



CIN NO :- L74999HRI979PLC032747

## CONTENTS

Notice  
Directors' Report  
Management Discussion & Analysis  
Secretarial Audit Report  
Corporate Governance Report  
CEO & CFO Certificate  
Auditor's Certificate on Corporate Governance  
Auditor's Report on Financial Statement  
Balance Sheet and Profit & Loss Account along with notes to the Accounts  
Cash Flow Statement  
Proxy Form & Attendance Slip

## CHAIRMAN & MANAGING DIRECTOR

Mr. Anil Kumar Khanna

## DIRECTORS

Mr. Ashwini Kumar  
Mr. B. L. Khurana  
Mr. Suman Kapur  
Mr. Aditya Khanna  
Mrs. Pushpa Latha CS (Woman Director)

## STATUTORY AUDITORS

M/s. J.P. Chawla & Company,  
Chartered Accountants,  
43, Darya Ganj,  
New Delhi-110002.

## SECRETARIAL AUDITORS

M/s. Choudhary Pankaj & Associates,  
Company Secretaries,  
721, Akshardham Apartments, Pocket-III,  
Sector-19, Dwarka, New Delhi-110075.

## PRINCIPAL BANKERS

Vijaya Bank  
Central Bank of India  
Punjab National Bank

## REGISTERED OFFICE & FACTORY

14 Kms., Gurgaon Pataudi Road,  
Village Jhund Sarai Veeran,  
Distt. Gurgaon, Haryana

## CORPORATE OFFICE

Plot No. 66, Sector-34, EHTP,  
Gurgaon, Haryana.

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt.Ltd.  
44, Community Centre, Phase-I,  
Near PVR, Naraina Industrial Area,  
New Delhi-110028.  
Phone: 011-41410592-93-94  
Fax : 011- 41410591,  
email : delhi@linkintime.co.in

## WEBSITE

rlfstd.com

## INVESTOR E-MAIL

investorrelations@rlfstd.com

## TELEPHONE NO(S)

011-26253522, 011-26258237

## PLEASE NOTE:

1. No gifts/ gift coupons/ company products will be given at the Annual General Meeting.
2. No attendance slip will be issued at the AGM venue.
3. Please bring your copy of Annual Report at the AGM.

## NOTICE TO SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT THE 35<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF RLF LIMITED WILL BE HELD ON WEDNESDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2015 AT THE REGISTERED OFFICE OF THE COMPANY AT 14 KM, GURGAON PATAUDI ROAD, VILLAGE JHUND SARAI VEERAN, DISTT. GURGAON, HARYANA AT 12.00 NOON. TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS :

- Item No.1 To receive, consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March 2015 and the Profit & Loss account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
- Item No.2 To appoint a Director in place of Mr. Anil Kumar Khanna (DIN : 00207839) who retires by rotation and being eligible offers himself for re-appointment.
- Item No.3 Ratification of Appointment of Statutory Auditors.

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provision of the Companies Act, 2013 (the “Act”) read with Rules 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force), accordingly the appointment of M/s. J.P. Chawla & Company, Chartered Accountants, (Firm Registration No.001875N), as the Statutory Auditors of the Company is placed for ratification by the shareholders to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors.”

### SPECIAL BUSINESS :

- Item No.4 To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**“RESOLVED THAT**, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Mrs. Pushpa Latha CS (DIN : 007225452), who was appointed as an Additional Director (Woman Director) of the Company by the Board of Directors with effect from 26<sup>th</sup> May, 2015 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his/her intention to propose Mrs. Pusha Latha CS as a candidate for the office of Woman Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term up to 27<sup>th</sup> May, 2020, and whose office shall not be liable to retire by rotation”.

- Item No.5 Corporate Guarantee in favor of Syndicate Bank on behalf of Chitra Utsav Video Pvt. Ltd. for a Term Loan of Rs. 1.50 Crore.

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 the Companies Act, 2013 and other applicable provisions, if any, the Company be and is hereby authorized to give corporate guarantee in connection with term loan sanctioned by Syndicate Bank to M/s. Chitra Utsav Video Pvt. Ltd. having Registered Office D-41, South Extension, Part-II, New Delhi-110049 for the sum of Rs. 1.50 Crore (Rupees One Crore fifty lakhs only) and interest thereon.

None of the directors is concerned or interested in the Resolution.

**“RESOLVED FURTHER THAT** Mr.Anil Kumar Khanna, Director of the Company be and is hereby authorized to sign the copy of this resolution as well as other documents in connection with giving of the said Corporate Guarantee”.

Item No.6 To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 73 and 76 of the Companies Act, 2013 (the act) read with the companies (Acceptance of Deposit) Rules, 2014 (the Rules) and other applicable provisions, if any, and subject to such conditions, approvals, permissions as may be necessary, consent of the members be and is hereby accord to the company for renewing unsecured deposits from its members.”

**“FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do such acts, deeds, matters and things as they may in their absolute discretion consider necessary, proper, expedient, desirable or appropriate and take all necessary and desirable steps for the aforesaid purpose and matters incidental thereto.”

**By Order of the Board  
For RLF Limited**

**Date : 13<sup>th</sup> August, 2015  
Place : Gurgaon (Haryana)**

**Sd/-  
(Anil Kumar Khanna)  
Chairman  
DIN : 00207839**

**IMPORTANT NOTES:****1. BOOK CLOSURE**

Share Transfer Books and Register of Members of the Company will remain closed from 25<sup>th</sup> September 2015 to 29<sup>th</sup> September 2015 (Both days inclusive).

**2. EXPLANATORY STATEMENTS**

The Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 4, 5 & 6 of the Notice, is annexed hereto.

**3. PROXY & ATTENDANCE**

A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and that proxy need not be a member.

A person can act as proxy on behalf of members not exceeding fifty (50) shares and holding in the aggregate not more than 10% of the total share capital of the Company. The instrument appointing a proxy should however be deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed to this Annual Report. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

**4. NOMINATION**

As per Section 72 of the Companies Act, 2013 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to Registrar & Share Transfer Agents (RTA) of the Company.

5. To support the "Green Initiative", the Members who have not registered their e-mail addresses are requested to register the same with the R&T Agent/Depositories.
6. Electronic copy of the Annual Report for the year ended 31-3-2015 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.
7. Electronic copy of the Notice of the 35<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 35<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
8. Members may also note that the Notice of 35<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.rfltd.com](http://www.rfltd.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Gurgaon, Haryana.
9. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 35<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd. ("CDSL"):

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27/09/2015 and 9.00 a.m. and ends on 29/09/2015 and 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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.
- (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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### 10. MEMBERS ARE REQUESTED TO :

- i) Those who hold shares in physical form may notify change of address if any to Company's Registrar Link Intime India Pvt.Ltd.along with self attested copies of address proof and PAN Card.
- ii) Quote their Folio Number while corresponding with the Company, in case they hold physical shares.
- iii) Send their queries, if any, to reach the Company's Corporate Office at least 10 days before the date of the meeting so that information can be made available at the meeting.
- iv) For any communication, the shareholders may also send requests to the Company's email id: [investorrelations@rlf ltd.com](mailto:investorrelations@rlf ltd.com).
- v) Bring their copy of the proxy form/attendance slip at the meeting.
- vi) Members who hold shares in dematerialized form are requested to bring the Client ID & DP ID numbers for easy identification of attendance at the meeting.

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

##### ITEM NO. 4

Mrs. Pushpa Latha CS was appointed as an Additional Director (Woman Director) by the Board with effect from 26<sup>th</sup> May, 2015 pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Pushpa Latha CS will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Mrs. Pushpa Latha CS for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

The Company has received from Mrs. Pushpa Latha CS (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rule, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rule, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Mrs. Pushpa Latha CS is Graduate and working with All India Tennis Association as a Senior Manager.

The matter regarding appointment of Mrs. Pushpa Latha CS as an Additional Director was placed before the Nomination & Remuneration Committee and it has recommended her appointment.

The resolution seeks the approve of members for the appointment of Mrs. Pushpa Latha CS as an Woman Director of the Company for a term up to 25<sup>th</sup> May, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Mrs. Pusha Latha CS Woman Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and she is independent of the Management.

No director, key managerial personnel or their relatives except Mrs. Pushpa Latha, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.4 for the approval of the members.

**ITEM NO. 5**

The Syndicate Bank has approved the term loan of Rs. 1.50 Crore with a condition that RLF Limited has to provide Corporate Guarantee of the said Loan. The project has vast revenue earning potential for the Company. The resolution seeks the approval of the members for giving this guarantee on behalf of the company.

The Board recommends the resolution set forth in Item No.5 for the approval of the members.

**ITEM NO. 6**

The Board of Directors of the Company at its meeting held on May 26, 2015, have subject to the approval of members in their meeting, have approved the renewal of unsecured deposit by the company from its members. The board has also approved the renewal of acceptance of deposits from the members and the same has been duly signed by majority of directors present at that meeting.

Your directors commend the resolution as set out in the accompanying notice for the approval of members of the company.

No director of the company is concerned with or interested in the resolution of accompanying notice.

The Board recommends the resolution set forth in Item No.6 for the approval of the members.

**By Order of the Board  
For RLF Limited**

**Sd/-  
(Anil Kumar Khanna)  
Chairman  
DIN : 00207839**

**Date: 13<sup>th</sup> August, 2015  
Place : Gurgaon (Haryana)**

## DIRECTORS' REPORT

To

### The Members,

Your Directors have great pleasure in presenting the 35<sup>th</sup> Annual Report together with the Audited Annual Accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

The financial results of the Company for the year ended 31<sup>st</sup> March 2015 are as follows:

Particulars	(Rs. Lacs)	
	Current Year ended 31.03.15	Previous Year ended 31.03.14
Total Turnover	296.23	425.46
Operating Expenses	152.42	217.07
Profit before Interest, Depreciation & Tax	143.81	208.38
Financial Expenses	81.41	96.00
Profit before Depreciation & Tax	62.40	112.38
Depreciation	49.44	69.82
Provision for Taxation	2.50	8.38
Deferred Tax Net	(17.75)	5.87
Profit/ Loss after Tax	28.21	28.30
Balance Brought Forward	(217.84)	(246.14)
Proposed Dividend	Nil	Nil
Balance Carried forward	(311.57)	(217.84)

### OPERATIONS

During the year, the turnover of the Company has decreased from Rs.425.46 lacs previous year to Rs.296.23 lacs current year. The profit after interest, depreciation & tax has also down Rs.28.21 against previous year profit Rs. 28.30 Lacs.

### DIVIDEND

As the company has accumulated losses in the past, so the board of the company has not recommended any dividend for the current financial year.

