15.92
ii) Overseas	0	0	0	0.00					0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	118231	81801	200032	04.49	130995	81801	212796	4.77	6.38
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3132257	151600	3283857	73.68	3036238	151600	3187838	71.52	-2.92
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	10300	0	10300	0.00	0	0	0	0	0
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00
HUF	267224	24400	291624	6.54	253875	24400	278275	6.24	-4.57
Sub-total (B)(2):-	4188003	269001	4457004	100	4188003	269001	4457004	100	0
Total Public (B)	4188003	269001	4457004	100	4188003	269001	4457004	100	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	4188003	269001	4457004	100.00	4188003	269001	4457004	100.00	0.00

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
-	-	-	-	-	-	-	-	-

(iii) Change in Promoters' Shareholding

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
-	-	-	-	-	-	-	-

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Rakhee Yadav	01.04.2015		0	0	329268	7.39
		31.03.2016		0	0	329268	7.39
2	Joginder Singh	01.04.2015		0	0	131706	2.96
		31.03.2016		0	0	131706	2.96
3	Manan Chopra	01.04.2015		0	0	124706	2.8
		31.03.2016		0	0	124706	2.8
4	F6 Finserve Pvt. Ltd.	01.04.2015				114387	2.57
		10.04.2015	Purchase	7600	0.17	121987	2.74
		24.04.2015	Purchase	11000	0.25	132987	2.98
		01.05.2015	Purchase	1250	0.03	134237	3.01
		08.05.2015	Sale	3000	0.07	131237	2.94
		15.05.2015	Sale	8000	0.18	123237	2.77
		22.05.2015	Sale	1000	0.02	122237	2.74
5	Shiv Kumar Gupta	01.04.2015		0	0	105916	2.38
		26.06.2015	Sale	8000	0.18	97916	2.20
		31.03.2016		0	0	97916	2.20
6	Teagan Traders India	01.04.2015		0	0	94892	2.13
		12.02.2016	Purchase	1500	0.03	96392	2.16
		31.03.2016		0	0	96392	2.16
7	Sunil Kapoor	01.04.2015				88601	1.99
		29.05.2015	Purchase	6900	0.17	95501	2.14
		31.03.2016				95501	2.14
8	Deepak Agrawal	01.04.2015		0	0	95456	2.14
		10.04.2015	Sale	500	0.01	94956	2.13

		17.04.2015	Sale	500	0.01	94456	2.12
		24.04.2015	Sale	1000	0.02	93456	2.1
		08.05.2015	Sale	2250	0.05	91206	2.05
		15.05.2015	Sale	200	0.01	91006	2.04
		22.05.2015	Sale	700	0.01	90306	2.03
		12.06.2015	Sale	200	0.01	90106	2.02
		31.03.2016		0	0	90106	2.02
9	Rupesh Jha	01.04.2015		0	0	78852	1.77
		10.04.2015	Purchase	3380	0.08	82232	1.85
		17.04.2015	Purchase	500	0.01	82732	1.86
		24.04.2015	Purchase	2000	0.04	84732	1.9
		08.05.2015	Purchase	1250	0.03	85982	1.93
		15.05.2015	Purchase	1000	0.02	86982	1.95
		22.05.2015	Purchase	1200	0.03	88182	1.98
		29.05.2015	Purchase	500	0.01	88682	1.99
		31.03.2016				88682	1.99
10	Ismet Real Estate India Private Limited	01.04.2015		0	0	0	0
		05.06.2015	Purchase	9365	0.21	9365	0.21
		03.07.2015	Purchase	19000	0.43	28365	0.64
		17.07.2015	Purchase	9385	0.21	37750	0.85
		24.07.2015	Purchase	3419	0.07	41169	0.92
		23.10.2015	Sale	520	0.01	40649	0.91
		25.03.2016	Purchase	47292	1.06	87941	1.97
		31.03.2016		0	0	87941	1.97

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.(As on 31st March, 2016)

