



VYAPAR INDUSTRIES LIMITED

CIN No. L65990MH1983PLC029875

ANNUAL REPORT (2014-2015)

BOARD OF DIRECTORS

Abbas A Rassai	- Chairman
Hussain A Rassai	- Joint Chairman
Akil A. Rassai	- Managing Director
Ramesh W. Lalwaney	- Director
Parvez M.Master	- Director
Hussain M. Cementwala	- Director
Shabana Mistry	- Director (C.F.O.)

AUDITORS

Salim A. Kantawala
Chartered Accountant, Mumbai

EQUITY SHARES ARE LISTED ON

Bombay Stock Exchange

REGISTER AND SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED.

E, 2/3, Ansa Industrial Estate,
Sakivihar, Sakinaka,
Andheri (East), Mumbai 400 072.
Ph: 022-28470652/53, 40430200

DATE OF AGM

September 30, 2015

DAY

Wednesday

TIME

3.00 p.m



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30th Annual General Meeting of the members of VYAPAR INDUSTRIES LIMITED will be held at 145, S. V. Road, Khar (West), Mumbai - 400 052 on Wednesday, September 30, 2015 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report.
2. To appoint a Director in place of Mr. Akil A. Rassai (DIN: 00021329) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Hussain A. Rassai (DIN: 00021454) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. Appointment of Ms. Shabana Mistry (DIN: 07151253) as Whole Time Director of the Company designated as Chief Financial Officer of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 196, 197, 203 and other applicable provisions of the Companies Act, 2013, (The Act) and the Companies (Appointment and qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment) thereof for the time being in force, and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Ms. Shabana Mistry (DIN: 07151253) who was the appointed by the board of directors as an Additional Director with effect from March 24, 2015 pursuant to the provision 161(1) of the Act and the Articles of Association of the Company, and who holds office upto the date of this annual general meeting, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as Whole Time Director of the Company designated as Chief Financial Officer of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Reappointment of Mr. Akil A. Rassai (DIN: 00021329) as Managing Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies Act, 2013, including any Statutory modification or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the re-appointment and remuneration of Mr. Akil A. Rassai (DIN: 00021329) as Managing Director of the Company for period of five years with effect from September 01, 2015 on the same terms and conditions of remuneration as were paid to him earlier, which are set out in the explanatory statement annexed to this Notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. Reappointment of Mr. Hussain A. Rassai (DIN: 00021454) as Whole Time Director of the Company designated as Joint Chairman of the Company:

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



"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies Act, 2013, including any Statutory modification or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the re-appointment and remuneration of Mr. Hussain A. Rassai (DIN: 00021454) as Whole Time Director of the Company designated as Joint Chairman for period of five years with effect from September 01, 2015 on the same terms and conditions of remuneration as were paid to him earlier, which are set out in the explanatory statement annexed to this Notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy in order to be effective, should be duly completed, stamped and signed, and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percentage of the total share capital of the company carrying voting rights. A member holding more than ten percentage of the total share capital of the company holding voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.
4. Members are requested to bring their copies of the Annual Report to the Meeting. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
5. Members are requested to advise immediately change in their address, if any, quoting their Folio number(s) to the company.
6. The Register of Members and Shares Transfer Books of the Company will remain closed from Thursday, September 24, 2015 to Wednesday, September 30, 2015 (both days inclusive)
7. In order to receive copies of Annual Reports and other communication through e-mail, Members are requested to register their e-mail addresses with the company by sending their e-mail to vyapar@vyaparindustries.com.
8. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members the facility to exercise their vote for business to be transacted in this notice of Annual General Meeting by electronic means through e-voting facility provided by Central Depository Services Limited. Members who are holding shares in physical or dematerialized form as on September 23rd, 2015 shall exercise their vote by electronic means.
9. **E-voting:** The e-voting instructions for members receiving an e-mail or a physical copy of this notice of Annual General Meeting are as under :
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Select the "Company Name" from the drop down menu and click on "Submit".
 - (iv) Now enter your User ID
 - a. For CDSL: 16 digit 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 and voted earlier for any Company, then use your existing pass word.



(vii) If you are first time user then follow the steps given below :

For members holding share in Demat / Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participants are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number 0's before the number after the first two characters of the name in Capital letters. e.g. if your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field
DOB*	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p>OR</p>
Dividend Bank Details*	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p>
<p>* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>	

(viii) After entering these details clicks on "Submit" tab.

- (ix) Members holding shares in physical form will then reach directly to 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 on 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 to 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 "Resolutions 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 Resolutions.
- (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 your "Confirm" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take print of the voting done by clicking on "Click here to print" option on the voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and image verification code and click on Forget Password and enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individual, HUF, NRI, etc.) you are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.



- (xix) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- (xx) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- (xxi) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (xxii) They should upload a scanned copy of the Board Resolution and Power of Attorney (PO) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
10. The voting period begins on Saturday, September 26, 2015 at 9.00 a.m. and ends on Tuesday, September 29, 2015 at 5.30 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 of September 23, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
11. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
12. In case of Members who are attending the Annual General Meeting who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. **For clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the meeting.** The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
13. Mr. Martinho P. Ferrao, Practising Company Secretary, (Membership No. FCS 5676) has been appointed as the Scrutinizer to Scrutinize the e-voting process as well as the voting by way of poll, to be conducted at the Annual General Meeting, in a fair and transparent manner.
14. The Scrutinizer shall within a period of not exceeding three working days from the date of close of e-voting unblock the votes in the presence of atleast two witnesses, not in the employment of the Company and make Scrutinizer's Report of the vote cast in favour of or against, in any, forthwith the Chairman of the Company.
15. The results of e-voting and poll on resolutions shall be aggregated and these resolutions will be deemed to be passed on the Annual General Meeting date, subject to receipt of the requisite numbers of vote in favour of said resolutions.
16. The results declared along with the Scrutinizer's report shall be communicated to BSE Limited and made available on the website of CDSL viz: www.cdslindia.com, within two days of passing the resolution at the Annual General Meeting of the Company.

For and on behalf of the Board

**Abbas A. Rassai
Chairman**

Registered Office:

145, S.V. Road, Khar (W),
Mumbai-400 052.
May 25, 2015



Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013.

Item 5 (Special Resolution)

Ms. Shabana Mistry is Chief Financial Officer of the w.e.f. April 1, 2014 and is looking after and assisting the Board in the day-to-day financial affairs of the Company. She is Post Graduate in Commerce (M.Com). Therefore, considering her qualification and experience and requirement of Women Director, the Board of Directors as well as remuneration committee of Directors at its meeting held on March 24, 2015 has appointed her as Whole Time Director of the Company for a period of five years w.e.f. March 24, 2015, on the terms of remuneration and other conditions as mentioned below:

1. Ms. Shabana Mistry, the Chief Financial Officer of the Company shall perform his duties subject to the superintendence, control and direction of the Board of Directors of the Company.
2. Period of appointment: For Five years, i.e. from March 24, 2015 to March 23, 2020.
3. In consideration of the performance of his duties, the Chief Financial Officer (Women Director) shall be entitled to receive remuneration as stated herein below:

I. Basic Salary :

In the scale of Rs 10.,650/- to Rs.50,000/- per month. The Remuneration Committee / Board of Directors will determine the amount of salary payable to the **Chief Financial Officer (Women Director)** and the amount of increments payable every year depending on the performance of the **Chief Financial Officer (Women Director)**, profitability of the Company and other relevant factors.

The basic salary approved for 2015-16 is Rs.10,650/- per month.

The terms and conditions will be as follows:

- I. **Remuneration** : Rs.10,650/- to 50,000/- per month. Present Salary is Rs.10,650/- per month (Rupees Ten Thousand Six Hundred And Fifty Only).
- II. **Performance Linked Variable Remuneration (PLVR)** : As per Companies policy.

III. Loans:

This clause will be applicable as per section 185 of the Companies Act, 2013 which provides that:

a) the company can give a loan to a Whole Time Director as follows:

- I. as a part of the conditions of service extended by the company to all its employees; or
- ii. pursuant to any scheme approved by the members by a special resolution;

(b) Continuation of Loans, if any, already availed. The loans, if any, already availed shall be continued on the same terms and conditions unless Board of Directors changes the conditions, which shall be binding on the Whole Time Director.

Notes :

- a) Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- b) In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.
- c) If at any time the Whole Time Director ceases to be in the employment of the Company for any cause whatsoever, she shall cease to be the Whole Time Director of the Company.

- d) The Whole Time Director is appointed by virtue of his employment in the Company and the appointment is subject to the provisions of Section 196 of the Companies Act, 2013 while at the same time the Whole Time Director is liable be re-appointed as per the section 196 (2) of the Companies Act, 2013. The appointment is terminable by giving one months' notice in writing on either side.
7. The Whole Time Director shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for her own or for any other purpose other than that of the Company, any information or knowledge obtained by him during her employment to the business or affairs or other matters whatsoever of the Company and the Whole Time Director shall, during the continuance of her employment hereunder, also use her best endeavour to prevent any other person from disclosing the aforesaid information.
8. If the Whole Time Director be guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as Whole Time Director or any breach of these terms, as in the opinion of all other Directors renders his retirement from the office of the Whole Time Director desirable, the opinion of such other Directors shall be final, conclusive and binding on the Whole Time Director and the Company may by giving thirty days notice in writing to the Whole Time Director determine these terms and she shall cease to be a Director and Whole Time Director of the Company, upon expiration of such notice.
9. These terms and conditions are subject to such alterations/ variations as may be mutually agreed upon between the Company and the Whole Time Director.

Your Directors seek your approval by way of a Special resolution for the reappointment of Ms. Shabana Mistry as Whole Time Director of the Company and to the terms of her appointment as proposed under item no.5 of the notice read with this explanatory statement.

None of the Directors may be deemed to be concerned or interested in the aforesaid appointment of the Whole Time Director.

Item 6 (Special Resolution)

Mr. Akil A. Rassai is a Managing Director of the Company w.e.f September 01, 2015 and is looking after and assisting the Board in the day-to-day affairs of the Company. He is actively involved in the implementation of business plans of the Company. He has vast experience in Finance, Accounting, Legal, Taxation matters. Therefore, considering his qualification and experience, the Board of Directors as well as remuneration committee of Directors at its meeting held on May 25, 2015 has reappointed him as Managing Director of the Company for a period of five years w.e.f. September 1, 2015, on the terms of remuneration and other conditions as mentioned below:

1. Mr. Akil A. Rassai, the Managing Director of the Company shall perform his duties subject to the superintendence, control and direction of the Board of Directors of the Company.
2. Period of appointment: For Five years, i.e. from September 1, 2015 to August 31, 2020.
3. In consideration of the performance of his duties, the Managing Director shall be entitled to receive remuneration as stated herein below:

I. Basic Salary :

In the scale of Rs.23,750/- to Rs.3,00,000/- per month. The Remuneration Committee / Board of Directors will determine the amount of salary payable to the Managing Director and the amount of increments payable every year depending on the performance of the Managing Director, profitability of the Company and other relevant factors.

The basic salary approved for 2015-16 is Rs.23,750/- per month.

II. Performance Linked Variable Remuneration:

Performance Linked Variable Remuneration according to the Scheme of the Company that may be in



vogue for working Directors, under which the amount payable to the Managing Director will be decided by the Remuneration Committee/Board of Directors of the Company for each of the financial years, based on the Economic Value Added in the business and other relevant factors and having regard to the performance of Managing Director subject to a ceiling of 36 months' average basic salary, for each year.