### FIXED DEPOSITS

Total members deposits as on 31<sup>st</sup> March 2015 were Rs.219.34 Lacs. No fresh of deposits were accepted during the financial year 2014-15. There were no unclaimed deposits as at March 31, 2015.



**DIRECTORS**

The Board comprises of 6 Directors, namely:-

Mr.Anil Kumar Khanna, Mr.B.L. Khurana, Mr.Ashwini Kumar, Mr.Suman Kapur, Mr.Aditya Khanna & Mrs.Pushpa Latha CS.

Mr.Anil Kumar Khanna is the Chairman & Managing Director, Mr.Aditya Khanna is the Executive Non Independent Director and CEO & CFO. Mr.B.L. Khurana, Mr.Ashwini Kumar, Mr.Suman Kapur and Pushpa Latha CS are the Independent Directors in the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr.Anil Kumar Khanna, Chairman & Managing Director (DIN:00207839) of the Company retire by rotation and being eligible, offers himself for reappointment.

Mrs. Pushpa Latha CS appointed on 26.5.2015 as an Additional Director of the Company. Mr. B.L. Khurana is the Chairman of the Committee. The terms of reference of the Audit Committee have been laid down by the Board at its meeting constituting the committee, held on 26.05.2015.

All the Independent Directors have given Declaration that they meet criteria of Independence as laid down U/s 149(6) of the Companies Act, 2013 and Clause No.49 of the Listing Agreement.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In pursuance of Section 134 of the Companies Act, 2013 the directors, based on the representation received from the operation management, confirm that :

- (i) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) They 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 2014-15 and of the profit or loss of the company for that period;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis.
- (v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**AUDITORS & AUDIT**

The Statutory Auditors of the Company M/s.J.P.Chawla Chartered Accountants LLP, Delhi (Firm Registration No.001875N) who were appointed as Statutory Auditors by the members for five years. Their appointment would be ratified at the ensuing Annual General Meeting.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments.

#### **INTERNAL AUDITOR**

The Board of Directors of your Company has re-appointed Mr.Rakesh Sharma as Internal Auditors pursuant to the provision of Section 138 of the Companies Act, 2013 for the financial year 2015-16.

#### **SECRETARIAL AUDITORS**

The Board had appointed M/s. Choudhary Pankaj & Associates, Company Secretaries, Delhi as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditors annexed to the Report as per Annexure 'A'. There is a qualification in the Report that Company did not appoint Woman Director upto 31<sup>st</sup> March, 2015.

The Management clarified that, it was in search for appointment of a Woman Director on the Board of the Company and appointed Mrs. Pushpa Latha CS as Woman Director w.e.f. 26<sup>th</sup> May, 2015.

#### **CORPORATE SOCIAL RESPONSIBILITY**

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by the Ministry of Corporate Affairs every Company having the networth of Rs.500 Crores or more turnover of Rs. 1000 crores or more or net profit of Rs.5 Crore or more during any financial year have to spend at least 2% of the average net profit of the Company made during the three immediately preceding financial years.

In pursuance of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, the above rules are not applicable to the company during the year as the company does not have adequate profits .

#### **REPORT ON CORPORATE GOVERNANCE**

The Company endeavors to attain highest values of Corporate Standards. The Company has adhered to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and has implemented all the stipulations prescribed, in the Clause 49 of the Listing Agreement with Stock Exchanges. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

A requisite certificate from the Statutory Auditors of the Company, **M/s. J.P. Chawla & Company, Chartered Accountants**, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid clause 49, is attached to the Corporate Governance Report.

#### **RELATED PARTY TRANSACTIONS**

None of the transactions with any of related parties were in conflict with the Company's interest. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

All related party transactions are negotiated on an arms-length basis and are in the ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 has been in compliance. Further the board of the company has given its approval to transaction with the related parties.

The details of the transaction with Related Party are provided in the accompanying financial statements.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the Provisions of Section 186 of the Companies Act, 2013 are given in the accompanying Financial Statements.

**DEMATERIALIZATION OF SHARES**

The shares in the Company are under compulsory dematerialized trading. The Company's ISIN No. is INE629C01014. The number of shares are dematerialized as on 31.3.2015 follows:

NSDL :27,33,732 Shares

CDSL : 9,74,946 Shares

**COMPLIANCE UNDER THE COMPANIES ACT 2013 AND ADDITIONAL SEBI STIPULATIONS**

The Companies Act, 2013 (Act) came into force substantially from 1<sup>st</sup> April, 2014. Also, SEBI in its master circular dated 17<sup>th</sup> April, 2014 notified additional requirements on corporate governance which will be effective from 1<sup>st</sup> October 2014. The Act and the SEBI stipulations set the tone for a more modern legislation which enables growth, greater regulation and self-governance of India's corporate sector. The Act and SEBI's requirements are expected to improve corporate governance norms, enhance the accountability of companies and their auditors, improve transparency and protect the interest of investors, particularly small ones.

These requirements substantially increase the compliance requirements for companies. The Company is taking all the necessary steps to be compliant with the Act within the time stipulated.

**COMPANY SECRETARY**

Ms. Pallavi Jain, Company Secretary and Compliance Officer has been resigned w.e.f. 28th February, 2015. The Company is making it's efforts to appoint the new Company Secretary as early as it find the suitable candidate.

**AUDIT COMMITTEE**

Brief description of terms of reference

The role and the powers of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges. The Committee also acts as a link between the auditor and the Board of Directors. The Committee meets the auditors periodically and reviews the quarterly/ half yearly and annual financial statements and discusses their findings and suggestions and seeks clarifications thereon.

Composition of the Committee and category of Directors

Mr. B.L. Khurana	-	Independent Director
Mr. Ashwini Kumar	-	Independent Director
Mr. Suman Kapur	-	Independent Director
Mrs. Pushpa Latha CS	-	Independent Director (Woman Director)

Mrs. Pushpa Latha CS appointed on 26.5.2015 as an Additional Director of the Company. Mr. B.L. Khurana is the Chairman of the Committee. The terms of reference of the Audit Committee have been laid down by the Board at its meeting constituting the committee, held on 26.05.2015.

**NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee constituted by the Board of Directors consists of 3 non-executive independent directors :

Mr.Ashwini Kumar (Chairman)  
Mr.B.L.Khurana  
Mr.Suman Kapur.

**STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee consists of Mr.Suman Kapur as its Chairman and Mr.B.L.Khurana as the member.

**VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

Fraud-free and corruption-free work culture has been the core of the Company' functioning. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put even greater emphasis to address this risk.

To meet this objective a Whistle Blower Policy has been laid down. The same policy as approved by the Board was uploaded on the Company's website [www.rlf ltd.com](http://www.rlf ltd.com)

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

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. There were no complaint received from any employee during the financial year 2014-15 and hence no complaint is outstanding as an 31.3.2015 for compliance.

**CONSERVATION OF ENERGY**

The Company does not belong to the category of power intensive industries and hence consumption of power is not significant. However, the management is aware of the importance of conservation of energy and also reviews from time to time the measures taken/ to be taken for reduction of consumption of energy.

During the year, your Company was running successfully its embroidery unit in Gurgaon comprising 8 computerized, high quality embroidery machines purchased from Saurer, Switzerland, the company is going for up gradation of these machines on phase manner which is likely to bring higher efficiency in the coming years .

**Foreign Exchange Earnings and Outgo**

Total Foreign exchange earned : Rs. Nil  
Total Foreign exchange used : Rs. 30,39,377/-

**Particulars of Employees**

None of the Employees of the Company was in receipt of remuneration, which was more than the limits as prescribed under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and hence no particulars are required to be disclosed in this Report.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31/03/2015

Annexure A

[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,

RLF Limited  
14 Kms, Gurgaon Pataudi Road,  
Village Jhund Sarai Veeran,  
Distt.-Gurgaon, Haryana

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

Based on my/our verification of the **RLF Limited's** 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/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31/03/2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by RLF Limited ("the Company") for the financial year ended on 31/03/2015, according to the provisions of:

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

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

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

I/we further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.  
(Note: Appointment of woman director made on 26<sup>th</sup> day of May 2015)

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

Majority decision is carried through.

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

**Place : Delhi**  
**Date : 28/05/2015**

**Sd/-**  
**Choudhary Pankaj & Associates**  
**Companies Secretaries**  
**Pankaj Kumar Choudhary**  
**Membership No.-F- 6642**  
**CP No. - 5417**

**Annexure B**

## Work Sheet

I.	CAPITAL STRUCTURE				
	Particulars	As on 01/04/2014	Add: Increase in Capital (if any)	Less: Reduction in Capital (if any)	Date of passing resolution
Authorised Capital					
Equity	150000000	NIL	NIL		150000000
Preference	Nil	NIL	NIL		NIL
Unclassified	Nil	NIL	NIL		NIL
Issued Capital	99888830	NIL	NIL		99888830
Subscribed Capital	99888830	NIL	NIL		99888830
Paid-up Capital	98008225	NIL	NIL		98008225
Public Issue			NIL		
Rights Issue			NIL		
Bonus Issue			NIL		
Private Placement/ Preferential Allotment (Other than conversion)			NIL		
Private Placement/ Preferential Allotment (arising out of conversion)			NIL		
Allotment of shares pursuant to ESOP			NIL		
Allotment consequent to Scheme of Arrangement/ Merger/ Amalgamation etc.			NIL		
Buy-back of Shares			NIL		
Reduction of capital			NIL		
Share Forfeited (if any)					

<b>2. DIRECTORS &amp; KMP (EXISTING AND ANY CHANGE MADE BETWEEN 01/04/2014 TO 31/03/2015)</b>								
Name of Director /KMP	DIN OR PAN	Resi- dential Address	Date of Appoint ment/ last re- appoint ment	Desig- nation	Nature (Independe nt/ Promoter /Professional /Executive/ Non- Executive/ Nominee) In case of Nominee, mention whose nominee he/ she is	Whether liable to retire by rotation	Number of Shares held in the Company and % of shareholding	Date of Cessation (If any)
Anil Kumar Khanna	00207839	D-4 I South Extension Part-II, New Delhi-49	12/08/2014	KMP	Promoter M.D.	Yes	8.82%	---
Aditya Khanna	01860038	D-4 I , South Extension Part-II New Delhi- I I 0049	12/08/2014	KMP	Promoter Director	Yes	NIL	----
Pallavi Jain	AODPJ72 71F	156/157, Flat No. 6A-Bock New Panchvati Bhatia Mor, Ghaziabad- 201001	01/07/2014	Company Secretary	Executive	N.A.	NIL	28.2.2015