(Amt. in Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	3630000.0	0	3630000.0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	0	800000.0	0	800000.0
Net Change	-	22.04	0	22.04
Indebtedness at the end of the financial year				
i) Principal Amount	0	2830000.0	0	2830000.0
ii) Interest due but not paid	0	0		-
iii) Interest accrued but not due	0	0		-
Total (i+ii+iii)	0	2830000.0	0	2830000.0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Gagan Anand	(Rs/Lac)
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission		0.00
	- as % of profit	0.00	0.00
	- others, specify	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	0.00	0.00
	Ceiling as per the Act	100000.00	

B. REMUNERATION TO OTHER DIRECTORS					
SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Arvind Agrawal	Kuldip Singh	Preeti Srivastava	(Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings	0.00	0.00	0.00	0.00
	Commission	0.00	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	0.00	0.00	0.00	0.00
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	0.00		0.00	0.00
	Commission	165000	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	0.00	0.00	0.00	0.00
	Total Managerial Remuneration	165000	0.00	0.00	0.00
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs/Lacs)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	0.00		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	0.00	N.A.	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax	N.A.	0.00	N.A.	0.00

	Act, 1961				
2	Stock Option	N.A.	0.00	N.A.	0.00
3	Sweat Equity	N.A.	0.00	N.A.	0.00
4	Commission		0.00		
	- as % of profit	N.A.	0.00	N.A.	0.00
	- others, specify	N.A.	0.00	N.A.	0.00
5	Others, please specify	N.A.	0.00	N.A.	0.00
	Total	N.A.	0.00	N.A.	0.00
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



ANNEXURE-4
AUDITOR REPORT
INDEPENDENT AUDITOR'S REPORT

The Members of Divinus Fabrics Limited

1. Report on the Financial Statement

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

2. Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 true and fair view in order to design audit procedures that are appropriate in the circumstances, An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

4. Opinion

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

- (a) In the case of Balance Sheet, of the state of affairs of the company as at March 31, 2016,
- (b) In the case of Statement of Profit and Loss, of the PROFIT for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

5. Report on other legal and regulatory requirements

- i) 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.
- ii) 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 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-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 derivatives 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 Sudhir Agarwal & Associates
Chartered Accountants
FRN: 509930 C

Sd/-
Amit Kumar
(Partner)
Membership No. 518735

Place: New Delhi
Date: 30th May 2016

“ANNEXURE A” TO THE AUDITOR’S REPORTS TO THE MEMBERS OF DIVINUS FABRICS LIMITED FOR THE YEAR ENDING 31ST MARCH 2016

Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the financial statements of the company for the year ended March 31, 2016;

i. In respect of its fixed Assets:

(a) There are no fixed assets in the company.

ii. In respect of its inventories:

As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. Transactions with parties’ u/s 189 of the Companies Act, 2013

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 Companies Act. Accordingly, the provisions of clause 3(iii) are not applicable to the Company.

iv. Section 185 and 186 of the Companies Act, 2013

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.

v. Deposits accepted from the public

In our opinion and according to the information and explanations given to us, 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.

vi. Maintenance of Cost records

We have been informed that the company is not required to maintain cost records which are specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013, in respect of the activities carried on by the company.

vii. Statutory dues

a. According to information and explanation given to us and on the basis of our examination of the books of account and record, the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income tax, Service Tax, cess and other statutory dues with the appropriate authorities during the year.

According to information and explanations given to us, no undisputed amount payable in respect of above were in arrears, as at 31st March 2016 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of Income tax, Service Tax outstanding on account of any dispute.

viii. Repayment of dues of financial institution or bank etc

In our opinion and according to the information and explanations given to us, the company has not taken any loans from financial institutions and banks and has not issued any debentures.

ix. Issue of IPO

Based upon the audit procedures performed and the information and explanation 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 Company.

x. **Fraud**

Based upon the audit procedures performed and the information and explanation 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.

(i) Based upon the audit procedures performed and the information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act.

(ii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

(iii) **Related Party Transactions**

In our opinion, 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.

(iv) **Preferential Allotment**

Based upon the audit procedures performed and the information and explanation 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.