III. Perquisites and other matters:

Classified into four categories A, B, C and D as detailed below:

Category A

Benefits of the Company's Hosing facilities and/House Rent Allowance, Medical Reimbursement Scheme, Leave Travel Concession, Reimbursement of Club Fees and Education Allowance in accordance with and subject to the ceiling specified under the Rules framed by the Company from time to time for its Managing Directors.

(1) Housing

A. Unfurnished residential accommodation, and House Rent Allowance equivalent to 30% of Basic salary.

OR

House rent allowance equivalent to 60 % of the Basic salary.

B. Furnishing at residence subject to a ceiling of Rs. 2,00,000/- for a period of 5 years in accordance with the Company's Scheme.

(2) Medical Reimbursement :

Reimbursement of domiciliary medical expenses incurred/insurance premium for the Managing Directors and their family (excluding hospitalisation, nursing home and surgical charges), as per the scheme of the Company and value of such benefit in any financial year can be accumulated according to the Company's Rules.

(3) Leave Travel Concession :

Leave Travel Concession (for the Managing Director and their family once in a financial year incurred in accordance with the Rules specified by the Company) subject to a ceiling of 10% of average basic salary in a financial year, subject to a maximum of Rs.3,60,000/- in a financial year.

(4) Education Allowance:

Reimbursement of Education Allowance @ Rs.2,000/- per month.

For the purposes of medical reimbursements and leave travel concession under Category A, 'family' means the spouse and dependent children and dependent parents of the Managing Director.

Category B

(1) Company's contributions towards Provident Fund (or compensation in lieu thereof), Superannuation Fund or Annuity Fund as per the Rules framed under the Company's relevant Scheme. These shall be subject to a ceiling of the amount up to which the said contributions are either singly or put together not taxable, under the Income Tax Act, 1961.

(2) Gratuity not exceeding 50% of average basic salary drawn in the last year of service for each completed year of service as per the Company's rules. Such gratuity shall be payable according to the rules of the Company. If the Managing Director is re-appointed, gratuity will be paid at the end of their tenure with the Company.

(3) Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company.



Category C

The following shall not be included in the computation of perquisites :-

- (1) Provision for use of Company's cars for official use.
- (2) Provision of free telephone facilities or reimbursement of telephone expenses at residence, including payment of local calls and long distance official calls.

Category D - Loans

Granting of loans according to Company's Scheme subject to Central Government's approval, if applicable.

4. The Managing Director shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment to the business or affairs or other matters whatsoever of the Company and the Managing Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other from disclosing the aforesaid information.
5. If the Managing Director be guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as Managing Director or any breach of this Agreement, as in the opinion of all other Directors renders his retirement from the office of the Managing Director desirable, the opinion of such other Directors shall be final, conclusive and binding on the Chairman and the Company may by giving thirty days notice in writing to the Managing Director determine this Agreement and he shall cease to be Director and Managing Director of the Company, upon expiration of such notice.

Mr. Akil A. Rassai, aged about 45 years has vast experience in Finance, Accounting, Legal, Taxation matters and Business Management. He has handled various assignments successfully during his service with the Company.

Your Directors seek your approval by way of a special resolution for the reappointment of Mr. Akil A. Rassai as Managing Director of the Company and to the terms of his reappointment as proposed under item no. 6 of the notice read with this explanatory statement. The draft of the agreement to be entered in to between the Company and Mr. Akil A. Rassai in this regard is available for inspection of the members during any working day between 11:00 a.m. to 1:00 p.m. and during the tenure of the meeting.

Mr. Abbas A. Rassai, Mr. Hussain A. Rassai and Mr. Akil A. Rassai Directors may be deemed to be concerned or interested in the aforesaid appointment of the Managing Director & decision of the terms of remuneration and therefore are interested in the proposed resolution, besides them no other Director is any way concerned or interested in the said resolution.

Item 6 (Special Resolution)

Mr. Hussain A. Rassai is Executive Joint Chairman of the w.e.f. September 1, 2007 and is looking after and assisting the Board in the day-to-day affairs of the Company. He is actively involved in the implementation of business plans of the Company. He has got vast experience in field of textiles. He is a Science Graduate and has also done his Bachelors in Architecture from the J. J. College of Architecture. Therefore, considering his qualification and experience, the Board of Directors as well as remuneration committee of Directors at its meeting held on May 25, 2015 has reappointed him as Joint chairman of the Company for a period of five years w.e.f. September 1, 2015, on the terms of remuneration and other conditions as mentioned below:

1. Mr. Hussain A. Rassai, the Executive Joint Chairman of the Company shall perform his duties subject to the superintendence, control and direction of the Board of Directors of the Company.
2. Period of appointment: For Five years, i.e. from September 1, 2015 to August 31, 2020.
3. In consideration of the performance of his duties, the Joint Chairman shall be entitled to receive remuneration as stated herein below:



I. Basic Salary :

In the scale of Rs. 23,750/- to Rs. 3,00,000/- per month. The Remuneration Committee / Board of Directors will determine the amount of salary payable to the Joint Chairman and the amount of increments payable every year depending on the performance of the Joint Chairman, profitability of the Company and other relevant factors.

The basic salary approved for 2015-16 is Rs. 23,750/- per month.

II. Performance Linked Variable Remuneration:

Performance Linked Variable Remuneration according to the Scheme of the Company that may be in vogue for working Directors, under which the amount payable to the Executive Joint Chairman will be decided by the Remuneration Committee/Board of Directors of the Company for each of the financial years, based on the Economic Value Added in the business and other relevant factors and having regard to the performance of Joint Chairman subject to a ceiling of 36 months' average basic salary, for each year.

III. Perquisites and other matters:

Classified into four categories A, B, C and D as detailed below:

Category A

Benefits of the Company's Hosing facilities and/House Rent Allowance, Medical Reimbursement Scheme, Leave Travel Concession, Reimbursement of Club Fees and Education Allowance in accordance with and subject to the ceiling specified under the Rules framed by the Company from time to time for its Joint Chairman.

(1) Housing

A. Unfurnished residential accommodation, and House Rent Allowance equivalent to 30% of Basic salary.

OR

House rent allowance equivalent to 60 % of the Basic salary.

B. Furnishing at residence subject to a ceiling of Rs. 2,00,000/- for a period of 5 years in accordance with the Company's Scheme.

(2) Medical Reimbursement :

Reimbursement of domiciliary medical expenses incurred/insurance premium for the Whole-time Directors and their family (excluding hospitalisation, nursing home and surgical charges), as per the scheme of the Company and value of such benefit in any financial year can be accumulated according to the Company's Rules.

(3) Leave Travel Concession :

Leave Travel Concession (for the Joint Chairman and their family once in a financial year incurred in accordance with the Rules specified by the Company) subject to a ceiling of 10% of average basic salary in a financial year, subject to a maximum of Rs.3,60,000/- in a financial year.

(4) Education Allowance:

Reimbursement of Education Allowance @ Rs.2,000/- per month.

For the purposes of medical reimbursements and leave travel concession under Category A, 'family' means the spouse and dependent children and dependent parents of the Joint Chairman.

Category B

(1) Company's contributions towards Provident Fund (or compensation in lieu thereof), Superannuation Fund or Annuity Fund as per the Rules framed under the Company's relevant Scheme. These shall be subject to a ceiling of the amount up to which the said contributions are either singly or put together not taxable, under the Income Tax Act, 1961.

- (2) Gratuity not exceeding 50% of average basic salary drawn in the last year of service for each completed year of service as per the Company's rules. Such gratuity shall be payable according to the rules of the Company. If the Joint Chairman is re-appointed, gratuity will be paid at the end of their tenure with the Company.
- (3) Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company.

Category C

The following shall not be included in the computation of perquisites :-

- (1) Provision for use of Company's cars for official use.
- (2) Provision of free telephone facilities or reimbursement of telephone expenses at residence, including payment of local calls and long distance official calls.

Category D - Loans

Granting of loans according to Company's Scheme subject to Central Government's approval, if applicable.

4. The Joint Chairman shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment to the business or affairs or other matters whatsoever of the Company and the Joint Chairman shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other from disclosing the aforesaid information.
5. If the Joint Chairman be guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as Joint Chairman or any breach of this Agreement, as in the opinion of all other Directors renders his retirement from the office of the Joint Chairman desirable, the opinion of such other Directors shall be final, conclusive and binding on the Chairman and the Company may by giving thirty days notice in writing to the Joint Chairman determine this Agreement and he shall cease to be Director and Joint Chairman of the Company, upon expiration of such notice.

Mr. Hussain A. Rassai, aged about 46 years, is a qualified Bachelor of Architecture and has vast experience in Sales , Production & Manufacturing of Yarn. He has handled various assignments successfully during his service with the Company.

Your Directors seek your approval by way of a Special resolution for the reappointment of Mr. Hussain A. Rassai as Executive Joint Chairman of the Company and to the terms of his appointment as proposed under item no.7 of the notice read with this explanatory statement. The draft of the agreement to be entered in to between the Company and Mr. Hussain A. Rassai in this regard is available for inspection of the members during any working day between 11:00a.m. to 1:00 p.m. and during the tenure of the meeting.

Mr. Abbas A. Rassai, Mr. Hussain A. Rassai and Mr. Akil A. Rassai Directors may be deemed to be concerned or interested in the aforesaid appointment of the Joint Chairman & decision of the terms of remuneration and therefore are interested in the proposed resolution, besides them no other Director is any way concerned or interested in the said resolution.

For and on behalf of the Board

Abbas A. Rassai
Chairman

Registered Office:

145, S.V. Road, Khar (W),
Mumbai-400 052.
May 25, 2015



ANNEXURE TO THE NOTICE

Information under Clause 49 of the listing agreement with respect to directors seeking reappointment in this annual general meeting

Item No. 5

1. Name	Ms Shabana Mistry
2. Date of Birth	21st July, 1982
3. Profession	Service
4. Qualification	M.Com.
5. List of other Directorship held excluding private companies	Nil
6. Chairman / Member of the committee of Board of Director of the company	Nil
7. Chairman / Member of the committee of Board of Director of the other company	Nil
8. Expertise in specific functional area	In the field of Accounting & Finance

Item No. 2 & 7

1. Name	Shri Hussain A. Rassai
2. Date of Birth	25th January, 1969
3. Profession	Business
4. Qualification	B.Com., B.Architect
5. List of other Directorship held excluding private companies	Beneficent Knowledge Parks & Properties Ltd.
6. Chairman / Member of the committee of Board of Director of the company	1 (One)
7. Chairman / Member of the committee of Board of Director of the other company	Nil
8. Expertise in specific functional area	In the field of Finance, Accounts & Construction

Item No. 3 & 6

1. Name	Shri Akil A. Rassai
2. Date of Birth	15th July, 1970
3. Profession	Business
4. Qualification	B.Com., LL.B.
5. List of other Directorship held excluding private companies	Beneficent Knowledge Parks & Properties Ltd.
6. Chairman / Member of the committee of Board of Director of the company	Nil
7. Chairman / Member of the committee of Board of Director of the other company	None
8. Expertise in specific functional area	In the field of Finance, Accounts, Legal & Taxation Matters and Business Management

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 30th Annual Report of the Company along with the audited statements of accounts for the year ended March 31, 2015.