<b>b. Annual /Extra Ordinary General Meeting</b>										
Date of Meeting	Date of serving the notice	Place of Meeting	Cut off Date for E-voting	E-voting Period	Date of submitting Report to RoC under Section 121 of the Act	Date of report submitted to SE	Total No. of Members on Book Closure	No. of Members attended the meeting	No. of Proxy attended the meeting	Chair- man of the Meeting
27/09/2014	03/09/2014	Regd. Office	22/09/2014	22/09/2014 To 24/09/2014	10/10/2014	10/10/2014		32	8	Mr. Anil Kumar Khanna



<b>c. Committee Meeting Audit /Nomination &amp; Remuneration etc.)</b>							
Type of Meeting	Date of Meeting	Date of serving the notice	Place of Meeting	Total No. of members on date of meeting	Leave of Absence Granted	Total No. of members Present	Chairman of the Meeting
Audit Committee	27/05/2014	13/05/2014	R.K. Khanna Tennis Stadium New Delhi	3	0	3	Mr. B.L. KHURANA
Audit Committee	12/08/2014	30/07/2014	R.K. Khanna Tennis Stadium New Delhi	3	0	3	Mr. B.L. KHURANA
Audit Committee	14/11/2014	01/11/2014	C-754, New Friends Colony, New Delhi	3	0	3	Mr. B.L. KHURANA
Audit Committee	12/02/2015	29/01/2015	D-41, South Ext-II, New Delhi	3	0	3	Mr. B.L. KHURANA

<b>5. Details Regarding Office of Place of Profit</b>									
Name of Employee and PAN No.	Qualification	Age (as on 01/04/14)	Designation	Date of Appointment	Remuneration as per last salary drawn	Relation with Director/ Member if any	No. of Shares held	Date of leaving employment	Reasons for leaving
NIL									

<b>6. KEY MANAGERIAL PERSONNEL</b>									
Name of Person PAN	Qualification	Age (as on 01/04/14)	Designation	Date of Appointment	Remuneration as per last salary drawn (as per Schedule V)	Date of taking approval from Committee/Board/ Members	Date of filing of MR-1 and SRN	Date of filing of MGT-14 and DIR-12 and SRN	No. of Shares held
No Change									

<b>7. Charges</b>								
Name of Charge Holder	Charged	Date of Creation/ Modification	Amount of Charge	Security Provided	Whether any Personal property of Director/ other person involved	Date of Satisfaction if any		Remarks
NIL								

<b>8. FINANCIAL STATEMENTS</b>	
a) Detailed list of Loans and Advances given by the Company between 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015 and their confirmation letters.	NIL
b) Whether there are any relatives of directors/ shareholders to whom Loans and Advances have been given?	NIL

	c) Complete list of unsecured loan taken by the Company and their terms and conditions and with proper bifurcation between from Directors, Relative of Directors, Members and Body Corporate.	NIL
	d) Complete list of Sundry Creditors containing the following details:	
	i. Nature of Balances	
	ii. Opening Balance	
	e) Statement of Related Party Transactions as per AS- 18 and the Approval of Board/Shareholder for approving the transaction related to RPT.	
	f) Details of Dividend declared:	
	<b>Particulars</b>	NIL
	Amount Paid	
	Percentage of dividend paid	
	Dividend Tax Paid	
	Date of Payment of Dividend	
	Actual amount claimed by the shareholder	
	Amount transferred to unpaid dividend account	
	Amount transferred to IEPF and SRN of Form I and 5INV	
<b>9.</b>	<b>APPROVALS FROM RESERVE BANK OF INDIA</b>	
	a) Whether company has made any foreign investment or company has received FDI?	N.A
	b) Whether company has filed annual statement related to Foreign assets and liabilities? If yes, Please mention filling date	N.A
	c) Whether company is having External Commercial Borrowing/issued FCCB? If yes provide copy of LRN issued by RBI and Form ECB 2.	N.A
	d) Whether company has made any investment in Abroad/provided guarantee to the Foreign Company? If yes, provide details.	N.A
	e) Whether any Show cause notice received by the company issued by Director of Enforcement/ RBI under FERA/FEMA/DIPB/ other appropriate authority and reply submitted by the company for the said notices.	N.A
<b>10.</b>	<b>PROSPECTUS</b>	
	a) Copy of prospectus filled with the ROC from time to time.	N.A
<b>11.</b>	<b>DEPOSITS</b>	
	a) Whether any deposits u/s 73 & 74 of CA 2013 have been accepted by the company.	N.A
	b) If yes, Whether the provisions of the Deposit rules u/s 73 & 74 of CA 2013 have been complied with.	

<b>12.</b>	<b>OTHERS</b>	
	a) All Statutory Registers	
	i. Register for application and allotment of shares	Yes
	ii. Register for transfer of shares	Yes
	iii. Register of Director, and Key Managerial Personnel	Yes
	iv. Register of Members	Yes
	v. Register of Charges	No
	vi. Register of contracts in which directors and KMP are interested	Yes
	vii. Register of Disclosure of Interest by the Directors	No
	viii. Register for declaration of interest in the shares held by another person who is not a beneficial owner	No
	ix. Register for payment of Dividend	No
	x. Register for unpaid/unclaimed Dividend	No
	xi. Register for Fixed Assets along with the locations of the assets	No
	xii. Register of Investments, Loans, Guarantee and Securities provided by the company	Yes,
	xiii. Common Seal Register	Yes
	xiv. Register of issue of duplicate share certificates	No
	xv. Register of Debenture-holders	Yes
	xvi. Register of buy-backofshares	No
	xvii. Register of Employee Stock Options	No

RLF LIMITED								
Forms and Returns filed by the Company pursuant to the provisions of the Companies Act, 2013 read with the Rules/ Regulations made there under								
Financial Year ,2014-15								
Sr. No.	Form No.	Section & Rule Applicable	Particulars of Filing	Date of Filing	Whether filed within the prescribed time	Incase of delay, whether prescribed procedure followed and additional fees paid	SRN	Status
1	2	3	4	5	6	7	8	9
1	MGT-14	Sec.184	Disclosure of Director' Interest	04/07/2014	NO	Rs.600 Normal Rs.2400 Additional	C09330960	OK
2	DIR-12	Sec.7(1)(c), 168,170	Appointment of Cs Pallavi Jain	30/07/2014	Yes		C13536487	OK
3	MR-1	Sec196	Return of KMP	05/09/2014	No	Rs.600 Normal Rs.1200 Additional	C19106103	OK
4	MGT-14	Sec.94(1), 117(1)	Filing of Resolution	05/09/214	No	Rs.600 Normal Rs.3600 Additional	C19104108	OK
5	Form GNL-2	Rule12(2) of the co. (Registration Office and fees) Rules 2014	Form for submission of Document with ROC	10/10/2014	Yes		C25666249	OK
6	MGT-14	Sec.94(1), 117(1)	Filing of Resolution Sec. 179(3)	17/10/2014	NO	Rs.600 Normal Rs.2400 Additional	C28862928	OK
7	Form-23AC, ACA	Sec. 220 of Co. Act,1956	P/L A/cFY ending, 31/03/2014	25/10/2014	Yes		Q39336367	OK
8	GNL-2	Rule12(2) of the co. (Registration Office and fees) Rules 2014	Form for submission of Document with ROC (Scrutnizer Report)	04/11/2014	Yes		C31457872	OK

9	Form-20B	Sec.159 of Co.Act, 1956	Annual Return FY ending, 31/03/2014	24/11/2014	Yes		Q47860606	OK
10	DPT-4	Rule 20	Statement Regarding Deposit	27/11/2014	NO	Rs.600 Normal Rs.6000 Additional	C34475608	OK
11	GNL-2	Rule 12(2) of the co. (Registration Office and fees) Rules 2014	Form for submission of Document with ROC (Auditor Certificate, List of Deposit, Dpt-3)	27/11/2014	No	Rs.600 Normal Rs.6000 Additional	C34473314	OK
12	MGT-14	Sec.94(1), 117(1)	Filing of Resolution Power Exercise by Board	12/12/2014	Yes		C36228856	OK
13	MGT-14	Sec.94(1), 117(1)	Filing of Resolution Approval of Unaudited financial Result	25/02/2015	Yes		C44410090	OK
14	DIR-12		Resignation of cs Pallavi jain	30/03/2015	Yes		C48263321	OK

**MANAGEMENT DISCUSSION & ANALYSIS 2014-15****Industry Scenario**

India's Textiles and Garments industry, which accounts for 14% of India's total industrial production and 4% of India's GDP, is considered as one of the significant contributors to the national economy. After witnessing challenges during the year 2013 and for most part of 2014 given unfavorable economic conditions, the Indian textiles and garments sector has seen reversal of trends in second half of 2014.

With domestic and global economic conditions gradually improving along with the focused efforts made by Ministry of Textiles, Indian textiles and garments sector is set for growth, buoyed by revival in domestic consumption and export demand.

'Make in India' campaign launch by the government to boost the Indian textile industry and enable it achieve 20% growth in exports and sustain 12% growth rate in domestic market till 2024-25 as suggested by report of Indian Textiles and Apparel Sector.

The campaign also focused on providing investment opportunities for foreign companies and entrepreneurs across the entire value chain of synthetics, value-added and speciality fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments and retail brands. While US and EU continue to remain primary markets for Indian textile and garment products, Indian government has taken various initiatives to reduce India's dependence on these markets. In order to encourage textile exporters to focus on new markets and reduce their reliance on US and EU, the government, under the Focus Market Scheme, introduced duty credit scrip which the textile exporters can avail on export to 26 additional countries apart from existing destinations. The increase in growth rate is expected to be contributed majorly by the industrial sector,

Estimated to grow at 4% next year (up from ~1% in last FY). Uncluttering of domestic policy logjam as well as improvement in private consumption demand is likely to drive the growth. The Indian textile industry has an overwhelming presence in the economic life of the country.

**OUTLOOK**

India is the world's second largest producer of textiles and garments, with a massive and diverse raw material base. Due to this, Indian Textile Industry is not only of paramount importance to the national economy, it also has an influential presence in global market.

Textile industry contributes to nearly 12% of India's forex earnings. But, the branding of India's prowess especially pertaining to the exports have been about technology. It's a pity that textile industry, despite being on the export forefront, has never been given its due despite its heavy potential irrespective of the weather in the market.

India has always been self-sufficient with textiles and is not dependant on imports. This is the only industry which has been posting growth graph year after year. However, textile industry is expected to grow well into the future, with improved bilateral relationships with countries that have been the biggest clients of India. Though India is self sufficient in textile industry, country's share in the world market is a mere 4% compared to 35% of China. India needs to focus on scaling operations if this scenario has to change. It can be achieved only through investments in mega textile park, which can then be single point manufacturing and disbursing centres for export needs. This can also be a safe revenue model for the country's textile needs too.