(v) **Non-Cash Transaction with Directors**

Based upon the audit procedures performed and the information and explanation 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.

(vi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Sudhir Agarwal Associates
Chartered Accountants
FRN: 509930 C

Sd/-

Amit Kumar
(Partner)
Membership No. 509930

Place: New Delhi
Date: 30th May 2016



Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of DIVINUS FABRICS 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 **Divinus Fabrics 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Sudhir Agarwal Associates
Chartered Accountants
FRN: 509930 C

Sd/-
Amit Kumar
(Partner)
Membership No. 509930

Place: New Delhi
Date: 28th May 2016



DIVINUS FABRICS LIMITED
 (Formerly Known as Avishkar Finance Company Limited)
 CIN No. L51909DL1984PLC019733
 Regd. Office:- PLOT NO. 15, B - 2, D BLOCK MARKET, VIVEK VIHAR, DELHI – 110095
BALANCE SHEET AS AT 31-03-2016

Particulars	Note No.	Current Year	Previous Year
		31/03/2016	31/03/2015
I. Equity & Liabilities			
(1) Shareholder's Funds			
(a) Share Capital	1	44,570,040	44,570,040
(b) Reserve & Surplus	2	2,909,886	2,635,680
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	3		3,630,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		2,830,000	-
(b) Trade payables	4	9,405	614,647
(c) Other current liabilities	5	122,652	372,364
(d) Short-term provisions	6	124,524	289,510
Total		50,566,507	52,112,241
II. Assets			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current Assets			
(a) Inventories	7	-	-
(b) Trade Receivable	8	7,645,530	13,482,126
(c) Cash & Cash Equivalents	9	8,443,321	7,955,676
(d) Short-term loans and advances	10	34,477,656	30,674,439
(e) Other Current Assets		-	-
Total		50,566,507	52,112,241

Significant Accounting Policies & Notes to Account form an integral Part of Accounts

As per our report of even date annexed

For Sudhir Agarwal & Associates
 Chartered Accountants (FRN No. 509930C)

Sd/-

Amit Kumar

Partner (M. No.518735)

Date : 30-05-2016

Place : New Delhi

For and of Behalf of Board of Directors of
 Divinus Fabric Limited

Sd/-

Arvind Agarwal

Director

Din : 03035484

Sd/-

Gagan Anand

Managing Director

Din : 06957651



DIVINUS FABRICS LIMITED
(Formerly Known as Avishkar Finance Company Limited)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2016

Particulars	Note No.	Current Year	Previous Year
		3/31/2016	3/31/2015
I. Revenue from Operations	11	32,640,360	50,344,441
II. Other Income	12	1,248,941	693,957
III. Total Revenue (I+II)		33,889,301	51,038,398
IV. Expenses			
Purchase of Stock in Trade	13	29,450,643	33,609,606
Changes in inventories of Stock in Trade	14	-	11,874,283
Employees Benefit Expenses	15	1,386,477	1,171,766
Finance Cost	16	-	-
Other Expenses	17	2,674,483	3,579,513
Total Expenses		33,511,603	50,235,168
V. Profit before Tax		377,698	803,230
VI. Tax Expenses			
(1) Current Tax		124,524	268,478
(2) Deferred Tax		-	-
(3) Tax Adjustment – Earlier years		(21,032)	-
VII. Profit After Tax	(III-IV)	274,206	534,752
VIII. Earning per Equity Share			
(1) Basic		0.06	0.12
(2) Diluted		0.06	0.12

Significant Accounting Policies & Notes to Account form an integral Part of Accounts
As per our report of even date annexed

For Sudhir Agarwal & Associates
Chartered Accountants
FRN No. 509930 C

Sd/-

Amit Kumar
Partner
M. No.518735
Date : 30-05-2016
Place : New Delhi

For and of Behalf of Board of Directors of
Divinus Fabric Limited

Sd/-
Arvind Agarwal

Director
Din : 03035484

Sd/-
Gagan Anand
Managing
Director
DIN: 06957651

DIVINUS FABRICS LIMITED
(Formerly Known as Avishkar Finance Company Limited)
CASH FLOW STATEMENT FOR 31ST MARCH, 2016