Financial Results :

The standalone financial results of your Company for the financial year ended March 31, 2015 are summarized below :

(Amount in Rs.)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Sales	5,44,95,751	37,15,46,322
Other Income	1,66,56,584	83,56,717
Total Expenditure	8,52,24,639	37,12,18,989
Depreciation	8,25,169	5,58,003
Profit before Tax	(1,48,97,473)	61,26,046
Provision for Taxes		
Current	-	11,67,300
Deferred	(23,99,139)	(40,698)
MAT	-	3,53,937
Profit (Loss) after Taxes	(1,24,98,335)	46,45,507
Opening Balance (surplus)		(10,41,847)
Add Profit for the year		46,45,507
		36,03,660
Appropriation		
IT Refund A.Y. 2008-09		(25,273)
Short Provision for Tax for A.Y. 2008-09		27,590
MAT Credit Entitlement		(56,60,882)
Short Provision for Tax for A/Y 2010-11		1,51,697
Short Provision for Tax for A/Y 2011-12		1,79,772
Total		89,30,756
Balance Carried to Reserves		65,21,80,756

Note- Sales figures mentioned above are presented after making adjustment in exchange difference.

DIVIDEND

With view to conserve the resources of the Company, the Board of Directors of the Company has not recommended any divided for the year 2014-15.

CAPITAL

The company's present paid up capital stands at Rs. 10,89,50,000 comprising of 1,08,95,000 equity shares of Rs. 10/- each. The Company not issued shares with differential voting rights nor granted stock options nor sweat equity.



OPERATIONS

During the year under review the sales turnover registered fall from Rs. 37,15,46,322 to Rs. 5,44,95,751. The existing business has been effected by adverse market conditions prevailing in the market. The Company imports yarn from China as well as purchase from importers and sells it in local market. The Company is getting most of its yarn air spliced which makes its knot less. This is value addition for the Company's product, to be well accepted in local market. Company has posted a Loss before tax of Rs. 1,24,98,335/- during the year in comparison to profit after tax of Rs. 46,45,507/- in the last year.

Yarn & Thread will be the thrust areas of business for the Company in the coming years. The Company's Yarn and Thread products are very well accepted due to the ISO certification, quality improvement and timely delivery policy. The company has concentrated on its goals of consolidating and strengthening its marketing network, delivering quality products and cutting cost wherever possible.

Various organization development initiatives were undertaken during the year. These are expected to help create a robust organization based on strong values, uniform and systematic business processes and people empowerment.

The Management Discussion and Analysis Report deals with the operations of your Company in detail and forms part of this Annual Report.

Your directors are hopeful of better results for the company in the current year.

DEPOSITS:

During the year under review the Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance or Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the current financial year, the Company has not given any Loan, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has an internal control System, commensurate with the size, scale and complexity of its operations. The internal Audit functions report to the Chairman of the Audit Committee and to Chairman and Managing Director of the Company.

The Internal Audit monitors and evaluates the efficiency and adequacy of internal control systems in the company. It's compliances with operating systems, accounting procedure and policies at all locations of the Company.

AMOUNTS PROPOSED TO BE CARRIED TO RESERVES:

Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the Company.

MAJOR IMPLICATIONS UNDER COMPANIES ACT, 2013:

As required under section 134 (2) (e) and section 178 (4) of the Companies Act 2013, your Company has constituted following committees and their policies, namely:

- Nomination and Remuneration Committee & Policy
- Reconstitute Stakeholder Relationship Committee

All other changes as required by the Act have been in place and we re-affirm our commitment to the highest level of Corporate Governance.

PARTICULARS ON CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

This information is required as per Section 134(m) of the Companies Act, 2013, read with the Companies



(Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2015. Since the Company's operations involve low consumption of energy, the Company has no comments to offer as far as (a) conservation of energy and (b) Technology absorptions are concerned.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earned during the period under consideration was Rs. NIL Foreign exchange expenditure incurred during year amounted to Rs. NIL

DIRECTORS:

The Board of Directors is duly constituted. As per provisions of Companies Act, 2013 for retirement by rotation, all executive directors are now liable to retire by rotation.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year Ms. Shabana Mistry (DIN: 07151253) Chief Financial Officer of the Company has been appointed as Women Director liable to retire by rotation at the ensuring Annual General Meeting ..

STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS:

Mr. Ramesh W. Lalwaney (DIN: 00023420), Mr. Parvez M. Master (DIN: 00024845) and Mr. Hussain M. Cementwala (DIN: 03611787) were appointed as an Independent Director of the Company and all independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement. An Independent director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board' report.

CORPORATE GOVERNANCE

As required by the existing clause 49 of the Listing Agreement with Bombay Stock Exchange, a detailed report on Corporate Governance is included in the Annual Report. Your Company is fully compliant with the revised Clause 49 of the Listing Agreement. The Auditors have certified that Company's compliance of the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is annexed to the report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 134 (3) (c) of the Companies Act, 2013, with respect to the Directors' responsibility statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors, had laid down internal financial controls to be followed by the company and that such internal financials controls are adequate and were operating effectively, and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



MEETING OF BOARD OF DIRECTORS:

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, 5(Five) Board meetings and 4(Four) Audit Committee Meeting were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint Venture and Associate Company.

RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure –B.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at www.vyaparindustries.com.

SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY' OPERATION:

To the best of our knowledge, the Company has not received any such orders from Regulations, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in future.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Report on Corporate Governance and management Discussion and Analysis Reports along with Certificate of the Company Secretary in Practice pursuant to clause 49 of the Listing Agreement with the Stock Exchanges has been included in the report. Your company has been practicing the principle of good Corporate Governance over the year. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

LISTING WITH STOCK EXCHANGES:

Your Company continues to be listed on the Bombay Stock Exchange, where the Company's shares are being traded. The company has paid listing fee for the year 2015-16.

DEMATERIALISATION OF SHARES:

99.84% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2015 and balance 0.16% is in physical form.

EXPLANATION OR COMMENTS ON AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT:

There are no qualifications, reservations or adverse remarks or disclaimer made by the statutory auditors in their audit report or by the practicing company secretary in the secretarial audit report.

CASH FLOW STATEMENT

Cash flow statement pursuant to Clause 32 of the listing agreement is attached herewith

AUDITORS:

Statutory Auditors

As per provisions of Section 139(2) of the Companies Act, 2013 and rules thereof, no listed company shall appoint or reappoint an audit firm as auditor for more than two terms of five consecutive years. Every company

existing on the commencement of the Act is required to comply with requirements of Section 139(2) within three years from the date of commencement of the Act. The present Statutory Auditors of the Company, Mr. Salim A. Kantawala, Chartered Accountant, (Firm Registration No. PU0104006510(S1/5), retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Company has obtained written certificate from the retiring auditors to the effect that the appointment, if made, will be in accordance with the limit specified in Section 141 of the Companies Act, 2013. The Board has recommended their re-appointment to hold the office till the conclusion of next Annual General meeting, i.e. within the transition period allowed as per the Companies Act, 2013.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Martinho Ferrao, Practicing Company Secretary to undertake Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the Company has been duly constituted having three members namely:

- i) Mr. Parvez M. Master
- ii) Mr. Ramesh W. Lalwaney
- iii) Mr. Hussain M. Cementwala

* Parvez M. Master is the Chairman of the Audit Committee.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-C.

CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there has been no change in the nature of business of the Company.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework and overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. A Group Risk Management Policy was reviewed and approved by the Committee.

PARTICULARS OF EMPLOYEES:

Information as per Section 134 of the Companies Act, 2013 read with Companies (Particulars of Employees) Rules, 1975 are given in the statement which forms a part of this report. However as per the provisions of section 136 of the Companies Act, 2013, the report and accounts are being sent to all shareholders of the Company excluding the aforesaid information.



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

During the year under review, there were no cases filed pursuant to the aforesaid Act.

ACKNOWLEDGEMENTS:

The Directors would like to thank all clients, Bankers for the un-stinted support received from them during the year. The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board

Abbas A. Rassai
Chairman
DIN No: 00044729

Dated: May 25th, 2015

Place : Mumbai

ANNEXURE “A” TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,

The Members,

VYAPAR INDUSTRIES LIMITED

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **VYAPAR INDUSTRIES LIMITED** (“the Company”) for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made 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') are applicable to the Company:-
 - (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; - **Not applicable as the Company has not issued ESOPs.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- **Not applicable as the Company has not listed its Debt Securities.**
 - (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; **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**



(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable as the Company has not bought back any of its securities during the financial year under review.**

(vi) we have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:

1) Environment Protection Act, 1986.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(not applicable for the period under review)**

(ii) The Listing Agreements entered into by the Company with Stock Exchanges.

Based on our verification of the Company'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 its authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that:

1. 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.
2. 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.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period there were no major events in the Company.

For **Martinho Ferrao & Associates**

Company secretaries

Sd/-

Martinho Ferrao

Proprietor

FCS No. 6221

C P. No. 5676

Place: Mumbai

Dated: 24th May, 2015

ANNEXURE “B” TO BOARD'S REPORT

FORM AOC - 2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

The particulars of Contracts or Arrangements with related parties along with justification of these contracts, pursuant to requirements of Section 134 (h) and 188 (2) of the Companies Act, 2013 is given hereunder.

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	Nil							

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	Mr. Hussain A. Rassai, Joint Chairman of the Company, Mr. Akil A. Rassai, Managing Director of the Company, Mrs. Shamima A. Rassai mother of Mr. Akil A. Rassai & Mr. Hussain A. Rassai are also Owners of premises rented to Company for Office.	Leave and License Agreement	From 1st April, 2012 to 31st March, 2017	Three Leave and License Agreement for premises situated at 145, S.V. Road, Khar (W), Mumbai- 400052 taken on lease by Company for Registered office from 3 owners Mr. Hussain A. Rassai, Mr. Akil A. Rassai & Mrs. Shamima A. Rassai at monthly rent of Rs.3,00,000 per month divided into Rs.1,00,000/- per month payable to each three per month with an escalation to Rs. 4,50,000 per month i.e Rs. 1,50,000/- per month to each payable monthly from 1st April, 2015.	30.01.2012	Interest free Security Deposit of Rs.1,08,00,000/- (Rupees One Crore And Eight Lakhs) i.e Rs. 36,00,000/- (Rupees Thirty Six Lakhs Only) each.



ANNEXURE “C” TO BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS:

1. CIN: L65990MH1983PLC029875
2. Registration Date: 27/02/1983
3. Name of the Company: VYAPAR INDUSTRIES LIMITED
4. Category / Sub-category of the Company: Company Limited by shares
Address of the Registered office and contact details: 145, S.V. Road, Khar (W), Mumbai – 400 052, Tel No. 022 66989111 Fax No. 022 – 2266987010 E-Mail : vyapar@vyaparindustries.com Website: www.vyaparindustries.in
5. Whether listed Company: Yes
6. Name, Address and contact details of Registrar and Transfer Agent, if any:
Bigshare Services Pvt Ltd, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072. Tel.No. : 022 – 40430200 Fax No. : 022 – 28475207 E-Mail : bigshare@bom7.vsnl.net.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-

Company is engaged in to the activity of wholesale Yarn Trading.