The country which is looking forward to seize opportunities on the world stage by way of realizing its full potential, is waiting for the government to announce a slew of measures on part of the government to have the momentum set for the sector.

There are varied opinions on this front where technology plays a role in bringing down the manufacturing and operative costs. While one section would always argue that money saved is money earned, by way of adapting new technology; there is another section that believes technology alone cannot save textile industry without appropriate measure being taken in its favour.

An extension in the TUFSS scheme - Technology Upgradation Fund Scheme - needs to have small, medium, heavy textile industries as well, to be able to meet the needs in a Technology being the second largest sector that has generated employment for people after agriculture in India, this surely holds more opportunities than what the industry is currently witnessing now. It is imperative to keep pace with the changing times and meet challenges right in their path. That Indian economy is growing is a fact and this needs to be acknowledged by way of bringing in positive changes in corresponding areas as well. Textile industry being old and new at the same time has a unique ability to adapt itself to changing circumstances. It is India's winning horse, of all times.

Embroidery serves as the major value addition factor for manufacturing garments and made ups and the main emphasis of the company is to concentrate on orders from embroidery exporters.

The company during the year has taken a step to modernize the embroidery machine which has been going on and will be completed by middle of the next year as a result of this modernization carried out by the company the company expects increase in turnover and better quality and efficiency during the coming year.

**Threats, Risk & Concerns**

On exports front, there are both positive and negative factors. Positive factors include the weak currency and decreasing cost competitiveness of China that are likely to give positive impetus to the Indian exports. At the same time, factors like slowdown and uncertainty in the global markets, volatile foreign exchange rates and increase in cotton and yarn prices are likely to negatively affect growth and profitability for the textile exports. Interest expenses are part of the finance costs, therefore any major upward fluctuations in the Interest rates leads to increase in the cost of debt of the Company. The interest rate risks are mitigated to an extent through fixed interest rates on the non convertible debentures.

The biggest challenge facing the Indian textile industry is competition from the other low cost neighbouring countries which attract more business from the international market because of lower production costs, ease in doing business and easier trade routes, according to an industry expert.

**Research & Development (R&D)**

Your Company continues to derive sustainable benefit from the strong foundation and long tradition of Research & Development (R&D), which differentiates it from many others. New products, processes and benefits flow from work done by the team of in house designers. This allows us to enhance quality, productivity and customer satisfaction through continuous innovation. In order to successfully carve a niche of our own we need to develop a vital competitive edge in the design development to stay ahead of the competition.

**Human Resource Development /Industrial Relation**

Human resource is the biggest asset of the Company and it remains one of the core focus areas of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. The Company has a well qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver when needed. The Company aims to provide a congenial work environment that respects individuals and encourages professional growth, innovation and superior performance. In the years, we have transformed our structure to enable us to move faster, innovate better. This initiative has assisted in achieving operating efficiencies and resulted in enhancing overall productivity levels within the company.

**Environment, Occupational Health & Safety**

Company's Environment, Health & Safety (EHS) strategies are directed towards achieving the greenest and safest operations by optimising natural resource usage and providing a safe and healthy workplace. Systemic and structured efforts continue to be made towards natural resource conservation by continuously improving resource-use efficiencies.

As we continue to bring about energy efficiencies in our operations, we also strive to substitute our energy consumptions with increased component of renewable energy. The Plant of the Company is eco-friendly and do not generate any harmful effluents. Safety devices have been installed wherever necessary.

**Risk Management System**

Management of the Company maintains adequate internal control system which is designed to provide reasonable assurance that assets are safeguarded and transactions are rightly executed and recorded in accordance with management authorization and accounting policies. All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards.

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis

**Acknowledgement:**

Your Directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, Bankers and Business Constituents for their continued and valuable co-operation and support to the Company. They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

**On Behalf of the Board  
For RLF Limited**

**Sd/-  
(Anil Kumar Khanna)  
Chairman  
DIN : 00207839**

**Date : 13<sup>th</sup> August, 2015  
Place : Gurgaon (Haryana)**

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Code of Governance :

The Company believe that it is imperative to manage the business affair in the most fair and transparent manner . For us the corporate governance is an ethically driven business process that is committed to values aimed at enhancing company's brand & reputation. The Company strongly believes that good Corporate Governance structure encourages companies to create value that can be sustained over the long term for customers, shareholders, employees and business partners. The success of the Company lies in faithful and sincere persuasion of its core values. Our corporate governance has helped us to be aligned with the new guidelines of the Companies Act 2013 .We believe that an active ,well informed and independent board is necessary to ensure highest standard of corporate governance.

The core value of the Company are :

- Corporate governance standard should satisfy the spirit of the law .
- Integrity, openness, fairness and trust,
- Ensure transparency and maintain high level of disclosure
- Simple and transparent corporate structure driven solely by business needs
- Comply with the laws of the country and having sound and ethical business practices.

### Board of Directors

The Board of Directors of your Company comprises of Six Directors out of which, four Non Executive Independent Directors and two is Executive Non Independent Director .

Composition of the Board and category of Directors is as follows:-

Mr.Anil Kumar Khanna	-	Chairman & Managing Director
Mr.Aditya Khanna	-	Non Independent Director
Mr.B.L.Khurana	-	Independent Director
Mr.Ashwini Kumar	-	Independent Director
Mr.Suman Kapur	-	Independent Director
Mrs.Pushpa Latha CS	-	Independent Director (Woman Director)

Mr.Anil Kumar Khanna retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. His brief particulars are given below:

Name of the Director	:	Mr.Anil Kumar Khanna
Date of Appointment	:	20/05/2005
Date of Birth	:	17/07/1953
Experience in specific functional areas	:	Vast experience in business.
Qualification	:	B.Com.F.C.A.(England & Wales)
Directorship in other public limited Companies	:	Four
Member/ Chairman of the Committee of the Board of the Public limited Companies on which he is a director	:	Fourteen

### Board Meeting & AGM

During the year the Board of Directors of the Company met on 25<sup>th</sup> April,2014, 27<sup>th</sup> May,2014, 12<sup>th</sup> August,2014, 14<sup>th</sup> November, 2014, 12<sup>th</sup> February,2015. Annual General Meeting held on 27<sup>th</sup> September,2014.

Record of attendance of Directors at the Board Meeting,Annual General Meeting, held during the year ended 31<sup>st</sup> March, 2015 is as under :-



## Meetings and Attendance

Name of the Director	Category	No. of Board Meetings attended out of 5 Meetings held	Attendance at the AGM held on Sept. 27, 2014	No. of other Directorships held as at March 31 2015	Committee/s position as at March 31, 2015*	
					Member	Chairman
Mr. Anil Kumar Khanna	Promoter	5	Yes	14	1	4
Mr. Ashwini Kumar	Independent / Non executive	5	No	2	1	--
Mr. B. L. Khurana	Independent / Non executive	5	Yes	4	3	--
Mr. Suman Kapur	Independent / Non executive	5	Yes	2	1	--
Mr. Aditya Khanna	Non-Independent Director/ Executive Director.	5	Yes	6	--	--

**Audit Committee as on 31.03.2015**

## Brief description of terms of reference

The role and the powers of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges. The Committee also acts as a link between the auditor and the Board of Directors. The Committee meets the auditors periodically and reviews the quarterly/ half yearly and annual financial statements and discusses their findings and suggestions and seeks clarifications thereon.

## Composition of the Committee and category of Directors

Mr. B. L. Khurana	-	Independent Director
Mr. Ashwini Kumar	-	Independent Director
Mr. Suman Kapur	-	Independent Director
Mrs. Pushpa Latha CS	-	Independent Director (Woman Director)

Mrs. Pushpa Latha CS appointed on 26.5.2015 as a Additional Director of the Company. Mr. B. L. Khurana is the Chairman of the Committee. The terms of reference of the Audit Committee have been laid down by the Board at its meeting constituting the committee, held on 26.05.2015.

**Nomination & Remuneration Committee**

The Nomination & Remuneration Committee constituted by the Board of Directors consists of 3 non-executive independent directors:

Mr. Ashwini Kumar (Chairman);  
Mr. B. L. Khurana; and  
Mr. Suman Kapur.

**Stakeholder Relationship Committee**

The Stakeholder Relationship Committee consists of Mr. Suman Kapur as its Chairman and Mr. B. L. Khurana as the member.

**Internal Auditor**

The Board of Directors of your Company has re-appointed Mr. Rakesh Sharma as Internal Auditors pursuant to the provision of Section 138 of the Companies Act, 2013 for the financial year 2015-16.

**General Body Meeting**

i) Location and time, where last three AGMs held.

<b>Date &amp; Year</b>	<b>Time</b>	<b>Location</b>
September 27, 2014	3.00 P.M.	14km,Village Jhund Sarai Veeran, Gurgaon Pataudi Road, Dist. Gurgaon, Haryana.
September 30, 2013	3.00 P.M.	14km,Village Jhund Sarai Veeran, Gurgaon Pataudi Road, Dist. Gurgaon, Haryana.
September 29, 2012	12.00 Noon	14km,Village Jhund Sarai Veeran, Gurgaon Pataudi Road, Dist. Gurgaon, Haryana.

- ii) Whether any special resolutions passed in the previous three AGMs? No  
iii) Whether any special resolution passed last year through postal ballot? No  
iv) Whether any special resolution is proposed to be conducted through postal ballot? No

**Disclosures**

i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.

There are no material transactions with any related party, which may have potential conflict with the interests of the Company at large.

ii) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Subsequently, the Bombay Stock Exchange has given In-principal approval to the Company for the period one year and started trading of equity shares of RLF Limited from November, 2014. The Trading Code of Company is same as 512618 at BSE.

**Listing Agreement**

The Company is complying with all mandatory requirements of the Listing Agreement of Stock Exchange on 'Corporate Governance'.

**General Shareholder Information**

Annual General Meeting	Date	Wednesday, 30 <sup>th</sup> September, 2015
	Time	12.00 Noon
	Venue	14Kms, Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Distt. Gurgaon, Haryana.
Financial Calendar	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
	1 <sup>st</sup> Quarterly Results	2 <sup>nd</sup> Week of August,
	2 <sup>nd</sup> Quarterly Results	2 <sup>nd</sup> Week of November
	3 <sup>rd</sup> Quarterly Results	2 <sup>nd</sup> Week of February
	Annual Audited Results	Last Week of May
Date of Book Closure	25 <sup>th</sup> September 2015 to 29 <sup>th</sup> September 2015 (Both days inclusive)	
Dividend payment date	Not applicable due to non declaration of dividend.	
Listing on Stock Exchanges	Bombay Stock Exchange at Mumbai. Stock Code : 512618.	