PARTICULARS	31.3.2016	31.3.2015
<u>CASH FLOW FROM OPERATING</u>		
A. <u>ACTIVITIES</u>		
Net(Loss)/Profit Before Tax and extra ordinary items	377,698	803,230
Adjustment for:		
Provision for tax/ Tax adjustment of Earlier Years	-	-
Profit on Sale of Investment	-	-
Interest Received	(1,248,941)	(693,957)
Operating Profit before working Capital changes	(871,243)	109,273
Adjustment for:		
Trade and other Receivables	5,836,596	(13,482,126)
Inventories	-	11,874,283
Trade payables & Other Liabilities	(854,954)	(2,520,428)
Cash generated from operations	4,110,399	(4,018,998)
Taxes Paid	(268,478)	(699,246)
Cash flow before extra-ordinary items	3,841,921	(4,718,244)
Extra-ordinary items	-	-
Net Cash from operating activities	3,841,921	(4,718,244)
B. <u>CASH FROM INVESTING ACTIVITIES:</u>		
Loans and advances	(4,603,217)	10,358,027
Profit on sale of Investment	-	-
Interest Received	1,248,941	693,957
Sale of Investment	-	-
Net Cash inflow/(outflow) from Investing activities	(3,354,276)	11,051,984
<u>CASH FLOW FROM FINANCING</u>		
C. <u>ACTIVITIES</u>		
Issue of Fresh Equity Shares	-	-
Dividend Paid	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net increase in cash and cash equivalents	487,645	6,333,740
Cash and cash equivalents as at 1.4.2015	7,955,676	1,621,936
(Opening Balance)		
Cash and cash equivalents as at 31.3.2016	8,443,321	7,955,676
(Closing Balance)		

NOTES

1 Share Capital

	As at 31.03.2016		As at 31.03.2015		As at 31.03.2014	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorised						
Equity Shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000	5,00,000	50,000,000
Issued						
Equity Shares of Rs. 10/- each	4,457,004	44,570,040	4,457,004	44,570,040	4,457,004	44,570,040
Subscribed & Paid up						
Equity Shares of Rs. 10/- each fully paid	4,457,004	44,570,040	4,457,004	44,570,040	4,457,004	44,570,040
Total	4,457,004	44,570,040	4,457,004	44,570,040	4,457,004	44,570,040

1(A) Reconciliation of the number of equity shares outstanding

Particulars	As at 31.03.2016		As at 31.03.2015		As at 31.03.2014	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity Shares						
Shares outstanding at the beginning of the year *	4,457,004	44,570,040	4,457,004	44,570,040	247,500	2,475,000
Shares Issued during the year	-	-	-	-	4,209,504	42,095,040
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	4,457,004	44,570,040	4,457,004	44,570,040	4,457,004	44,570,040

1(B) Disclosure of shareholders holding more than 5% of Share Capital

Name of Shareholder	As at 31.03.2016		As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NIL						

1(C) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2 Reserves and Surplus

Particulars	31.3.2016	31.3.2015
Surplus in Statement of Profit and Loss		
Opening balance	2,635,680	2,131,174
Net Profit / (Loss) for the year	274,206	534,752
Excess / (Short) of Previous Years	-	(30,246)
Sub Total	2,909,886	2,635,680
(-) Proposed Dividends	-	-
(-) Tax on Dividend	-	-
(-) Utilized for issue of Bonus Shares	-	-
	2,909,886	2,635,680
Share Premium		
Opening Balance	-	-
Addition during the year	-	-
utilized for Issue of Bonus Shares	-	-
Closing Balance	-	-
Total	2,909,886	2,635,680

3 Short Term Borrowings

Particulars	31.3.2016	31.3.2015
Unsecured		
From Bank	-	-
From Other Parties	2,830,000	3,630,000
Total	2,830,000	3,630,000