III. Particulars of Holding, Subsidiary and Associates Companies:-

Sr. No.	Name & Address of the Company	CIN / GIN	Holding / Subsidiary / Associates	% of Shares held	Applicable Section
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N. A.

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

i) Category-wise Shareholding:

Sr. No.	Category of Shareholders	Number of shares held as at 1st April, 2014				Number of shares held as at 1st April, 2015			% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
(A)	Promoters								
(1)	Indian								
a)	Individual / HUF	6814468	0	6814468	62.55	6814468	0	6814468	62.55
b)	Central Government	0	0	0	0	0	0	0	0
c)	State Government(s)	0	0	0	0	0	0	0	0
d)	Bodies Corporate Banks/ Financial	0	0	0	0	0	0	0	0
e)	Institutions	0	0	0	0	0	0	0	0
f)	Any Others (Specify)	0	0	0	0	0	0	0	0
	Sub- Total (A)(1)	6814468	0	6814468	62.55	6814468	0	6814468	62.55

Sr. No.	Category of Shareholders	Number of shares held as at 1st April, 2014				Number of shares held as at 1st April, 2015			% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
(2)	Foreign								
a)	NRIs - Individuals	0	0	0	0	0	0	0	0
b)	Other - Individuals	0	0	0	0	0	0	0	0
c)	Bodies Corporate Banks/ Financial	0	0	0	0	0	0	0	0
d)	Institutions	0	0	0	0	0	0	0	0
e)	Any Others	0	0	0	0	0	0	0	0
	Sub- Total (A)(2)	0	0	0	0	0	0	0	0
	Total shareholding of Promoters (A) = (A)(1) + (A)(2)	6814468	0	6814468	62.55	6814468	0	6814468	62.55
(B)	Public shareholding								
(1)	Institutions								
a)	Mutual Funds / UTI Banks / Financial	0	0	0	0	0	0	0	0
b)	Institutions	0	0	0	0	0	0	0	0
c)	Central Government	0	0	0	0	0	0	0	0
d)	State Government(s)	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0
f)	Insurance Companies Foreign Institutional	0	0	0	0	0	0	0	0
g)	Investors (FII) Foreign Venture	0	0	0	0	0	0	0	0
h)	Capital Funds	0	0	0	0	0	0	0	0
l)	Any Other(specify)	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
(1)	Non-Institutions								
a)	Bodies Corporate								
	i) Indian	2744220	0	2744220	25.19	2771433	0	2771433	25.44
	ii) Overseas								
b)	Individual								
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	470460	16969	487429	4.47	431451	16969	448420	4.12
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	460314	0	460314	4.22	454814	0	454814	4.17
c)	Others								
	i) Non-Resident Indians	388505	0	388505	3.57	405753	0	405753	3.72
	ii) Clearing Members	64	0	64	0.00	112	0	112	0.00
	iii) Directors and their relatives								
	iv) Hindu Undivided Families								
	v) Trusts								
	Sub-Total (B)(2)	4063563	16969	4080532	37.45	4063563	16969	4080532	37.45
	Total shareholding of Promoters (B) = (B)(1) + (B)(2)	10878031	169690	10895000	100	10878031	16969	10895000	100
C	Share held by Custodians for GDRs and ADRs	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	10878031	16969	10895000	100	10878031	16969	10895000	100

**V. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :-**

Sr. No.	Name & Address of the Company	CIN / GIN	Holding / Subsidiary / Associates	% of Shares held	Applicable Section
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N. A.

- ii) Shareholding pattern of top ten shareholders (other than directors, Promoters and holders of GDRs and ADRs)

Shareholding pattern of top ten shareholders as at 1st April, 2014.

1.	Marconi Investment Pvt. Ltd.	1415474	12.99%
2.	Limitless Yarn Traders & Manufacturers Ltd.	1033017	9.48%
3.	Yusuf Halela	382250	3.51%
4.	Engineer & Sons Yarn Traders Pvt. Ltd.	197382	1.81%
5.	Yusuf Asgerali Halela	122000	1.12%
6.	Moiz Asgerali Halela	98000	0.90%
7.	Tayeb Asgerali Halela	63000	0.58%
8.	Mustafa Tayeb Halela	40000	0.37%
9.	Salins Commodities Pvt. Ltd.	25000	0.23%
10.	Amit Shantilal Motla	23350	0.21%

Shareholding pattern of top ten shareholders as at 31st March, 2015

1.	Marconi Investment Pvt. Ltd.	1437941	13.20%
2.	Limitless Yarn Traders & Manufacturers Ltd.	1033017	9.48%
3.	Yusuf Halela	382250	3.51 %
4.	Engineer & Sons Yarn Traders Pvt. Ltd.	228282	2.10 %
5.	Yusuf Asgerali Halela	122000	1.12 %
6.	Moiz Asgerali Halela	98000	.90 %
7.	Tayeb Asgerali Halela	63000	0.58 %
8.	Mustafa Tayeb Halela	40000	0.37 %
9.	Salins Commodities Pvt. Ltd.	25000	0.23 %
10.	Sunil Shroff	19580	0.21 %

iii) Change in Promoters' Shareholding:

There was no change in the shareholding of Promoters during the period from 1st April, 2014 to 31st March, 2015.

Notes:

- In case of joint holding, the name of the first holder is considered.
- There is no fresh allotment/reduction of share capital during the year by the Company. The increase/decrease in shareholding above is due to transactions between shareholders.
- The shareholding details given above are based on the legal ownership and not beneficial ownership and is derived based on the folio number listing provided by the Registrar and Transfer agent of the Company.



iv) Shareholding of Directors and Key managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Hussain Rassai	3328726	30.55%	3328726	30.55%
2.	Akil Rassai	3328726	30.55%	6657452	61.10%
3.	Abbas A. Rassai	99191	0.92%	6756643	62.02%
4.	Sakina Rassai	27225	0.25%	6783868	62.27%
5.	Yakuta Rassai	27225	0.25%	6811093	62.52%
6.	Shamima Rassai	3375	0.03%	6814468	62.55%
	Total	6814468	62.55%	6814468	62.55%

v) INDEBTEDNESS:

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

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil		
i) Principal Amount			–	–
ii) Interest due but not paid			–	–
iii) Interest accrued but not due			–	–
iv) Cash Credit Account			–	–
Total (i+ii+iii+iv)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year	Nil	Nil		
o Addition			50,38,484	50,38,484
o Reduction			–	–
Net Change	Nil	Nil	50,38,484	50,38,484
Indebtedness at the end of the financial year	Nil	Nil		
v) Principal Amount			50,38,484	50,38,484
vi) Interest due but not paid			–	–
vii) Interest accrued but not due			–	–
viii) Cash Credit Account			–	–



vi) Remuneration of Directors and Key Managerial Personnel :-

A. Remuneration of Managing Director, Whole-time Directors and / or Manager :

Sr. No.	Particulars of Remuneration	Name of the MD / WTD / Manager					Total Amount
		Mr. Abbas Rassai	Mr. Hussain A. Rassai	Mr. Akil A. Rassai	Ms. Shabana Mistry	Mr. Anil Singla	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961. (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961. (c) Profits in lieu of salary under section 17(3) Income-Tax Act 1961.	Rs.3,37,500	Rs.2,85,000	Rs.2,85,000	Rs.1,16,240	Rs.2,42,000	Rs.12,65,740
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4.	Commission - as & of profit - others, specify	Nil	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify (Incentive & Bonus)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (A)	Rs.3,37,500	Rs.2,85,000	Rs.2,85,000	Rs.1,16,240	Rs.2,42,000	Rs.12,65,740
	Ceiling as per the Act	Rs.42 Lakhs			10% of Net Profit of the Company or as per Schedule V		

B. Remuneration other Directors :-

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Ramesh W. Lalwaney	Mr. Parvesh M. Master	Mr. Hussain M. Cementwala	
1.	Independent Directors				
	• Fee for attending board / committee meetings • Commission • Others, please specify	Rs. Nil	Rs. Nil	Rs. Nil	Rs. Nil
	Total (1)				
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings • Commission • Others, please specify	Rs. Nil	Rs. Nil	Rs. Nil	Rs. Nil
	Total (2)	Rs. Nil	Rs. Nil	Rs. Nil	Rs. Nil
	Total (B) = (1+2)	Rs. Nil	Rs. Nil	Rs. Nil	Rs. Nil
	Total Managerial Remuneration	Rs. Nil	Rs. Nil	Rs. Nil	Rs. Nil
	Ceiling as per the Act	Rs.42 Lakhs	11% of Net Profit of the Company or as per Schedule V		



vii) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2014-15 (Rs. in Lacs)	% increase in Remuneration in Financial year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Shri Abbas A. Rassai Chairman	Rs. 3,37,500/-	-75.00%	1.33 Times	N.A.
2.	Mr. Hussain A. Rassai - Jonit Chairman (Whole-time Director)	Rs. 2,85,000/-	-75.00%	1.13 Times	N.A.
3.	Mr. Akil A. Rassai Managing Director	Rs. 2,85,000/-	-75.00%	1.13 Times	N.A.
4.	Ms. Shabana Mistry C.F.O. (Whole-time Director)	Rs. 1,16,000/-	No change	N.A.	N.A.
5.	Mr. Anil Kumar Singla Company Secretary	Rs. 2,42,000/-	No change	N.A.	N.A.

- ii. The median remuneration of employees of the Company during the financial year was Rs. 2,53,100/-.
- iii. In the financial year, there was an decrease of 0.75% in the median remuneration of employees,
- iv. There were Eleven permanent employees on the rolls of Company as on March 31, 2015.
- v. Relationship between average increase in remuneration and company performance: - Company has posted a Loss before tax of Rs. 1,24,98,335/- during the year in comparison to profit after tax of Rs. 46,45,507/- in the last year There was no increase in median remuneration.
- vi. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: There was decrease in the total remuneration of Key Managerial Personnel.
- vii. a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2015 was Rs. 36.50 crore (Rs. 42.49 crore as on March 31, 2014),
b) Price Earnings ratio of the Company as at March 31, 2015 was at 1.15 and as 0.43 at March 31, 2014.

viii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: - Not Applicable.

For and on behalf of the Board

Abbas A. Rassai
Chairman
DIN No: 00044729

Dated: May 25th, 2015

Place : Mumbai



MANAGEMENT DISCUSSION AND ANALYSIS

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

1. INDUSTRY STRUCTURE AND DEVELOPMENT

Indian financial market has displayed relative stability for the last several years, even when markets in the Asian region were facing a crisis. India's latest run of economic growth and continuing macroeconomic stability is a tribute to the important progress made in recent years in macroeconomic management techniques as well as to an earlier generation of structural reforms. However, while growth and stability in the Indian market remains stable, turmoil in the middle East and North Africa have led to a spike in oil prices and are adding uncertainty to the pace of global recovery. The financial downturn in the US and Europe has had an adverse effect on the pace of global financial recovery and has added to inflationary woes. Hence going forward countries will have to face the challenge of achieving growth while balancing inflationary concerns and growth momentum.

2. CAUTIONARY STATEMENT

Having projected fairly achievable expectations, it will not be out of place to indicate that other things remaining equal economic conditions affecting demand/supply, overall price levels both domestic and overseas and government regulations will affect the desired results.

3. HUMAN RESOURCES DEVELOPMENT

The Company believes that the main strength of any organization is its people. It is the people who build the system and create a climate to suit the growth and excellence in the Company.