CIN NO :- L74999HRI979PLC032747

ISIN No.	INE 629C01014.
Registrar and Transfer Agents	Link Intime India Pvt. Ltd, 44, Community Centre, Phase-I, Near PVR, Naraina Industrial Area, New Delhi-110028. Tel. 41410592/93/94, Fax No. 41410591.
Share Transfer System	Share Transfer request can be lodged with the Registrar and Transfer Agents at the above mentioned address. Share Transfer requests received in physical form is registered within an average period of 15 days. A Share Transfer Committee comprising of members of the Board generally meets once in a fortnight to consider the transfer of shares.
Distribution of Shareholding	As per Appendix "A"
Dematerialization of shares & Liquidity	37,08,678 equity shares, which are 37.13% of the paid up capital as on March 31, 2015 have been dematerialized.
Outstanding GDR/ ADR/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The company has not issued any GDR/ ADR/ Warrants or any convertible instruments that are pending for conversion
Plant Locations and the Registered office of the Company	14Kms, Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Distt. Gurgaon, Haryana.
Corporate Office	Plot No.66, Sector-34, EHTP, Gurgaon (Haryana).
Correspondence Address	D-41, South Extension, Part-II, New Delhi-110049. Tel : 011-41644996 / 26253522
Address for Registrar / Share transfer agent.	Link Intime India Pvt. Ltd. 44, Community Centre, Phase-I, Near PVR, Naraina Industrial Area, New Delhi-110028. Tel. 41410592/93/94, Fax No. 41410591.
Website	<a href="http://www.rlftd.com">www.rlftd.com</a>
Investor e-mail	<a href="mailto:investorrelations@rlftd.com">investorrelations@rlftd.com</a>
Registrar / Share transfer Agent e-mail	<a href="mailto:www.delhi@linkintime.co.in">www.delhi@linkintime.co.in</a>

**Appendix-A**

<b>Distribution of Shareholding as on 31<sup>st</sup> March, 2015</b>			
	<b>Category</b>	<b>No. of shares held</b>	<b>Percentage of shareholding</b>
A	Promoter's, Relatives and Associates	4655500	46.61
B	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-government Institutions)	191900	1.92
C	Institutional Investors/ NRIs/OCBs	0	0
D	Mutual Funds and UTI	7900	0.08
E	Private Corporate Bodies	426236	4.27
F	Indian Public	4707347	47.12
	<b>GRAND TOTAL</b>	<b>9,988,883</b>	<b>100.00</b>

**CEO/CFO CERTIFICATION**

To,  
The Board of Directors  
RLF Limited  
Gurgaon (Haryana).

Dear Sirs,

I, Aditya Khanna have reviewed financial statements and the cash flow statement for the year ended 31st March 2015 and to the best of our knowledge and belief that:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- iii. No transactions entered into by the Company during the above said period which are fraudulent, illegal or volatile of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and Audit Committee the following:

- iv. Significant changes in internal control over financial reporting during the year;
- v. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
- vi. There have been no instances of significant fraud of which we have become aware

**For RLF Limited**

**Sd/-  
Aditya Khanna  
Director (CEO & CFO)  
(DIN 01860038)**

**Date : 26/05/2015  
Place : Gurgaon (Haryana)**

## **Auditors' Certificate on Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement(s)**

### **To the members of RLF Limited**

1. We have examined the compliance of the mandatory conditions of the Corporate Governance by RLF Ltd. During the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing agreement.
4. We state that in respect of investor grievances received during the year ended March 31, 2015, no investor grievance (s) are pending for a period exceeding one month against the company as per the record maintained by the Share Transfer and Investors Grievance Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**FOR JP Chawla & CO.  
Chartered Accountants**

**Place : New Delhi  
Dated: May 26, 2015**

**Sd/-  
(J.P. Chawla )  
PARTNER  
M. No.015488**

## INDEPENDENT AUDITOR'S REPORT

### To the Members RLF LIMITED

We have audited the accompanying financial statements of **RLF LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

### Basis of Qualified Opinion

As per AS 15 ,an Employee Benefits , company is required to get actuarial certificate at least once during the financial year for retirement and other benefits .Also Defined benefit obligation in nature of Gratuity and leave encashment are to be accounted on accrual basis .The company though provides for Provident Fund on accrual basis ,Leave encashment and Gratuity are accounted on cash basis and not on accrual basis .Neither the company has obtained an actuarial certificate during the financial year.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion paragraph the afore said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matters

As per Schedule – II of the companies act 2013 company shall recognize the carrying value in the opening balance of retained

earnings where the remaining useful life of an asset is nil. Company is having negative opening retained earnings amounting of Rs.21,783,601/- , which has further been increased by asset balances to be written off as per Schedule- II of companies act , 2013 amounting of Rs.12,194,040/- and Profit during the year by Rs 2,820,970/-, resulting into negative retained earnings of Rs 31,156,671/-.

Our opinion is not qualified /modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**JP CHAWLA & COMPANY**  
Chartered Accountants  
Firm Regn No. 001875N

Sd/-  
**J.P.CHAWLA**  
(Partner)  
Membership No. 015488

Place: New Delhi  
Dated: 26<sup>th</sup> May 2015

**The Annexure referred to in paragraph I of Report on Other Legal and Regulatory Requirements of our Report of even date to the members of RLF LIMITED on the accounts of the Company for the year ended 31<sup>st</sup> March, 2015.**

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

- (i) (a) According to information and explanation provided to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us the fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
- (ii) (a) physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In our opinion the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and hence clauses (a) and (b) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items sold are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in the aforesaid internal control system.
- (v) In our opinion and information and explanation given to us the company has accepted deposits from the members of the company in previous year. The company has renewed certain deposits amounting to Rs 19,128,848/- during the year, but certain procedural guidelines as mentioned in the section 73 of the company's act 2013 and rules framed there under has not been followed.
- (vi) According to the information and explanations given to us the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 are applicable to the Company and the company has duly made and maintained such accounts and records.
- (vii) According to the information and explanation given to us and records of the company examined by us:
  - (a) The company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable
  - (c) There were no amounts payable in respect of Wealth Tax, Duty of Customs, Income-tax, Service Tax, Duty of Excise and Cess and other material statutory dues in arrears as at 31st March, 2015 which have not been deposited as on 31st March, 2015 on account of disputes. The sales tax department had created a demand on the company in respect of cases for 2 years against which the company has preferred appeals to the appropriate authorities aggregating to Rs 28,64,433/- (Previous Year Rs.28,64,433/-)
  - (d) According to the information and explanation given to us and the record of the company; the company is not required to transfer to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956).
- (viii) The company has accumulated losses at the end of financial year which is not more than fifty percent of its net worth.



The company has not incurred cash losses during the financial year covered by the audit and in immediately preceding financial year.

- (ix) According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The Company has a dispute going on with Central Bank of India regards to Excess interest charged by the Bank under the Scheme of Ministry of Textile, Government of India in the year 2005 on our Term Loan accounts amounting to Rs 19.82 Lacs for which the company is following up with the Bank for the refund.
- (x) According to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial Institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan during the year and hence the question of commenting on the application thereof does not arise.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**JP CHAWLA & COMPANY**  
Chartered Accountants  
Firm Regn No. 001875N

Sd/-  
**J.P. CHAWLA**  
(Partner)  
Membership No. 015488

Place: New Delhi  
Dated: 26<sup>th</sup> May 2015

**Balance Sheet as at March 31, 2015**(All Amounts in Indian Rupees,  
except share data and where otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	9,80,08,225	9,80,08,225
(b) Reserves and Surplus	2	18,16,06,875	19,09,79,945
<b>Total of Shareholders' Funds</b>		<b>27,96,15,100</b>	<b>28,89,88,170</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	5,32,79,809	3,99,19,197
(b) Deferred Tax Liabilities, Net		29,94,475	47,69,554
<b>Total of Non-Current Liabilities</b>		<b>5,62,74,284</b>	<b>4,46,88,751</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	3	5,88,88,559	6,12,40,616
(b) Trade Payables	4	3,04,101	4,64,801
(c) Other Current Liabilities	5	1,36,92,401	1,03,10,822
<b>Total of Current Liabilities</b>		<b>7,28,85,061</b>	<b>7,20,16,240</b>
<b>Total of Equity and Liabilities</b>		<b>40,87,74,445</b>	<b>40,56,93,161</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	6	24,83,05,467	25,68,20,737
(b) Non-Current Investments	7	10,67,14,915	10,67,14,915
(c) Long-Term Loans and Advances	8	48,07,008	21,61,007
<b>Total of Non-Current Assets</b>		<b>35,98,27,390</b>	<b>36,56,96,659</b>
<b>(2) Current Assets</b>			
(a) Current Investments	7	17,50,000	17,50,000
(b) Inventories	9	95,92,116	89,53,538
(c) Trade Receivables	10	2,94,02,106	2,38,20,740
(d) Cash and Bank Balances	11	6,08,706	28,58,977
(e) Short-Term Loans and Advances	8	75,94,127	26,13,247
<b>Total of Current Assets</b>		<b>4,89,47,055</b>	<b>3,99,96,502</b>
<b>Total of Assets</b>		<b>40,87,74,445</b>	<b>40,56,93,161</b>

Summary of significant accounting policies 18

The accompanying notes are an integral part of financial statements

As per our report of even date  
For J.P.Chawla & Co.  
(Chartered Accountants)  
FRN-001875N

For and on behalf of the Board

Sd/-  
J.P.Chawla  
(Partner)  
Membership No. 015488Sd/-  
Anil Kumar Khanna  
(Chairman)  
DIN-00207839Sd/-  
Suman Kapur  
(Director)  
DIN-00590936New Delhi  
May 26, 2015Sd/-  
Aditya Khanna  
Director (CEO & CFO)  
DIN - 01860038

**Statement of Profit and Loss for the year ended March 31, 2015**(All Amounts in Indian Rupees,  
except share data and where otherwise stated)