4 Trade Payables

Particulars	31.3.2016	31.3.2015
Trade Payable	9,405	614,647
Total	9,405	614,647

5 Other Current Liabilities

Particulars	31.3.2016	31.3.2015
Audit Fees Payable	29,214	29,214
Listing Fees Payable	90,088	-
Unclaimed Dividend	2,450	2,450
Salary Payable	-	238,700
TDS Payable	900	102,000
Total	122,652	372,364

6 Short Term Provisions

Particulars	31.3.2016	31.3.2015
Others		
- Provision for Tax	124,524	268,478
- Provision for Proposed Dividend	-	-
- Provision for Tax on Proposed Dividend	-	21,032
	124,524	289,510

7 Inventories

Particulars	31.3.2016	31.3.2015
Stock in Trade	-	-
Total	-	-

8 Trade Receivables

Particulars	31.3.2016	31.3.2015
Unsecured-considered good		
Trade Receivables outstanding for less Than 6 Months	7,645,530	13,482,126
Total	7,645,530	13,482,126

9 Cash and Cash Equivalents

Particulars	31.3.2016	31.3.2015
Cash in hand	279,740	263,377
Cash at Bank	8,163,581	7,692,299
Total	8,443,321	7,955,676

10 Short Term Loans & Advances

Particulars	31.3.2016	31.3.2015
(Unsecured, Considered good, unless otherwise stated)		
Loans & Advances	34,352,761	30,605,042
TDS receivable	124,895	69,397
	34,477,656	30,674,439

11 Revenue from Operations

Particulars	31.3.2016	31.3.2015
Sale of Goods	32,640,360	50,344,441
	32,640,360	50,344,441

12 Other Income

Particulars	31.3.2016	31.3.2015
Profit on sale of investment	-	-
Interest received on Loans	1,248,941	693,957
Total	1,248,941	693,957

13 Purchases of Stock in Trade

Particulars	31.3.2016	31.3.2015
Purchases	29,157,295	33,218,929
Packing Material	293,348	390,677
	29,450,643	33,609,606

14 Change in Inventories

Particulars	31.3.2016	31.3.2015
Stock-in-Trade		
Inventories at the beginning of the year		11,874,283
Less: Inventories at the end of the year		-
Change in Stock		11,874,283

15 Employee Benefit Expenses

Particulars	31.3.2016	31.3.2015
Salary and Wages	1,186,763	1,064,100
Staff Welfare Expenses	199,714	107,666
	1,386,477	1,171,766

16 Finance Cost

Particulars	31.3.2016	31.3.2015
Bank Charges	-	

17 Other Expenses

Particulars	31.3.2016	31.3.2015
Audit Fee	29,214	29,214
Advertising Expenses	37,798	50,425
Conveyance	348,562	390,187
Listing Fees and Other Expenses	269,160	190,474
Miscellaneous Expenses	110,491	116,568
Printing & Stationery	235,633	299,782
Freight & Cartage	323,265	462,446
Interest On Income Tax	25,289	65,630
Legal & Professional Expenses	113,080	17,500
Rent	540,000	1,260,000
ROC Expenses	9,600	1,800
Repair & Maintenance	226,533	253,271
Telephone Expenses	149,326	180,978
Tour & Travelling	256,523	261,238
	2,674,483	3,579,513

Significant accounting policies

A. Basis of preparation of financial statements

The financial statements of the Company have been prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles ('GAAP') in India, to comply 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 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable and other accounting requirements pronouncements of the Institute of Chartered Accountant of India. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the year. Example of such estimates includes future obligations under employee retirement benefit plans, estimated useful life of fixed assets, warranty on sales, provision for obsolete and slow moving inventory, etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

C. Current-Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in ,the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at option of the counterparty, result in its settlement by the issue of equity instruments do not affects its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

D. Revenue recognition

Revenue from sale of goods is recognized on the basis of terms and conditions with respective customers which coincides with the transfer of significant risks and **rewards to the customer. Sales are stated at invoice value net of sales tax, turnover/trade discount, returns and claims, if any.**

Interest income is recognized on time proportion basis considering the amount outstanding and the rate applicable.