4. THE FINANCIAL AND OPERATIONAL PERFORMANCE:

The financial statement is in confirmation with provisions of the Companies Act, 2013 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company.

5. SEGMENT WISE PERFORMANCE:

Presently, company is dealing in single segment activity namely Wholesale Yarn Trading activity.

6. FUTURE PROSPECT / BUSINESS PLANS OF THE COMPANY:

The opportunities ahead are immense and Company is fully geared to make the most of them. The company has concentrated on its goals of consolidating and cutting cost wherever possible. Various organization development initiatives were undertaken during the year. These are expected to help create a robust organization based on strong values, uniform and systematic business processes and people empowerment.

ACKNOWLEDGEMENTS

The Directors would like to thank all clients, Bankers and Government of Maharashtra for the unstinted support received from them during the year.

The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board

Abbas A. Rassai
Chairman
DIN No: 00044729

Dated: May 25th, 2015

Place : Mumbai

India – Today

India today, is a fast emerging economic super power. With a population of a strong 300 million and the world's largest middle class population, it unleashes the latent strength of popular consumerism while reshaping both business & the way of life. With the surging trend in all sectors, International Trade Journals have rightly billed India as one of the fastest growing economies in the world. Strong and buoyant demand, increasing purchasing power in the hands of younger population and overall structural and inclusive growth on the macro-economic front acted as external impetus' contributing to this growth.

A. INDUSTRY OVERVIEW

India –Heritage in Textiles

Indian textiles have a legendary heritage through the ages. Some of the best attires of Greeks & Romans were draped with Indian textiles. European settlers exchanged silver & gold for Indian textiles, which became the fashion statement of the period. Calico, Pajamas, Gingham, Dungaree, Chintz & Khaki – these apparel names are Indian contributions to the English language.

1. INDIAN TEXTILE INDUSTRY – AN OVERVIEW

- 1.1 The Polyester/ Viscose industry is one of the key industries in the Indian economy and India is today one of the leading countries in the world as far as trade is concerned. Though new opportunities are rapidly emerging India's future position will largely depend on how effectively the Industry and Government are able to resolve core issues and take advantage of an increasingly fragmented industry structure. The Industry, which is one of the oldest in existence, has promoted economic development even in far-flung areas of the country, both urban and rural. Two of the highly developed metropolises of Modern India like Mumbai and Ahmedabad grown over the years have the main business base of textile industry.
- 1.2 Thanks to the fast growing consumer class and increasing disposable incomes, per capita domestic consumption of textiles & apparels is expected to have a good volume growth.
- 1.3 India's cotton textile & garment industry has immense export potential. Cost competitiveness backed by international quality is driving the penetration of Indian basic yarns and grey fabrics in global commodity market, as a result of which apparels can be manufactured in relatively small batch lots. This flexibility offers larger variety of casual wear and leisure garments at cost effective levels.
- 1.4 With a projected two fold increase in the size of the global textile market in the next 4 years, the National Textile Policy has targeted India's export revenues to 50 billion US dollars by the year end.
- 1.5 Besides natural fibers like cotton, jute & silk, synthetic raw material products such as polyester staple fiber, polyester filament yarn, acrylic fiber and viscose fiber are produced in a mass scale. That presents the wide canvas of the Indian textile scene with wider opportunities.

B. INDUSTRY STRUCTURE AND DEVELOPMENT:

Great changes are taking place in the global industry, and as the company has established its position in the Indian Economy and also restructuring itself to fit in the competitive market.

Polyester markets faced challenges during the year as capacity growth outpaced demand growth. The global overcapacity has forced a few large producers to shut operations at some in USA and Europe.

Polyester markets are expected to witness capacity growth. These excess capacity are likely to impact operating rates and profitability. Polyester products having presence in end products and fibers intermediates are relatively better placed due to integrated chain economics. Across Western economies demand improved, but it was still marked by discretionary buying and cautious optimism. Asia's share in global consumption stands at 37%, China accounts for 30% of the global capacity and 55% of the global capacity growth of 2.8 MMT in 2013.

Drop in turnover and profit of the Company was mainly due to adverse market conditions and slow down in domestic markets. The results of the Company for the year under review bear a witness to the efforts of the Board in this unfavorable market conditions and heavy competition.



Company is seriously considering either importing or buying this substitute product from local market and selling the same instead of costly Polyester. Company is awaiting consumers response from the market of the substitute. Company is also trying to get this substitute manufactured from their existing foreign supplier.

The export scenario for the year under review continued to be fiercely competitive and the domestic industry witnessed moderate increase in demand. In spite of adverse market conditions, the Company's performance during the year under review was satisfactory.

C. FUTURE PROSPECT / BUSINESS PLANS OF THE COMPANY

During the year Yarn & Thread, was the thrust areas of business for the Company. The Company's Yarn and thread products are very well accepted due to the ISO certification, quality improvement and timely delivery policy. The company has concentrated on its goals of consolidating and strengthening its marketing network, delivering quality products and cutting cost wherever possible.

Sustained growth story of the Indian economy promises to augur well for the businesses in general. Your Company is well-poised to explore opportunities which may arise due to all-round growth. Its strong expertise in core areas, strength of its well-positioned brands, continued application of state-of-art technology, wider and deeper penetration in the growing markets in tier II and tier III cities are the strengths which are expected to enable your Company to continue to move ahead on its growth trajectory.

But rising inflationary pressures, weak recovery, volatility in raw material prices, tighter fiscal and monetary policies and possibility of slower growth rate of Indian economy are the key concerns on the macroeconomic fronts which may have an impact on your Company's operations in the ensuing year. Your Company, however, is well-placed to mitigate the risks. It's strong presence in the domestic market, well-established brand and resilient distribution network, are expected to stand tests of time. On the strengths of these, your Company, therefore, expects good growth in the ensuing year.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company's internal control systems are periodically reviewed by the management together with the Audit Committee of the Board. The emphasis of internal control prevails across functions and processes, covering the entire gamut of activities including finance, supply chain, distribution, marketing etc.

F. HUMAN RESOURCES DEVELOPMENT/INDUSTRIAL RELATIONS:

The Company recognizes the need for continuous growth and development of its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges. Industrial relations have continued to be harmonious at all units throughout the year. Measures for safety of employees, Welfare and development continue to receive top priorities.

G. RESEARCH & DEVELOPMENT

The company has been carrying out research and development in the following specific areas.

1. To improve the breaking strength and tenacity of the thread.
2. To reduce the elongation on the thread.
3. To reduce the shrinkage of the thread.
4. To make the yarn anti-microbial.
5. To make the yarn fire resistant.



H. CAUTIONARY STATEMENT:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied.

Important factors that could make a difference to the company's operation include demand and supply conditions, finished good prices, raw materials cost and availability, changes in Government regulation and tax structure, economic developments within India and the countries with which the company has business contacts and other factors such as litigations, Industrial relations of India and compensation paid during the year.

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

For and on behalf of the Board

Abbas A. Rassai
Chairman

DIN No: 00044729

Place : Mumbai
Date : May 25, 2015

**CORPORATE GOVERNANCE REPORT****CORPORATE GOVERNANCE PHILOSOPHY**

Your Company is committed to good Corporate Governance and endeavors to implement the Code of Corporate Governance in its true spirit.

The philosophy of your Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising in any way in compliance with laws and regulations.

Your Company believes that good governance brings about sustained corporate growth and long term benefits for stakeholders. Your Company continues to follow procedures and practices in conformity with the Code of Corporate Governance as enunciated in the Listing Agreement. Details of the implementation of the Code follow in the paragraphs below.

I. BOARD OF DIRECTORS

The Board of Directors monitors performance of the Company, approves and reviews policies/strategies and evaluates management performance. The Board ensures legal and ethical conduct and accurate financial reporting.

The Company as on 31st March, 2015 has seven Directors, three Promoter Directors, One Executive Women Director and three Non Executive Independent Directors who are professionals, with expertise and experience in general corporate management, finance, legal and other allied fields.

The Senior Management has made disclosure to the Board confirming that there are no material, financial and /or commercial transactions between them and the Company which would have potential conflict of interest with the Company at large.

A. The Constitution of the Board:

Name of Director	Director of public Companies *	Membership in Committee #	Chairmanship in Committee
Mr. Abbas A. Rassai (Non-Executive Chairman)	1	–	–
Mr. Hussain A. Rassai (Executive Joint Chairman)	2	1	–
Mr. Akil A. Rassai (Managing Director)	2	–	–
Mr. Parvez M. Master (Independent Director)	1	2	1
Mr. Ramesh W. Lalwaney (Independent Director)	1	3	2
Mr. Hussain M. Cementwala (Independent Director)	1	3	–
Ms. Shabana Mistry (Executive Woman Director)	1	–	–

* including Directorship in Vyapar Industries Limited.

Committees considered are Audit Committee, Shareholders / Investors Grievance Committee & Remuneration Committee including in Vyapar Industries Limited.

As mandated by the revised Clause 49, the independent Directors on the Company's Board :

- Apart from receiving Director's sitting fees, do not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding Company,
- Are not related to the promoters or persons occupying management positions at the Board level or at one level below the Board.

- Have not been executives of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
 - ▶ Statutory audit firm or the internal audit firm that is associated with the Company
 - ▶ Legal firm(s) and consulting firm(s) that have a material association with the Company.
- are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

B. Board Procedure

A detailed agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibility effectively, the Chairman of the Company briefs the Board at every Meeting on the overall performance of the Company. A detailed functional report is also placed at every Board Meeting. Amongst other things, the Board also reviews strategy and business plans, annual operating and capital expenditure budgets, compliance with statutory / regulatory requirements and review of major legal issues, adoption of quarter/half-yearly/annual results, risk management policies, investor's grievances, minutes, major accounting provisions and write-offs, corporate restructuring, minutes of meetings of the Audit Committee and Committee of Directors of the Board, etc.

C. Attendance of the Directors at Meetings of the Board.

The Board of Directors meets at least once a quarter to review the Company's performance and financial results and more often, if necessary, to transact other businesses.

During the financial year 2014-15, the Board met on 30th May, 12th August, 12th November all in 2014 and 31st January and 24th March in 2015.

The 29th Annual General Meeting was held on September 30, 2014.

The attendance of the Directors at these meetings is as under:

Director	No. of Board Meetings	Attendance at the last AGM
Mr. Abbas A. Rassai	5	Yes
Mr. Hussain A. Rassai	5	–
Mr. Akil A. Rassai	5	Yes
Mr. Ramesh W. Lalwaney	5	–
Mr. Parvez A. Master	5	Yes
Mr. Hussain M. Cementwala	5	–
Ms. Shabana Mistry	1	–

D. Directors Seeking Appointment / Re-appointment

Mr. Akil A. Rassai and Mr. Hussain A. Rassai retire by rotation and, being eligible offer themselves for re-appointment.

MR. HUSSAIN A. RASSAI – JOINT CHAIRMAN

Mr. Hussain A. Rassai, aged about 46 years, is a qualified Bachelor of Architecture and has vast experience in Sales , Production & Manufacturing of Yarn. He has handled various assignments successfully during his service with the Company.