	Notes	For the Year ended March 31, 2015	For the year ended March 31, 2014
<b>Revenue</b>			
Revenue from Operations	12	2,73,13,559	3,91,78,592
Other Income	13	23,09,438	33,67,029
<b>Total</b>		<b><u>2,96,22,997</u></b>	<b><u>4,25,45,621</u></b>
<b>Expenses</b>			
Changes in Inventories of Finished Goods,WIP & Stock-in-Trade		1,57,424	3,05,611
Employee Benefits Expenses	14	41,72,962	30,70,543
Finance Costs	15	81,41,029	96,00,423
Depreciation and Amortisation Expenses	6	49,44,001	69,82,424
Manufacturing Expenses	16	83,38,386	1,59,81,193
Other Expenses	17	25,73,304	23,50,280
<b>Total</b>		<b><u>2,83,27,106</u></b>	<b><u>3,82,90,474</u></b>
<b>Profit/ (Loss) before Tax</b>		<b>12,95,891</b>	<b>42,55,148</b>
Tax Expenses:			
Current Tax		2,50,000	7,88,834
Deferred Tax (Net)		(17,75,079)	5,86,974
Short Provision for Tax of Earlier Year		-	48,769
<b>Profit / (Loss) after Tax</b>		<b><u>28,20,970</u></b>	<b><u>28,30,571</u></b>
<b>Earnings per equity share of Rs.10 each</b>			
- Basic (Rs.)		0.29	0.28
- Diluted (Rs.)		0.29	0.28

**Summary of significant accounting policies** 18As per our report of even date  
For J.P.Chawla & Co.  
(Chartered Accountants)  
FRN-001875N

For and on behalf of the Board

Sd/-  
J.P.Chawla  
(Partner)  
Membership No. 015488Sd/-  
Anil Kumar Khanna  
(Chairman)  
DIN-00207839Sd/-  
Suman Kapur  
(Director)  
DIN-00590936New Delhi  
May 26, 2015Sd/-  
Aditya Khanna  
Director (CEO & CFO)  
DIN - 01860038

## Notes forming part of the Financial Statements as at 31st March, 2015

(All Amounts in Indian Rupees,  
except share data and where otherwise stated)

	As at March 31, 2015		As at March 31, 2014	
<b>Note-1</b>				
<b>Share capital</b>				
<b>Authorised</b>	<b>No. of Shares</b>		<b>No. of Shares</b>	
<b>Equity shares of Rs. 10 each</b>	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
<b>Issued, Subscribed and Paid up</b>	<b>No. of Shares</b>		<b>No. of Shares</b>	
<b>Equity Shares of Rs. 10 each</b>	99,88,883	9,98,88,830	99,88,883	9,98,88,830
Addition during the year	-	-	-	-
Less: Calls In Arrears	-	18,80,605	-	18,80,605
Closing balance of equity share capital at the end of the year	99,88,883	9,80,08,225	99,88,883	9,80,08,225

Note 1.1- The holders of equity shares are entitled to receive dividend as declared from time to time, and are entitled to one vote per share at meeting of the Company. In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

Note 1.2- The Details of Shareholders holding more than 5% Equity shares:

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	%	No. of Shares	%
<b>Name of Shareholder</b>				
United Leasing and Industries Ltd.	11,25,300	11.27	11,25,300	11.27
ULL Securities Pvt. Ltd.	11,42,880	11.44	11,42,880	11.44
Anil Kumar Khanna	8,80,940	8.82	8,80,940	8.82
Anoop Kumar Khanna	5,68,960	5.70	5,68,960	5.70

### Note-2 RESERVES AND SURPLUS

<b>Capital Reserve</b>				
Balance at the beginning of the year	2,27,250		2,27,250	
Add: Addition during the year	-	2,27,250	-	2,27,250
	-	2,27,250	-	2,27,250
<b>General Reserve</b>				
Balance at the beginning of the year	1,27,90,193		1,27,90,193	
Add: Addition during the year	-	1,27,90,193	-	1,27,90,193
	-	1,27,90,193	-	1,27,90,193
<b>Revaluation Reserve*</b>				
Balance as at the beginning of the year	19,88,38,340		19,88,38,340	
Add: Addition during the year	-	19,88,38,340	-	19,88,38,340
	-	19,88,38,340	-	19,88,38,340
<b>Investment Allowance Reserve</b>				
Balance as at the beginning of the year	9,07,763		9,07,763	
Add: Addition during the year	-	9,07,763	-	9,07,763
	-	9,07,763	-	9,07,763
<b>Surplus as per Profit and Loss Account</b>				
Balance as at the beginning of the year	(2,17,83,601)		(2,46,14,172)	
Less : Asset Balance written off in accordance with the Schedule II of the Companies Act 2013	(1,21,94,040)			
Add: Profit / (Loss) for the year	28,20,970	(3,11,56,671)	28,30,571	(2,17,83,601)
	28,20,970	(3,11,56,671)	28,30,571	(2,17,83,601)
<b>Total of Reserves and Surplus</b>		<b>18,16,06,875</b>		<b>19,09,79,945</b>

\*(Revaluation Reserve represents the reserves accretion pursuant to revaluation of Company's land as on 29th Oct. 2012.)

**Notes forming part of the Financial Statements as at 31st March, 2015**(All Amounts in Indian Rupees,  
except share data and where otherwise stated)

	As at March 31, 2015	As at March 31, 2014
<b>Note-3</b>		
<b>BORROWINGS</b>		
<b>Long Term Borrowings</b>		
<b>I. Secured</b>		
<b>(a) Term Loans</b>		
<b>From Banks</b>		
- Term Loan including Working Capital Term Loan* (Secured by equitable mortgage of Factory Land & Building and hypothecation of Imported Plant & Machinery)	73,03,971	77,92,358
- Vehicle Loan from ICICI Bank (Secured against the vehicle financed)	10,26,317	16,89,417
<b>Term &amp; Conditions *</b>	-	-
The rate of interest charged by bank on term loan is 8% and the amount is repayable by 27 jan 2015		94,81,775
<b>Total of Secured Long Term Borrowings</b>	<u>83,30,288</u>	<u>94,81,775</u>
<b>II. Unsecured</b>		
<b>(a) Other Loans and Advances</b>		
- Fixed Deposits	1,58,91,240	52,07,994
- Inter-Corporate Deposits	2,90,58,281	2,52,29,428
<b>Total of Un-Secured Long Term Borrowings</b>	<u>4,49,49,521</u>	<u>3,04,37,422</u>
<b>Total of Long Term Borrowings</b>	<u>5,32,79,809</u>	<u>3,99,19,197</u>
<b>Short Term Borrowings</b>		
<b>I. Secured</b>		
<b>(a) Loans Repayable on Demand</b>		
<b>From Banks</b>		
Cash Credit* (Secured by a First Charge on Raw Material, Finished Goods and Work In Progress of Embroidered Goods)	83,54,028	62,01,512
Bank Overdraft - Central Bank of India	-	83,54,028
<b>Term &amp; Conditions *</b>	-	16,64,825
Rate of Interest Charged by Bank on Term Loan is 14.05%		78,66,337
<b>Total of Secured Short Term Borrowings</b>	<u>83,54,028</u>	<u>78,66,337</u>
<b>II. Unsecured</b>		
<b>(a) Loans and Advances from Related Parties</b>		
- from Directors	4,58,99,833	10,86,585
- from Others	46,34,698	5,05,34,531
<b>(b) Other Loans and Advances</b>		3,93,13,960
- Fixed Deposits	-	1,29,73,734
<b>Total of Unsecured Short Term Borrowings</b>	<u>5,05,34,531</u>	<u>5,33,74,279</u>
<b>Total of Short Term Borrowings</b>	<u>5,88,88,559</u>	<u>6,12,40,616</u>

## Notes forming part of the Financial Statements as at 31st March, 2015

(All Amounts in Indian Rupees,  
except share data and where otherwise stated)

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Note-4</b>		
<b>Trade Payables</b>		
Due to Micro and Small Enterprises*	-	-
Due to Others	3,04,101	4,64,801
<b>Total of trade payables</b>	<b>3,04,101</b>	<b>4,64,801</b>

**\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:**

a) There is no payment due to suppliers as at the end of the accounting year on account of Principal and Interest.	Nil
b) No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed date.	Nil
c) No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.	Nil
d) No amount of interest was accrued and unpaid at the end of the accounting year.	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Note-5</b>		
<b>OTHER LIABILITIES</b>		
<b>Other Current Liabilities</b>		
a) On Fixed Deposits		
- Interest Accrued but not due	14,99,115	16,17,303
b) Payable to Statutory Authorities		
- T.D.S. & VAT Payable	18,34,184	3,72,219
c) Current Maturities of Long-Term Loan from ICICI	6,63,100	6,63,100
d) Other Liabilities	96,96,002	76,58,201
<b>Total of other current liabilities</b>	<b>1,36,92,401</b>	<b>1,03,10,822</b>

**Note-6**

**Fixed Assets**

Particulars	Gross Block (at cost) *				Depreciation					Net Block	
	As at April 01, 2014	Additions	Deletions	As at March 31, 2015	As at April 01, 2014	For the year	Deletions	Adjustment with opening retained earnings	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Land*	21,14,22,100	44,57,930	-	215880030	-	-	-	-	-	21,58,80,030	21,14,22,100
Buildings	1,14,63,739	13,90,468	-	12854207	62,55,324	3,43,614	-	-	65,98,938	62,55,269	52,08,415
Plant & Machinery	13,06,35,619	27,74,373	-	133409992	9,38,90,179	41,50,973	-	1,21,94,040	11,02,35,192	2,31,74,800	3,67,45,440
Computers	6,13,480	-	-	613480	6,13,480	-	-	-	6,13,480	-	-
Vehicles	61,48,703	-	-	6148703	27,03,921	4,49,414	-	-	31,53,335	29,95,368	34,44,782
Office Equipment	11,59,188	-	-	1159188	11,59,188	-	-	-	11,59,188	-	-
Furniture & Fixtures	7,33,032	-	-	733032	7,33,032	-	-	-	7,33,032	-	-
<b>Total</b>	<b>36,21,75,861</b>	<b>86,22,771</b>	<b>-</b>	<b>370798632</b>	<b>10,53,55,124</b>	<b>49,44,001</b>	<b>-</b>	<b>-</b>	<b>12,24,93,165</b>	<b>24,83,05,467</b>	<b>25,68,20,737</b>
Previous Year Figures	41,89,51,190	10,75,000	5,78,50,328	362175862	15,62,23,029	69,82,424	5,78,50,328	-	10,53,55,125	25,68,20,737	-

\*(Addition in Land represents accretion pursuant to revaluation of Company's land as on 29th Oct. 2012.)