E. Inventories

The stock in trade is valued at the lower of cost and net realizable value. Cost includes purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from tax authorities) freight inward and other expenditure directly attributable to bring the inventory to the present location and condition. Cost is determined on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

F. Fixed assets

There are no fixed assets in the company.

G. Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains/ (losses) arising on account of realisation/ settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the statement of Profit and Loss.

During the year no foreign currency transactions had taken place.

H. Employee benefits

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Profit and Loss Account in the period in which the employee renders the related service.

Defined benefit plan

Gratuity is a defined benefit plan.

The present value of obligations under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary at the end of the year using the projected unit credit method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

I. Taxation

Income tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the income tax laws) and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and the taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using tax rates that have been enacted, or substantively enacted, by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

J. Provisions and contingent liabilities

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

K. Earnings per share

Basic earnings per share are calculated by dividing the net profit/ (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

L. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposit with banks, other short term highly liquid investments with original maturities of three months or less.

18. Legal and professional fees include auditor's remuneration:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
As Auditors:		
-Statutory audit (including service tax)	29,214.00	29,214.00
- Out of pocket expenses	NIL	NIL
Total	29,214	29,214

19. Earnings per share

Particulars	For the year ended 31 March 2016 (In lacs)	For the year ended 31 March 2015
Profit/ (loss) after taxation available to equity shareholders after prior period expenditure (Rs.) (A)	2,74,206/-	5,34,752/-
Weighted average number of equity shares outstanding during the year (B)	44,57,004	44,57,004
Nominal value of the share (Rs)	10/-	10/-
Basic earnings per share after prior period expenditure (Rs) C= (A)/(B)	0.06	0.12

20. Related party disclosure

(a) Related parties with whom transactions have taken place during the year

Key managerial personnel: NIL

(b) Transaction with related parties: NIL

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Remuneration paid to Key Managerial Personnel:	-	-

21. Balances of Parties under the head- Trade payable, Other Current Liabilities and short Term/Long Term Loans and advances are subject to confirmation and reconciliation thereof if any.

22. Previous year's comparative figures have been regrouped / recasted wherever necessary.

For Sudhir Agarwal & Associates
Chartered Accountants
FRN No. 509930 C
Sd/-
Amit Kumar
Partner
M. No.518735

For and on behalf of the Board of
Divinus Fabric Limited

Sd/-
Arvind Agarwal
Director
Din: 03035484

Sd/-
Gagan Anand
Managing Director
Din: 06957651

Date : 30.05.2016
Place : New Delhi



ANNEXURE-5

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016)

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

To,

The Members,
DIVINUS FABRICS LIMITED
Plot No. 15, B-2, D Block Market, Vivek Vihar,
Delhi-110095.

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

Based on my verification of the **DIVINUS FABRICS LIMITED** ("the Company") books, papers, minute books, forms and returns filed and other records maintained by the company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) Some other laws especially applicable to the company-

Since the Company is not under manufacturing process, hence most of the Labour laws and other Acts which would be specifically applicable on this sector are not applicable on this situation.

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India.
- b. The Listing agreements entered into by the Company with the Stock Exchanges.

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

AS PER COMPANIES ACT, 2013

1. NON COMPLIANCE IN APPOINTMENT OF COMPANY SECRETARY OF THE COMPANY

As per the provisions of the section 203 of the Companies Act 2013 & other applicable laws, a listed company has whole time company secretary in employment. As per the provisions of Section 203(4) of the Companies Act 2013, if the office of any whole- time Key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

Under Section 203(5) of Companies Act 2013, if a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every director and key managerial personnel of the company who is in default shall be punishable with fine which may extended to fifty thousand rupees and where the contravention is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the contravention continues.

As per the records provided to me and examined by me the Company has not appointed a whole time Company Secretary.

2. NON COMPLIANCE IN APPOINTMENT OF CHIEF FINANCIAL OFFICER OF THE COMPANY

As per the provisions of the Companies Act 2013 & other applicable laws, a listed company must have Chief Financial Officer of the Company.