Name of Company	Name of Committee	Position Held
Vyapar Industries Ltd.	Shareholders & Investors Grievances Committee	Chairman



MR. AKILA. RASSAI. – MANAGING DIRECTOR

Mr. Akil A. Rassai, aged about 45 years, is a qualified Law Graduate and has vast experience in Finance, Accounting, Legal, Taxation matters and Business Management. He has handled various assignments successfully during his service with the Company.

Name of Company	Name of Committee	Position Held
Nil		

II. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on March 31, 2015, Vyapar Audit Committee comprises of :

1. Mr. Parvez Master - Chairman (Non Executive Independent Director)
2. Mr. Hussain M. Cementwala - member (Non Executive Independent Director)
3. Mr. Ramesh Lalwaney - member (Non Executive Independent Director)
4. Mr. Anil Kumar Singla, Company Secretary will act as secretary of Audit Committee.

The Committee met four times during the year on May 30, 2014, August 12, 2014, November 12, 2014 and January 31, 2015. The Minutes of the Audit Committee meetings were placed before and discussed by the Board. The attendance record of VIL Audit Committee is as under :

Name of Director	Designation	No. of meetings attended during 2014-15
Mr. Parvez Master	Chairman	4
Mr. Ramesh Lalwaney	Member	4
Mr. Hussain Cementwala	Member	4

All the members of Audit Committee are financial literate and have accounting and financial management expertise.

The Committee invites Senior Management personnel and statutory auditors to attend these meetings.

The functions of the Audit Committee include the following :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause Subsection 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has reviewed the following information:

1. Management Discussion & Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management.
3. Internal Audit Reports relating to internal control weaknesses.

NOMINATION & REMUNERATION COMMITTEE

The Company Nomination & Remuneration Committee as on 31st March 2015 consisting of non-executive directors, viz. Mr. Ramesh W. Lalwaney, Mr. Hussain M. Cementwala and Mr. Parvez Master and has been entrusted with the responsibility of determination of the remuneration payable to the executive directors, recommendation for appointment / re-appointment of the executive directors, revision in the remuneration of the existing executive directors of the company from time to time. Mr. Ramesh W. Lalwaney is the Chairman of the Committee. The Committee met once during the year.

REMUNERATION TO DIRECTORS

During the year under review, the Executive Directors were paid an aggregate of Rs.10,23,500/- as remuneration distributed as under:-

Directors	Remuneration paid during the year upto 31.3.2015 Rs.
Mr. Abbas A. Rassai	3,37,000
Mr. Hussain A. Rassai	2,85,000
Mr. Akil A. Rassai	2,85,000
Ms. Shabana Mistry	1,16,000



Directors have voluntarily waived receipt of sitting fees for attending meetings of the Board / Committees of the Board of Directors of the Company. None of the non-executive directors are holding any shares/convertible instruments in the Company.

During 2014-15, the Company did not advance any loans to any of its directors. No stock options have been issued to any of the directors on the Board.

REMUNERATION POLICY

Remuneration committee recommends to the board the compensation package of the Executive Directors. The remuneration to the Executive Directors is subject to approval of the Board and shareholders as may be required. The non-executive directors are to be paid sitting fees for attending the meetings of the Board of Directors and Committees within the ceiling prescribed by the Central Government.

SHAREHOLDERS RELATIONSHIP COMMITTEE :

The Shareholder's Relationship Committee of your Company as on 31.03.2015 comprises of non-executive directors, viz. Mr. Ramesh W. Lalwaney, Mr. Hussain M. Cementwala and Mr. Hussain A. Rassai, Executive Director.

Mr. Ramesh W. Lalwaney is the Chairman of the Committee.

The Committee's objective is attending to investors' complaints pertaining to transfers / transmission of shares, non-receipt of dividend / interest, and any other related matters. The Committee met once during the year.

Compliance Officer:

Mr. Anil Kumar Singla, Company Secretary
Vyapar Industries Limited
145, S. V. Road, Khar (W),
Mumbai - 400 052.
Ph-022-66989111, Fax: 022-66987010
E-mail : vyapar@vyaparindustries.com

Status of Investors Complaints / Share transfers received during the period 1st April, 2014 to 31st March, 2015

1. Number of complaints received from the investors comprising of Non-receipt of Dividend, Non-receipt of Shares lodged for transfer, Non-Receipt of Annual Report, etc.	Nil
2. Number of complaints resolved	Nil
3. Complaints Pending as at 31st March, 2015	Nil
4. Number of Share transfers pending for approval as at 31st March, 2015	Nil

GENERAL SHAREHOLDERS' INFORMATION

GENERAL SHAREHOLDER INFORMATION:

1. Thirtieth Annual General Meeting

Date : 30th September, 2015
Time : 3.00 p.m.
Venue : Vyapar Industries Limited - 145, S. V. Road, Khar (W), Mumbai - 400 052.

2. Dates of Book Closure :

Thursday, 24th September, 2015 to Wednesday, 30th September, 2015 (both days inclusive)

3. Financial Calendar of the Company:

The financial year covers the period from 1st April to 31st March.

Financial reporting for 2015-16 (Tentative):

The First Quarter Results - 30.6.2015	Between 31st July and 15th August 2015
The Half Yearly Results - 30.9.2015	Between 30th October and 15 th November 2015
Third Quarter Results - 31.12.2015	Between 30th January and 15 th February, 2016
Approval of Annual Accounts - 31.3.2016	2nd week of May, 2016 / Last week of June, 2016

4. Registered Office

Vyapar Industries Limited
145, S. V. Road, Khar (W),
Mumbai 400 052.

5. Listing on Stock Exchanges

Code/Trading Symbol

Equity Shares

Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001.

506142

6. Stock Code

Bombay Stock Exchange Limited

Equity Share (physical form)

: 506142 VYAPAR INDUSTRIES LTD.

(Demat Form)

: ISIN INE070G01012

7. BSE - Stock Price Data (for the period April, 2014 to March, 2015)

Year	Month	High (Rs.)	Low (Rs.)	Monthly Volume
2014	April	49.90	40.00	16,39,159
2014	May	44.50	34.50	3,08,740
2014	June	54.00	38.65	8,20,861
2014	July	45.40	35.20	1,33,142
2014	August	40.80	33.05	84,734
2014	September	50.00	35.90	8,66,809
2014	October	49.70	38.85	10,43,656
2014	November	44.00	38.00	2,81,071
2014	December	43.60	36.35	97,565
2015	January	43.00	35.40	1,53,552
2015	February	37.95	31.70	2,10,438
2015	March	34.00	31.00	1,95,523



8. Performance in comparison to Broad Based BSE Sensex :
(for the period April 2014 to March 2015)

The performance of the Company's shares in comparison to broad based BSE SENSEX is given in the Charts below :

Year	Month	VIL High	VIL Low
2014	April	49.90	40.00
2014	May	44.50	34.50
2014	June	54.00	38.65
2014	July	45.40	35.20
2014	August	40.80	33.05
2014	September	50.00	35.90
2014	October	49.70	38.85
2014	November	44.00	38.00
2014	December	43.60	36.35
2015	January	43.00	35.40
2015	February	37.95	31.70
2015	March	34.00	31.00

9. Registrar and Share Transfer Agents:
BIGSHARE SERVICES PRIVATE LIMITED.
E, 2/3 Ansa Industrial Estate,
Sakivihar, Sakinaka,
Andheri (East), Mumbai 400 072.
Tel No. 022-28470652 / 53, 40430200

10. Share Transfer System

Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

As of date, there are no pending share transfers pertaining to the year under review.

11. Distribution of Shareholding as on 31st March, 2015:

No. of Equity Shares	No. of Shareholders	% of Shareholders	Share Amount	% of Shareholding
1 - 5000	858	79.81	1072180	0.98
5001 - 10000	90	8.37	777170	0.71
10001 - 20000	45	4.19	693130	0.64
20001 - 30000	24	2.23	607730	0.56
30001 - 40000	14	1.30	508880	0.47
40001 - 50000	4	0.37	196390	0.18
50001 - 100000	15	1.40	1190540	1.09
100001 & above	25	2.33	103903980	95.37
TOTAL	1,161	100.00	108950000	100.00

12. Shareholding pattern as at 31st March, 2015:

Category	No. of Shares	% of holding
Promoters	6814468	62.55
FII's	00	0.00
Private Corporate Bodies	2771433	25.44
Indian Public	903234	8.29
NRI/OCB's	405753	3.72
Shares in Transit	112	0.00
Total	10895000	100.00

13. Dematerialisation of Shares

As on 31st March 2015, 1,08,78,031 (99.84%) of total equity capital was held in Electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares have to be compulsorily traded in the electronic form. Requests for dematerialisation of shares are processed and confirmed within 7 days.

14. Details of Public Funding obtained in the last three years:

The Company has not obtained any public funding in the last three years.

15. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

No Instrument Outstanding

16. Other offices of the Company

The Company has Offices at the following places:

Registered Office:

Vyapar Industries Limited
145, S.V Road, Khar (W),
MUMBAI-400052.



17. Address for Correspondence

(Registered Office)

Vyapar Industries Limited

145, S. V. Road, Khar (W),

Mumbai - 400052. **CIN** : L65990MH1983PLC029875

Ph: 66989111, Fax: 66987010, Email: vyapar@vyaparindustries.com

Shareholders may also correspond with the Registrars and Share Transfer Agents, at:

BIGSHARE SERVICES PRIVATE LIMITED.

E, 2/3 Ansa Industrial Estate,

Sakivihar, Sakinaka,

Andheri (East), Mumbai 400 072.

Tel No. 022-28470652 / 53

V. OTHER DISCLOSURE

1. Details of Annual/Extraordinary General Meetings:

Annual General Meetings held during the past 3 years

Year	Date	Time	Venue
2012	29 th September, 2012	3.00 p.m.	Registered office Khar(W), Mumbai
2013	30 th September, 2013	3.00 p.m.	Registered office Khar(W), Mumbai
2014	30 th September, 2014	3.00 p.m.	Registered office Khar(W), Mumbai

Extra Ordinary General Meetings held during the past 3 years : **NIL**

Details of special resolutions passed in previous 3 AGMs / EGMs :

29 th AGM	Ordinary Resolutions were passed for appointment of Mr. Ramesh W. Lalwaney, Mr. Parvez Master and Mr. Hussain M. Cementwala as Independent Directors of the Company for five years liable to not retire by rotation.
28 th AGM	NIL
27 th AGM	Special Resolutions were passed for reappointing Mr. Abbas A. Rassai as Chairman, Mr. Hussain A. Rassai as Joint Chairman and Mr. Akil A. Rassai as Managing Director u/s 198, 269, 309, Schedule XIII and other applicable provisions for three years.

No other special resolution is proposed to be conducted through postal ballot.

2. Details of Non-compliance

There was no non-compliance by the Company on any matters related to capital markets during the last three years.

3. Code of Conduct

The Board of Directors of the Company has laid two separate Code of Conduct - one for directors and other for senior management and employees. These codes are posted on the Company's website, www.vyaparindustries.com. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Joint Chairman is annexed to this report.

4. Means of Communication

The quarterly, half-yearly and yearly results are published in national and local dailies. These are not sent individually to the shareholders. The Company also informs stock exchanges in a prompt manner, all price sensitive information or such other matters which in its opinion, are material and relevant for the shareholders.

5. The Management Discussion and Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.

6. CEO Certification

We hereby certify that, to the best of our knowledge and belief.