**Notes forming part of the Financial Statements as at 31st March, 2015**(All Amounts in Indian Rupees,  
except share data and where otherwise stated)

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Note-7</b>		
<b>INVESTMENTS</b>		
<b>Non-Current Investments</b>		
<b>I. Quoted -</b>		
United Leasing & Industries Limited* (763665 Equity Shares of Rs. 10/- each)	1,14,85,239	1,14,85,239
<b>II. Un-Quoted</b>		
(a) Investment in Equity Instruments		
-Chitra Utsav Video Pvt. Ltd. (69,750 Equity Shares of Rs.10/- each)	6,88,41,177	6,88,41,177
-Telecom Finance (India) Ltd. (883,257 Equity shares of Rs. 10/- each)	96,28,499	96,28,499
-Chene Capital Pvt. Ltd. (225,000 Equity Shares of Rs.10/- each)	22,50,000	22,50,000
-Saurer Embroidery Systems(India) Pvt. Ltd. (155,000 Equity Shares of Rs.10/-each)	<u>15,50,000</u>	<u>15,50,000</u>
	8,22,69,676	8,22,69,676
(b) Investments in Preference Shares		
-Chitra Utsav Video Pvt. Ltd. (12,96,000 Preference Shares of Rs.10/- each of Chitra Utsav Video Pvt. Ltd.)	1,29,60,000	1,29,60,000
<b>Total of Non Current Investments</b>	<b><u>10,67,14,915</u></b>	<b><u>10,67,14,915</u></b>
<b>Current Investments</b>		
Investment in Equity Instruments (Unquoted)		
-ADAB Infrastructure Pvt Ltd. (175,000 Equity Shares of Rs. 10/- each)	17,50,000	17,50,000
<b>Total of Current Investments</b>	<b><u>17,50,000</u></b>	<b><u>17,50,000</u></b>
Aggregate book value of Quoted Investments	1,14,85,239	1,14,85,239
Aggregate market value of Quoted Investments*	-	-
Aggregate book value of Unquoted Investments	9,69,79,676	9,69,79,676
Aggregate provision for diminution in the value of investments	-	-

\*Market rate of the shares is not available as on 31st March 2015.

## Notes forming part of the Financial Statements as at 31st March, 2015

(All Amounts in Indian Rupees,  
except share data and where otherwise stated)

	As at March 31, 2015	As at March 31, 2014
<b>Note-8</b>		
<b>LOANS AND ADVANCES</b>		
<b>Long-Term Loans and Advances</b>		
<b>Unsecured, Considered Good</b>		
<b>(a) Security Deposits</b>		
Security Deposits-Others	4,84,669	4,84,669
<b>(b) Others</b>		
Prepaid Expenses	-	16,76,338
Other Receivables	43,22,339	-
	<u>43,22,339</u>	<u>16,76,338</u>
<b>Total of Long term loans and advances</b>	<u><b>48,07,008</b></u>	<u><b>21,61,007</b></u>
<b>Short-Term Loans and Advances</b>		
<b>Unsecured, Considered good</b>		
<b>(a) Loans and Advances to Related Parties</b>	59,59,942	16,71,983
<b>(b) Others</b>		
Prepaid Expenses	84,064	62,235
Advance Income Tax,including		
Tax Deducted at Source	15,50,121	8,79,029
	<u>15,50,121</u>	<u>9,41,264</u>
<b>Total of Short Term Loans and Advances</b>	<u><b>75,94,127</b></u>	<u><b>26,13,247</b></u>
<b>Note-9</b>		
<b>Inventories ( Lower of Cost or NRV)</b>		
Raw Materials	10,71,602	2,75,600
Work-in-Progress	5,48,514	24,03,938
Finished Goods	79,72,000	62,74,000
	<u>95,92,116</u>	<u>89,53,538</u>
<b>Note-10</b>		
<b>Trade Receivables (Unsecured):</b>		
<b>Outstanding for a period exceeding six month</b>		
Considered Good	1,10,34,119	1,15,08,643
Considered Doubtful	-	9,84,129
Less:Provision for Doubtful Debts	-	(9,84,129)
<b>Others (Considered good)</b>	1,83,67,987	1,23,12,097
	<u>1,83,67,987</u>	<u>1,23,12,097</u>
<b>Total of Trade Receivables</b>	<u><b>2,94,02,106</b></u>	<u><b>2,38,20,740</b></u>
<b>Note-11</b>		
<b>Cash and Bank Balances</b>		
Cash and Cash Equivalents		
-Cash in hand	88,640	3,55,493
Balances with Scheduled Banks		
- In Current Accounts	(1,79,821)	75,469
- In Fixed Deposit Accounts		
maturing within 12 months		
from reporting date	6,99,887	24,28,015
	<u>6,99,887</u>	<u>24,28,015</u>
<b>Total of Cash and Bank Balance</b>	<u><b>6,08,706</b></u>	<u><b>28,58,977</b></u>
<b>Note-12</b>		
<b>Revenue from Operations</b>		
Revenue from Manufacturing Operations	2,73,13,559	3,91,78,592
	<u>2,73,13,559</u>	<u>3,91,78,592</u>
<b>Total of Revenue from Operations</b>	<u><b>2,73,13,559</b></u>	<u><b>3,91,78,592</b></u>



**Notes forming part of the Financial Statements as at 31st March, 2015**(All Amounts in Indian Rupees,  
except share data and where otherwise stated)

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Note-13</b>		
<b>Other Income</b>		
Interest on Fixed Deposits	1,39,558	2,21,417
Late Payment Charges Recovered from Hirers	9,57,769	31,30,000
Miscellaneous Income	12,12,111	15,613
<b>Total of Other Income</b>	<b><u>23,09,438</u></b>	<b><u>33,67,029</u></b>
<b>Note-14</b>		
<b>Employee Benefits Expenses</b>		
Salaries and Wages	41,09,962	30,69,863
Staff Welfare Expenses	63,000	680
<b>Total of Employees Benefits Expenses</b>	<b><u>41,72,962</u></b>	<b><u>30,70,543</u></b>
<b>Note-15</b>		
<b>Finance Costs</b>		
Interest Expenses		
- Interest on Term Loan & O.D. Facility	21,11,200	25,10,964
- Interest on Deposits	<u>58,03,609</u>	<u>69,36,089</u>
- Other Borrowing Cost	2,26,220	94,47,053
<b>Total of Finance Cost</b>	<b><u>81,41,029</u></b>	<b><u>96,00,423</u></b>
<b>Note-16</b>		
<b>Manufacturing Expenses</b>		
Raw Material	48,72,151	1,10,83,650
Power and Fuel	8,54,495	6,91,306
Freight and Cartage	15,706	9,111
Other Manufacturing Expenses	25,96,034	41,97,126
<b>Total of Manufacturing Expenses</b>	<b><u>83,38,386</u></b>	<b><u>1,59,81,193</u></b>
<b>Note-17</b>		
<b>Other Expenses</b>		
Postage, Courier and Telephones	66,975	87,490
Traveling and Conveyance Expenses	2,93,334	92,199
Auditor's Remuneration as		
- Statutory Audit Fee	84,270	84,270
- Tax Audit Fee	10,000	10,000
Fee, Taxes and Insurance	1,34,785	1,32,519
Advertisement	52,972	59,872
Repair & Maintaince	20,527	8,40,825
Vehicle Running & Maintainance	68,400	2,046
Listing Fee	1,12,360	28,090
Bank Charges	77,216	92,358
Business Promotion	15,321	-
Annual Custody Fee	16,970	16,890
Audit Committee Meeting Fee	60,000	60,000
Board Meeting Fee	1,25,000	1,20,000
Re-Instatement Fee	4,49,440	-
Issuer Fee	16,854	-
E-Voting Charges	5,618	-
Professional Charges	8,28,619	4,35,047
Exchange Fluctuation	3,830	1,19,413
Website Maintainance Charges	16,854	15,000
Printing and Stationery	74,190	80,546
Interest on T.D.S.	16,031	-
Miscellaneous Expenses	23,738	73,715
<b>Total of Other Expenses</b>	<b><u>25,73,304</u></b>	<b><u>23,50,280</u></b>

## Notes forming part of the financial statements as at and for the year ended 31 March 2015.

### 18: Summary of significant accounting policies:

#### 1. Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounting Rules, 2014 and the relevant provisions of the Companies Act (the 2013 Act)/Companies Act, 1956 (the 1956 Act) 2013 as applicable. 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.

#### 2. Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation/amortization (including other expenses related to acquisition and installation) adjusted by revaluation of certain fixed assets.

##### Depreciation / Amortization:

Depreciation is provided on a pro-rata basis on straight line method over the estimated useful lives of the assets determined by Schedule-II of the Companies Act, 2013, except for certain assets where lower useful life has been used and for which technical evaluation has been made by the Management. The useful life adopted is as under:

Depreciation of Assets	Useful life (in Years)
Factory Building	30
Plant & Machinery	15
Furniture & Fixtures	10
Office Equipments	5
Computers	6
Vehicles	10
A.C.&A.C.Equipments	15

#### 3. Investments:

Current investments are stated at lower of cost or market value. Long-term investments are stated at cost.

#### 4. Inventories:

Inventories are valued at the lower of Cost or Net Realizable Value except stores & spares which is valued at cost.

#### 5. Revenue Recognition:

Sales are accounted for on accrual basis.

#### 6. Retirement Benefit:

Provident fund is accounted for on accrual basis while Leave Encashment & Gratuity is accounted for on cash basis.

#### 7. Foreign Currency Transactions:

Transactions in Foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Year end balances are valued at the rate prevailing on that date.

**8. Provision for Current and Deferred Tax:**

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future.

**1. Contingent liabilities not provided for in respect of:**

- a) The Sales Tax Department had created a demand on the company in respect of cases for 2 years against which the company has preferred appeals to the appropriate appellate authorities aggregating to Rs.28,64,433/- (**Previous Year Rs 28,64,433**)
- b) The company has provided a Corporate Guarantee in favour of Syndicate Bank in respect of the credit facility availed by M/s Chitra Utsav Video Pvt Ltd amounting to Rs 2475 Lacs .(Previous Year 2475 Lacs)

**2. Segment Reporting**

The company business income consist of textiles only .The segment wise details as per Accounting Standard AS -17 issued by the Institute of Chartered Accountants of India is not required to be disclosed .

**3. Accounting for Taxes on Income (Accounting Standard No:-22):**

The Company has during the year recognized Net Deferred Tax Asset amounting to **Rs.17,75,079** as on 31.3.2015.

Particulars	<b>As on 31.3.2015</b> Deferred Tax Assets/ (Deferred Tax Liability)	<b>As on 31.3.2014</b> (Deferred Tax Liability) Deferred Tax Assets/
Brought Forward Loss	67,97,017	47,72,696
Net Block of Assets	50,21,938	95,42,250
	-----	-----
<b>Net Deferred Tax Asset / (Liability)</b>	<b>17,75,079</b>	<b>( 5,86,974 )</b>

**4 In accordance with the requirement of Accounting Standards (AS) -18 on Related Party Disclosure ,the name of the parties where control exists and/or with whom the transaction have taken place during the year are as follows :-****a) Key Management Personal**

Anil Kumar Khanna – Chairman  
Aditya Khanna -- Director

**b) Entities where Key Management Personal exercises significant influence**

- i) Saurer Embroidery Systems India Pvt Ltd
- ii) Chene Capital Pvt Ltd
- iii) Chitra Utsav Pvt. Ltd.
- iv) ADAB Infrastructure Pvt. Ltd.