As per the records provided to me and examined by me the Company has not appointed Chief Financial Officer.

3. NON MAINTENANCE OF COMPANY'S WEBSITE

As per requirements under Companies Act, 2013 and Listing agreements, company has to maintain its website and to maintain with all its updated records as per act and listing requirements.

I observed that the company's website has developed some technical snag and is being recasted so as to be able to upload/publication of all documents as per requirement of acts and listing agreement.



Further, I report that there were no instances of:

- I. Redemption / buy back of securities.
- II. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- III. Foreign technical collaborations.

**FOR RANJEET VERMA & ASSOCIATES
COMPANY SECRETARIES**

**Place: Vaishali
Dated: 30.08.2016**

**CS RANJEET KUMAR VERMA
PROPRIETOR
M.NO- FCS6814
CP NO- 7463**



Note – Enclosed Appendix A forms an integral part of this report
‘Appendix A’

To,
The Members,
DIVINUS FABRICS LIMITED
Plot No. 15, B-2, D Block Market, Vivek Vihar,
Delhi-110095.

My report of September 2016 is to be read along with this letter.

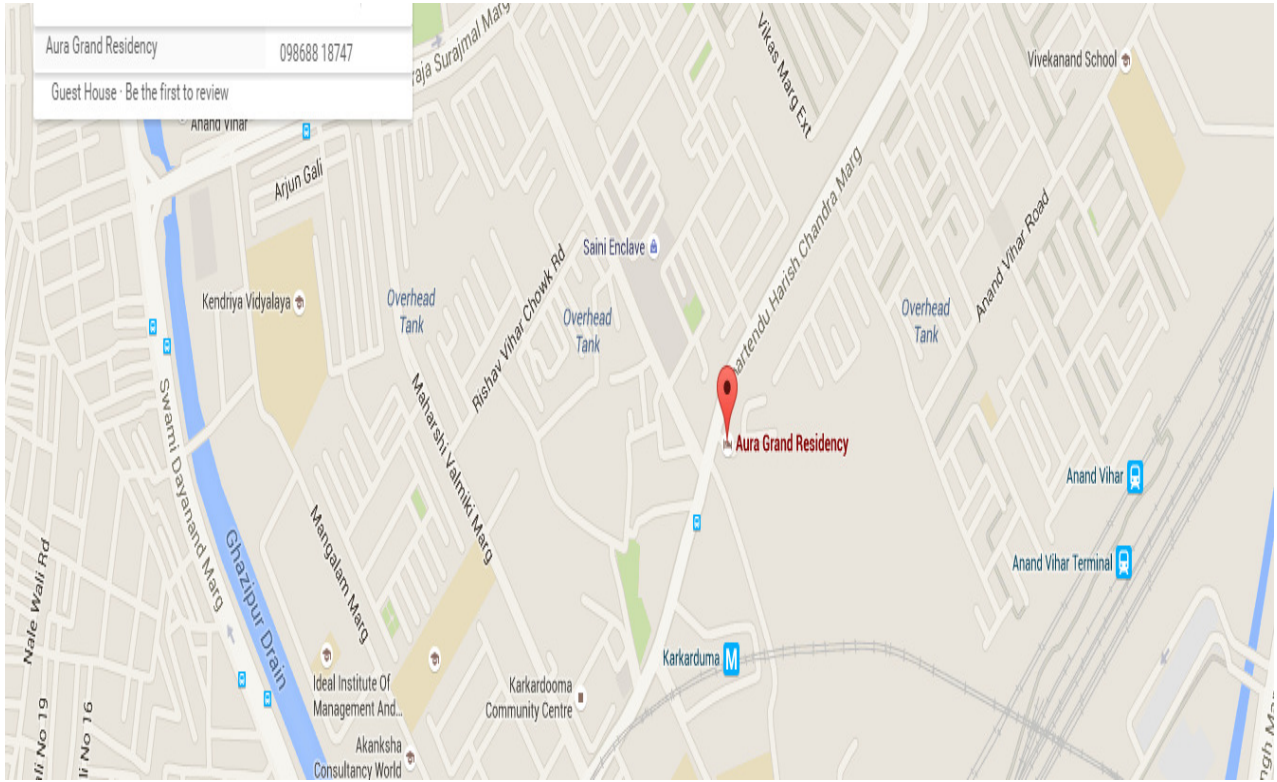
1. The maintenance of the secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about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