- a) We have reviewed the financial statements and cash flow statement for the year and that to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact nor do they 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 the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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 proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that :
 - i. there are no significant changes in internal control over financial reporting during the year
 - ii. there are no significant changes in accounting policies during the year; and
 - iii. there are no instances of significant fraud, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's Internal Control Systems over financial reporting.

Sd/-
Akil Rassai
 Managing Director

Mumbai, 25th May, 2015

7. Disclosure of Accounting Treatment

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013.

8. Materially Significant Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interests of Company.

9. Code for Prevention of Insider Trading Practices:

In compliance with the SEBI Regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct for its designated employees. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautions them on consequences of violations. Mr. Anilkumar Singla Company Secretary has been appointed as the Compliance Officer under this code.

10. Compliance:

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49. Except as stated elsewhere in this report, the company has not adopted other non-mandatory requirements.

11. Non-mandatory Requirements:

I. The Board

At present there is no policy fixing for the tenure of independent directors.

II. Remuneration Committee

Particulars of constitution of Remuneration Committee and terms of reference thereof has been detailed earlier.



III. Shareholder's Rights

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the company.

IV. Audit Qualifications

The financial accounts of the company are unqualified

V. Training of Board Members

There is no formal policy at present for training of the Board Members of the company as the members of the Board are eminent and experienced professional persons.

VI. Mechanism for evaluating non-executive board members

There is no formal mechanism existing at present for performance evaluation of non-executive directors.

VII. Whistle Blower Policy

With a view to establish a mechanism for protecting the employees reporting unethical behaviour, fraud, violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy. During the year no personnel has been denied access to the Audit Committee.

Sd/-

Hussain A. Rassai

Joint Chairman

Mumbai, 25th May, 2015

DECLARATION ON CODE OF CONDUCT

To

The Members of

VYAPAR INDUSTRIES LIMITED, Mumbai

I, Hussain Rassai, Joint Chairman of Vyapar Industries Limited declare that to the best of my knowledge and belief, all the members of the Board of Directors and the designated personnel in the senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2015.

For VYAPAR INDUSTRIES LIMITED

HUSSAIN A. RASSAI

Joint Chairman

Mumbai, 25th May, 2015



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

VYAPAR INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Vyapar Industries Limited, for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that as per the records maintained by the Registrars and Share Transfer Agents of the Company and presented to the Shareholders / Investor Grievance Committee no investor grievances are pending for a period exceeding one month against the Company.

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

Salim A. Kantawala
(Chartered Accountant)
Membership No. 38859

Place: Mumbai
Date: 25th May, 2015

For the Kind Attention of the Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating the service of notice / documents including annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email address by sending their details to the registrar and share transfer agents, M/s. Bigshare Services Pvt. Ltd.



AUDITOR'S REPORT

To, the Members of VYAPAR INDUSTRIES LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of Vyapar Industries Limited (the Company), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profits and its cash flows for the year ended on that date.

**Report on Other Legal Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 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 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 accounts 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, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - 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 director, as on March 31st, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements and referred to in Note 26 to the Financial Statement.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foresable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. The Company does not have any amounts to be transferred to the Investors Education and Protection Fund in terms of the relevant provisions of the Companies Act, 2013 and rules thereunder.

For **Salim A. Kantawala**
Chartered Accountant
Registration No.: 0104006510 (S1/5)

Salim A. Kantawala
(Proprietor)
(Membership No. 038859)

Place: Mumbai

Date: 25th May, 2015



ANNEXURE TO INDEPENDENT AUDITORS REPORT

The Annexure referred to in our Independent Auditors Report to the Members of the Company on the financial statements for the year ended 31st March, 2015, we report that :

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available records.
- b) As explained to us, all the fixed assets have been physically verified by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- ii a) On the basis of explanation and submission given to us, physical verification of inventory has been conducted at reasonable intervals by the management.
- b) In our opinion and on the basis of examination done by us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of Inventory and discrepancies noticed on physical verification if any, have been properly dealt with in the books of accounts.
- iii The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of The Companies Act, 2013 and accordingly the reporting requirements under paragraph 3 (iii) of the order is not applicable.
- iv In our opinion and according to the information and explanation given to us, 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 inventory and fixed assets and sale of goods. We have not observed any major weaknesses in the internal control system during the course of the audit.
- v The Company has not accepted any deposits from the public.
- vi The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods dealt by the company.
- vii a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amount deducted / accrued in the books of account in respect of applicable undisputed statutory dues including income tax, sales tax, service tax, duty of customs, value added tax and other materials statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the company did not have any dues on account of provident fund, employees state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax and other material statutory dues were in arrears at 31st March, 2015 for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us, there are no material dues of duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanation given to us, the following dues of Service Tax and Income Tax have not been deposited by the Company on account of disputes.

Sr. No.	Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
1	Chapter V of Finance Act, 1994	Service Tax	32,60,228	2007-08	Commissioner of Service Tax, Mumbai
2	Income Tax Act, 1961	Income Tax	29,645	2008-09	Income Tax Officer
3	Income Tax Act,	Income Tax	38,41,020	2009-10	Income Tax Officer
4	Income Tax Act,	Income Tax	2,41,560	2010-11	Appellate Tribunal
5	Income Tax Act,	Income Tax	5,38,420	2012-13	Income Tax Officer

- c) According to the information and explanation given to us, the company does not have any amount to be transferred to the Investors Education and Protection Fund in terms of the relevant provisions of the Companies Act, 2013 and rules thereunder.



- viii The Company has accumulated losses at the end of the financial year and its accumulated losses are less than 50% of its net worth. The Company has incurred cash loss in the financial year of Rs. 11,673,166/-.
- ix The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- x In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi The Company did not have any term loans outstanding during the year.
- xii According to the information and explanation given to us, no material fraud on / or by the Company has been noticed or reported during the course of our audit.

For **Salim A. Kantawala**
Chartered Accountant
Registration No.: 0104006510 (S1/5)

Salim A. Kantawala
(Proprietor)
(Membership No. 038859)

Place: Mumbai
Date: 25th May, 2015

**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders Funds</u>			
Share Capital	1	10,89,50,000	10,89,50,000
Reserves & Surplus	2	63,96,82,421	65,21,80,756
<u>Non-Current Liability</u>			
Other Long Term liabilities	3	50,38,484	–
Long-Term Provisions	4	1,44,292	1,56,430
<u>Current Liabilities</u>			
Trade Payables	5	7,24,618	61,26,970
Total		<u>75,45,39,815</u>	<u>76,74,14,156</u>
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Fixed Assets			
Tangible Assets	6	17,03,705	25,09,074
Intangible Assets	6	–	–
Capital Work-in-Progress	6	–	–
Intangible assets under Development	6	–	–
Non-Current Investment	7	33,59,34,670	36,29,47,866
Deferred Tax Assets (Net)	8	11,30,71,902	11,06,72,764
Long Term Loans and Advances	9	1,91,05,748	1,87,61,462
<u>Current Assets</u>			
Inventories	10	13,97,94,787	5,09,07,033
Trade Receivable	11	1,10,11,082	12,88,91,273
Cash and Bank Balance	12	9,87,44,182	22,39,572
Short Term Loans And Advance	13	3,00,83,829	8,54,11,757
Other Current Assets	14	50,89,910	50,73,355
TOTAL		<u>75,45,39,815</u>	<u>76,74,14,156</u>
Significant Account Policies Notes to Financial Statement	1 to 27		

As per our Reports of even Date**Salim A. Kantawala**
Chartered Accountant**Salim A. Kantawala**
(Proprietor)Place : Mumbai
Date : 25th May, 2015**Shabana Mistry**
(Chief Financial Officer)**Anil Singla**
(Company Secretary)**For and on behalf of Board****Hussain A. Rassai**
(Joint Chairman)**Akil A. Rassai**
(Managing Director)



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	2014-15	2013-14
<u>INCOME</u>			
I. Revenue from Operations			
Sale of Products	15	5,44,95,751	37,15,46,322
Income from Services		—	—
		<u>5,44,95,751</u>	<u>37,15,46,322</u>
Less: Excise duty/Service Tax Recovered		—	—
		<u>5,44,95,751</u>	<u>37,15,46,322</u>
II. Other Income	16	1,66,56,584	83,56,717
III Total Revenue (I + II)		<u>7,11,52,335</u>	<u>37,99,03,039</u>
IV EXPENDITURE:			
Purchase of stock in Trade		15,31,79,187	20,38,76,043
Change in Inventories of Stock in Trade	17	(8,88,87,754)	14,92,93,640
Employees Benefits Expense	18	21,97,241	28,83,060
Depreciation Expenses	19	8,25,169	5,58,003
Other Expenses	20	1,87,35,965	1,71,66,245
Total Expenses		<u>8,60,49,808</u>	<u>37,37,76,991</u>
V. Profit before Tax (III-IV)		(1,48,97,473)	61,26,048
VI Tax Expenses			
Current		—	11,67,300
Deferred		(23,99,138)	(40,698)
MAT		—	3,53,937
VII. Profit for the year (V - VI)		<u>(1,24,98,335)</u>	<u>46,45,507</u>
VIII. Earnings per equity share of face value of Rs. 10 each			
Basic & Diluted (in Rs.)	23	(1.15)	0.43
Significant Account Policies			
Notes to Financial Statements	1 to 27		

As per our Reports of even Date

Salim A. Kantawala
Chartered Accountant

Salim A. Kantawala
(Proprietor)

For and on behalf of Board

Hussain A. Rassai
(Joint Chairman)

Akil A. Rassai
(Managing Director)

Place : Mumbai
Date : 25th May, 2015

Shabana Mistry
(Chief Financial Officer)

Anil Singla
(Company Secretary)

**CASH FLOW STATEMENT FOR THE YEAR 2014-15**

	2014-15	2013-14
I Cash flow from Operating Activities		
Net Profit / (Loss) Before Tax as per Statement of Profit and Loss	(1,48,97,473)	61,26,046
Adjusted for		
Depreciation / Amortisation	8,25,169	5,58,003
Interest Income	(11,18,969)	(14,09,926)
Loss (Profit) on Sale of Assets	—	—
Provision For Gratuity	(12,138)	79,179
Loss on Sale of Shares	89,08,236	(1,29,758)
Gratuity Paid	—	—
Operating Profit / (Loss) before working capital changes	(62,95,175)	53,53,302
Adjustment for		
Inventory	(8,88,87,754)	14,92,93,640
Trade Receivables	11,78,80,191	(8,78,98,130)
Other Receivables	5,53,11,374	(7,45,93,112)
Trade Payable and other liabilities	(54,02,352)	(58,67,348)
Taxes Paid	7,26,06,284	(1,37,11,648)
	(7,10,152)	(23,19,074)
Cash (used)/generated from operations before extraordinary Item	7,18,96,132	(1,60,30,722)
Extraordinary Item and Prior period Adjustment (Net)	—	—
Net Cash generated from/(used in) operating activities (A)	<u>7,18,96,132</u>	<u>(1,60,30,722)</u>
II Cash Flow from Investing activities		
Purchase of Fixed Asset	(19,800)	—
Deposit taken	50,38,484	—
Deposit given	1,53,300	—
Other loans and advances	2,12,566	—
Purchase of Investment	(43,81,291)	—
Sale of Investment	2,24,86,250	—
Interest Income	11,18,969	14,09,926
Net Cash generated from / (used in) Investing activities (B)	<u>2,46,08,478</u>	<u>14,09,926</u>
III Cash Flow from Financing activities		
Interest Paid	—	—
Unsecured Loans taken/(paid) during the year	—	—
Net Cash from / (used in) Financing activities (C)	—	—
Net (Decrease)/Increase in Cash and Cash Equivalent (A+B+C)	9,65,04,610	(1,46,20,795)
Add: Opening Balance of Cash and Cash Equivalent	22,39,572	1,68,60,367
Closing Balance of Cash and Cash Equivalent (Refer Note 12)	<u>9,87,44,182</u>	<u>22,39,572</u>
Notes:-		
1) Cash and Cash Equivalent includes		
Cash in hand	3,98,446	3,01,202
With Schedule Banks		
On Current Account	1,53,57,065	1,49,699
On Deposit A/C	8,29,88,671	17,88,671
	<u>9,87,44,182</u>	<u>22,39,572</u>

2) The above Cash Flow statement has been prepared under indirect method as set out in Accounting Standard 3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.