<b>SR.NO.</b>	<b>TRANSACTIONS</b>	<b>FOR THE YEAR ENDING 31.03.15</b>	<b>FOR THE YEAR ENDING 31.03.14</b>
1.	PURCHASE OF GOODS Saurer Embroidery Systems India Pvt Ltd	5,80,015	26,50,000
2.	SALE OF GOODS Saurer Embroidery Systems India Pvt Ltd	1,28,28,928	1,71,49,084
	ReboundAce India Pvt Ltd	Nil	75,24,793
3.	ADVANCES GIVEN/RECEIVED (NET) Chitra UtsavVideo Pvt Ltd	Nil	17,65,320.50
4.	DIRECTOR COMMISSION Anil Kumar Khanna	Nil	Nil
5.	LOAN FROM DIRECTOR	2,68,25,000	10,20,000
6.	INTEREST ON LOAN TO DIRECTORS	2,57,268	88,545
7.	INTEREST ON ICD (CHITRA UTSAV)	3,82,231	7775
8.	ICD CHITRA UTSAV	Nil	20,50,000

5. Basic and Diluted Earning Per Share (Accounting Standard No:-20):

Basic and diluted Earnings per share of the company is as under:-

	31.3.2015	31.3.2014
	<u>(In Rupees)</u>	<u>(In Rupees)</u>
Profit or (Loss) after tax (A)	28,20,970	28,30,571
Avg. Number of Equity shares	98,00,823	98,00,823
Basic and Diluted Earnings per Share Rupee/Share	0.29	0.28
6. Board Meeting Fee	31.3.2015	31.3.2014
	<u>(In Rupees)</u>	<u>(In Rupees)</u>
	125,000	120,000
7. Audit Committee Fee	31.3.2015	31.3.2014
	<u>(In Rupees)</u>	<u>(In Rupees)</u>
	65,000	60,000
8. Directors Remunerations:	31.3.2015	31.3.2014
	<u>(In Rupees)</u>	<u>(In Rupees)</u>
Directors Commission	NIL	NIL

## 9. Payment to Auditors:

	<u>31.3.2015</u> (In Rupees)	<u>31.3.2014</u> (In Rupees)
Audit Fees	84,270	84,270
Tax Audit	10,000	10,000

## 10. Figures of the previous year have been regrouped &amp; recast wherever necessary.

## 11. CIF Value of Imports :-

	<u>31.03.2015</u>	<u>31.03.2014</u>
Raw Material	Nil	48,48,448
Capital Goods	Nil	Nil

g) Earning in foreign Currency	<u>31.03.2015</u>	<u>31.03.2014</u>
	Nil	NIL

h) Expenditure in Foreign Currency	<u>31.03.2015</u>	<u>31.03.2014</u>
Purchase of Spare Parts	30,39,377	5,67,184

12. The company has a unutilized balance of Cenvat Credit amounting to Rs 16,76,338 which is lying in the books, the matter has been decided by the H'onorable High Court. The Company based on the decision of the High Court has approached the Department for refund of Rs 27,05,026 for which the refund has been granted by the department during the year.

13. The Company has an dispute going on with Central Bank of India regards to Excess interest charged by the Bank under the Scheme of Ministry of Textile, Government of India in the year 2005 on our Term Loan accounts amounting to Rs 19.82 Lacs for which the company is following up with the Bank for the refund.

14. Loan from others include a sum of Rs 46,34,698 which has been borrowed from Mr Anil Kumar Khanna Director of the company.

15. The company had a Company Secretary during the year who has resigned on 28<sup>th</sup> February 2015, the company has taken steps and initiative to appoint new Company Secretary.

As per our report of even date  
For J.P.Chawla & Co.  
(Chartered Accountants)  
FRN-001875N

Sd/-  
J.P.Chawla  
(Partner)  
Membership No. 015488

For and on behalf of the Board

Sd/-  
Anil Kumar Khanna  
(Chairman)  
DIN-00207839

Sd/-  
Suman Kapur  
(Director)  
DIN-00590936

New Delhi  
May 26, 2015

Sd/-  
Aditya Khanna  
Director (CEO & CFO)  
DIN - 01860038

### Cash Flow Statement for the Year Ended 31st March, 2015

	31.03.2015 [Rs.]	31.03.2014 [Rs.]
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (loss) before tax	12,95,891	42,55,148
Adjustment for Statement of profit & Loss items		
Add:		
Interest Expenses	79,14,809	94,47,053
Depreciation and amortisation expense	49,44,001	69,82,424
Processing charge Paid	<u>2,26,220</u>	<u>1,53,370</u>
1,30,85,030		1,65,82,847
Less:		
Interest Income	<u>(1,39,558)</u>	<u>(2,21,417)</u>
(1,39,558)		(2,21,417)
<b>Operating Profit before working capital changes and other adjustments</b>	1,42,41,363	2,06,16,578
Working Capital Changes and other adjustments:		
(Increase)/Decrease in Trade Receivable	(55,81,366)	(65,46,087)
(Increase)/Decrease in Inventories	(6,38,578)	1,32,693
(Increase)/Decrease in Loans and Advances	(69,55,789)	44,67,728
Increase/(Decrease) in Trade Payable	(1,60,700)	1,60,700
Increase/(Decrease) in Other Current Liabilities	<u>33,81,579</u>	<u>49,08,623</u>
(99,54,854)		31,23,657
<b>Cash Flow from Operating Activities before tax</b>	42,86,509	2,37,40,235
Less : Income Tax paid	(9,21,093)	(8,05,858)
<b>Net Cash Generated from / (used in) Operating Activities</b>	<u><b>33,65,416</b></u>	<u><b>2,29,34,377</b></u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(86,22,771)	(10,75,000)
Interest Income received	1,39,558	2,21,417
(Increase)/Decrease in Investments	-	-
(Investment in)/ Proceeds from Fixed Deposits	17,28,128	(2,64,328)
<b>Net Cash (used in) / generated from Investing Activities</b>	<u><b>(67,55,085)</b></u>	<u><b>(11,17,911)</b></u>
<b>C. Cash Flow from Financing Activities</b>		
Increase in current maturity of Long term Loan	1,33,60,612	68,836
Proceeds from/ (repayment to) borrowings from banks & financial institutions	(23,52,057)	(1,26,85,149)
Processing charge Paid	(2,26,220)	(1,53,370)
Interest Paid	<u>(79,14,809)</u>	<u>(89,50,109)</u>
(79,14,809)		(89,50,109)
<b>Net Cash used in Financing Activities</b>	<u><b>28,67,526</b></u>	<u><b>(2,17,19,792)</b></u>
<b>D. Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<u><b>(5,22,143)</b></u>	<u><b>96,674</b></u>
<b>E. Cash &amp; Cash Equivalents at the Beginning of Year</b>	4,30,962	3,34,288
<b>F. Cash &amp; Cash Equivalents at the Closing of Year (D+E)</b>	<u><b>(91,181)</b></u>	<u><b>4,30,962</b></u>

**Note:**

I The above cash statement has been prepared under the 'Indirect method' as set out in Accounting standard 3 (AS-3)

on "Cash flow statements" as notified under the companies (Accounting standard) Rule,2006 as amended.

<b>2</b>	<b>Cash and Cash equivalents include:</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
		<b>[Rs.]</b>	<b>[Rs.]</b>
	Cash in hand	88,640	3,55,493
	Bank balances		
	- In current accounts	(1,79,821)	75,469
	- In fixed deposit accounts		
	maturing within 12 months from reporting date	6,99,887	24,28,015
	Less: Balances with Bank in fixed deposit accounts		
	with original maturity of more than 3 months	<u>(6,99,887)</u>	<u>(24,28,015)</u>
	<b>Total of Cash and Cash equivalent</b>	<b><u>(91,181)</u></b>	<b><u>4,30,962</u></b>

- 3** Previous year figures have been regrouped and/or reclassified whenever necessary to confirm to those of the current year grouping and/or classification.

As per our report of even date  
For J.P.Chawla & Co.  
(Chartered Accountants)  
FRN-001875N

Sd/-  
J.P.Chawla  
(Partner)  
Membership No. 015488

For and on behalf of the Board

Sd/-  
Anil Kumar Khanna  
(Chairman)  
DIN-00207839

Sd/-  
Suman Kapur  
(Director)  
DIN-00590936

New Delhi  
May 26, 2015

Sd/-  
Aditya Khanna  
Director (CEO & CFO)  
DIN - 01860038



CIN NO :- L74999HRI979PLC032747

### Form No. MGT-II Proxy form

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

CIN:  
Name of the Company:  
Registered office:

Name of the member(s): Registered Address: Email Id Folio No./Client ID:
---

I being the holder of \_\_\_\_\_ Equity Shares of the above named Company, hereby appoint  
I. Name:  
Address:  
Signature: -----

as my proxy to attend and vote (on a poll) for me and on my behalf at the 35th Annual general meeting of the company, to be held on the 30<sup>th</sup> day of September, 2015, At 12.00 Noon at 14 KM, Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Distt, Gurgaon, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.  
All resolutions.  
Signed this 30<sup>th</sup> day of September, 2015  
Signature of Shareholder

.....  
Signature of Proxy holder

.....  
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

### ATTENDANCE SLIP

DPID-CLID/Folio No. -  
Name of Shareholder (s) -  
Address -

I/We certify that I am / we are Member(s) / Proxy of the Member(s) of the Company holding \_\_\_\_\_ shares.

I hereby record my presence at the 35th Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 at 12:00 Noon at 14 Kms Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Distt. Gurgaon, Haryana.

.....  
Signature of Member / Proxy

**Notes:**

1. A member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Name of the Proxy in Block letters..... (in case the Proxy attends the meeting)
3. Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P) ID. No.
4. Shareholders/proxy holders desiring to attend the meeting may bring his/her copy of Annual Report for reference at meeting.

-----X-----X-----X-----X-----X-----

#### Electronic Voting Particulars

Electronic Voting Sequence No. (EVSN)	User ID	Sequence Number

**Note:** Please read the instructions printed under the Important Notes No.9 to the Notice dated August 13, 2015 of the 35<sup>th</sup> Annual General Meeting. The voting period starts from 9.00 a.m. (IST) on September 27, 2015 and ends at 05:00 p.m. (IST) on September 29, 2015. The voting module shall be disabled by CDSL for voting thereafter.