FOR RANJEET VERMA & ASSOCIATES
COMPANY SECRETARIES

Place: Vaishali
Dated: 30.08.2016

CS RANJEET KUMAR VERMA
PROPRIETOR
M.NO- FCS6814
CP NO- 7463

ROUTE MAP





Form No. MGT-11

PROXY FORM

DIVINUS FABRICS LIMITED

R.O. Plot No. 15, B-2, D- Block Market, Vivek Vihar, New Delhi-110002 Tel: 011-43583832
 Fax: 011-23210917 E-mail Id: divinus.fabrics@gmail.com Website: www.divinusfabrics.com
 CIN: L51909DL1984PLC019733

I/We _____ R/o _____
 _____ being a Member/ Members of Divinus
 Fabrics Limited, hereby appoint Mr./Mrs. _____
 R/O _____
 _____ Failing him /her Mr. /Mrs. _____
 R/o _____

_____ as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the members of the Company, to be held on Friday, 30.09.2016 at 11:30 A.M at Hotel Aura Grand, 439, Jagriti Enclave, New Delhi -110092 and at any adjournment thereof in respect of such resolutions as attached / appended below.

Signed on this _____ Day of _____, 2016

Signature

Address

Folio No.

No. of Equity Shares held

Notes:

- Any Member entitled to attend and vote at the Meeting is entitled to attend and either vote in person or by Proxy and the proxy need not be a Member.
- Proxy form duly signed across Revenue Stamp of Re. 1.00 should reach the Company's Registered Office not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a Member of the Company.

Affix
Revenue
Stamp of not
less than Rs.
0.15

Affix Revenue Stamp
of 1/- Rupee

S. No.	RESOLUTIONS	Optional*	
		FOR	AGAINST
Ordinary Business			
1.	To receive, consider & adopt the Audited Balance Sheet as on 31.03.2016 and Profit & Loss for the year ended 31.03.2016 along with the Reports of Auditors & Directors, annexures & enclosures, thereon		
2.	To rectify the appointment of M/s. Sudhir Agrawal & Associates as the statutory Auditor of the Company.		
Special Business			
3.	To Approve The Appointment Of Gagan Anand As Managing Director		
4.	Alteration of Articles of Association		

Signed this..... day of 2016

Signature of Shareholder.....

Address :

Folio No. :

No. of Equity Shares held :

Notes:

- 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.**
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 31st Annual General Meeting.
- *It is optional to put '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the "FOR" or "AGAINST" columns BLANK in all or any of resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all details including details of member(s) in the above box before submission.



DIVINUS FABRICS LIMITED

**R.O. Plot No. 15, B-2, D- Block Market, Vivek Vihar, New Delhi-110002 Tel: 011-43583832
Fax: 011-23210917 E-mail Id: divinus.fabrics@gmail.com Website: www.divinusfabrics.com
CIN: L51909DL1984PLC019733**

ATTENDANCE SHEET

**31ST ANNUAL GENERAL MEETING
Friday, 30th September, 2016, at 11.30 A.M.**

Members are requested to bring copy of Annual Report along with them to the Annual General Meeting. Please complete this Attendance Slip and hand-over at the Entrance of Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name of the Shareholder :

Ledger Folio No. :

Address :

No. of Shares held :

Name of the Proxy :

I/ We hereby record my/ our presence at the Annual general Meeting of the Company held on Tuesday, 30th September, 2016.

Dated:
Place:

Member's / Proxy's Signature

INTENTIONALLY LEFT BLANK

If undelivered, please return to:
Skyline Financial Services Pvt. Ltd.
D-153A, Okhla industrial Area, Phase-I,
New Delhi 110020