As per our Reports of even Date

Salim A. Kantawala
Chartered Accountant

Salim A. Kantawala
(Proprietor)

Place : Mumbai
Date : 25th May, 2015

Shabana Mistry
(Chief Financial Officer)

Anil Singla
(Company Secretary)

For and on behalf of Board

Hussain A. Rassai
(Joint Chairman)

Akil A. Rassai
(Managing Director)

Significant Accounting Policies

A. Basis of preparation of financial statements

These financial statements have been prepared to comply with the generally accepted accounting principles in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

B. Use of Estimates

The preparation of financial statements in conformity with Indian (GAAP) requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Fixed Assets

Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

D. Depreciation, Amortization and Depletion

Tangible Assets

Depreciation on fixed assets is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

E. Impairment

An assets is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. Foreign Currency Transactions

- a) Transactions denominated in foreign currencies; if any, are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction
- b) Monetary items denominated in foreign currencies at the year end; if any, are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts; if any, is recognized over the life of the contract.
- c) Non monetary foreign currency items; if any, are carried at cost.
- d) Any income or expense on account of exchange difference either on settlement or on translation; if any, is recognized in the Profit and Loss Statement.

G. Investments

Current investments are carried at lower of cost and quoted / fair value, computed category wise. Non Current Investments are stated at cost. Provision for diminution in the value of non current investments is made only if such a decline is other than temporary.

H. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence and damage, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incidental to purchase in bringing them to their respective present location and condition.

Cost of trading and other products are determined on specific identification basis.



I. Revenue Recognition

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measures and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods less excise duty, Value Added Tax (VAT) and adjusted for discounts (net).

Dividend income is recognized when right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and interest rate applicable.

Rent income is recognized based on the mutual agreement between the parties on time proportion basis.

J. Employee Benefits

Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

Post employment benefits

Defined Contribution Plans

Defined Contribution Plan is a post employment benefit plan under which a Company pays specified contributions to a separate entity. The company does not make any contribution towards Defined Contribution Plan or towards Provident Fund, Superannuation Fund and Pension Scheme as it is not covered under the relevant Act.

Defined Benefit Plans

The liability in respect of defined benefits plan and other post employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from the employees' services.

Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss Statement.

K) Borrowing Costs

Borrowing costs; if any, include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit loss statement in the period in which they are incurred.

L) Income Taxes

Tax expenses comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rate. Deferred Income tax reflect the current period timing difference between taxable and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, incase there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

M) Provisions, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current year presentation (Figures in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
1. SHARE CAPITAL		
Authorised Share Capital		
1,20,00,000 Equity Shares of Rs. 10/- each [1,20,00,000]	12,00,00,000	12,00,00,000
TOTAL	<u>12,00,00,000</u>	<u>12,00,00,000</u>
Issued, Subscribed & Paid-up		
1,08,95,000 Equity shares of Rs. 10/- each fully paid [1,08,95,000]	10,89,50,000	10,89,50,000
TOTAL	<u>10,89,50,000</u>	<u>10,89,50,000</u>

1.2 The detail of Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March 2015		As at 31st March 2014	
	No of Shares	% held	No of Shares	% held
Jp Morgan Chase Bank NA	-	-	-	-
Husain Rassai	33,28,725	30.55	33,28,725	30.55
Akil Rassai	33,28,725	30.55	33,28,725	30.55
Clareville Capital Opportunities Master Fund Pvt. Ltd.	-	-	-	-
Marconi Investment Pvt. Ltd.	14,15,474	12.99	14,15,474	12.99
Limitless Yarn Traders And Manufactures Ltd.	10,33,017	9.48	10,33,017	9.48
TOTAL	91,05,941	84	91,05,941	84

1.3 The reconciliation of the number of shares is set out below:

Particulars	As at 31st March 2015	As at 31st March 2014
Equity shares at the beginning of the year	1,08,95,000	1,08,95,000
Add: Shares Issued	-	-
Less: Shares Cancelled	-	-
Equity Shares at the end of the year	<u>1,08,95,000</u>	<u>1,08,95,000</u>

1.4 The Company equity shares having par value of Rs. 10/- each are eligible for one vote for each shares held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the Shareholders.

Particulars	As at 31st March 2015	As at 31st March 2014
2. RESERVES & SURPLUS		
A. Capital Reserve		
As per Last Balance Sheet	2,25,00,000	-
Add: Transferred from Share Forfeiture	-	2,25,00,000
TOTAL-A	<u>2,25,00,000</u>	<u>2,25,00,000</u>
B. Securities Premium Reserve		
As per last Balance Sheet	62,07,50,000	62,07,50,000
Add: On issue of Shares	-	-
TOTAL-B	<u>62,07,50,000</u>	<u>62,07,50,000</u>
C. Share Forfeiture A/c		
As per last Balance Sheet	-	2,25,00,000
Less: Transferred from Share Forfeiture	-	(2,25,00,000)
TOTAL-C	<u>-</u>	<u>-</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	31st March 2015	31st March 2014
D. Profit and Loss Account		
As per last Balance Sheet	89,30,756	(10,41,847)
Add: Profit for the year	1,24,98,335	46,45,507
	<u>(35,67,579)</u>	<u>36,03,660</u>
Less: Appropriations	—	—
IT Refundable A.Y. 2008-09	—	(25,273)
Short Provision for Tax A.Y. 2008-09	—	27,590
MAT Credit Entitlement	—	(56,60,882)
Short Provision for Tax for A.Y. 2010-11	—	1,51,697
Short Provision for Tax for A.Y. 2011-12	—	1,79,772
TOTAL-D	<u>(35,67,579)</u>	<u>89,30,756</u>
TOTAL A + B + C + D	<u>63,96,82,421</u>	<u>65,21,80,756</u>
3. OTHER LONG TERM LIABILITIES		
Deposits	50,38,484	—
TOTAL	<u>50,38,484</u>	<u>—</u>
4. LONG TERM PROVISIONS		
Provision for Employee Benefits Gratuity	1,44,292	1,56,430
TOTAL	<u>1,44,292</u>	<u>1,56,430</u>
5. TRADE PAYABLES		
Micro, Small and Medium Enterprises	—	—
Others	7,24,618	61,26,970
TOTAL	<u>7,24,618</u>	<u>61,26,970</u>
5.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under :		
Principal amount due and remaining unpaid	—	—
Interest due on above and unpaid interest	—	—
Interest Paid	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	—	—
Interest accrued and remaining unpaid	—	—
Amount of further interest remaining due and payable in succeeding years	—	—
7. NON CURRENT INVESTMENT (Long Term Investments, Non quoted)		
a) Trade Investments		
In Equity Shares of Associate Companies		
Unquoted, fully paid up		
15,00,000 Hindupur Vyapar Apparel Park* of Rs. 10/- each [20,60,000]	1,50,00,000	2,06,00,000
49,11,494 Beneficent Knowledge Parks and Properties Ltd.* (53,98,734) of Rs. 10/- each	26,00,23,641	28,58,18,127
TOTAL TRADE INVESTMENTS	<u>27,50,23,641</u>	<u>30,64,18,127</u>
b) Other Investment		
Investment in Property	6,09,11,029	5,65,29,739
TOTAL OTHER INVESTMENTS	<u>6,09,11,029</u>	<u>5,65,29,739</u>
TOTAL (a + b)	<u>33,59,34,670</u>	<u>36,29,47,866</u>

Note 6 : Fixed Assets

Description	Gross Block			Depreciation/Amortisation			Net Block		
	As at 01/04/2014	Additions	Deductions	As at 01/04/2014	For the Year	Deductions	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
Tangible Assets									
OWN ASSETS									
Land	6,00,000	-	-	-	-	-	-	6,00,000	6,00,000
Motor Car	22,75,000	-	-	10,67,046	3,73,788	-	14,40,834	8,34,166	12,07,954
Furniture & Fixtures	1,52,276	-	-	1,30,537	3,203	6,690	1,27,050	25,226	21,739
Computer & Printer	1,31,895	-	-	89,458	35,848	-	1,25,306	6,590	42,438
Air Condition & Office Equipment	8,82,166	19,800	-	2,45,223	4,19,020	-	6,64,243	2,37,723	6,36,943
TOTAL	40,41,337	19,800	-	15,32,264	8,31,859	6,690	23,57,433	17,03,705	25,09,074
Previous Year	6,04,51,207	-	-	8,45,392	5,58,003	-	14,06,531	25,09,074	30,67,076

6.1 Pursuant to the Enactment of the Companies Act, 2013 the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated/ amortised over the revised / remaining useful lives.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	31st March 2015	31st March 2014
8. DEFERRED TAX ASSETS (NET)		
Deferred Tax Asset		
Depreciation	2,40,591	95,764
Gratuity	44,586	48,337
Business loss	11,27,86,725	11,05,28,663
Unabsorbed Depreciation	—	—
TOTAL	<u>11,30,71,902</u>	<u>11,06,72,764</u>
9. LONG TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advance Income Tax (Net of Provision)	17,99,886	10,89,734
Security Deposits with related parties (Refer note 22)	1,08,00,000	1,08,00,000
MAT Credit Entitlement	53,06,945	53,06,945
Security Deposits	7,700	1,61,000
Others Loans and Advances	11,91,217	14,03,783
TOTAL	<u>1,91,05,748</u>	<u>1,87,61,462</u>
10. INVENTORIES (at cost or market value whichever is less)		
Stock in Trade		
Yarn	2,80,80,118	5,09,07,033
Fabrics	11,17,14,669	—
TOTAL	<u>13,97,94,787</u>	<u>5,09,07,033</u>
11. TRADE RECEIVABLES		
(unsecured and Considered Good)		
Outstanding for a period exceeding six Months	1,11,105	26,56,544
Other	1,08,99,977	12,62,34,729
TOTAL	<u>1,10,11,082</u>	<u>12,88,91,273</u>
12. CASH AND BANK BALANCE		
Cash and Cash Equivalents:		
Cash on Hand	3,98,446	3,01,202
Bank Balances - In Current accounts	1,53,57,065	1,49,699
- In Deposits*	8,29,88,671	17,88,671
TOTAL	<u>9,87,44,182</u>	<u>22,39,572</u>
*Bank Balance in Deposit Rs. 17,88,671.43 are with maturity of more than 12 months.		
13. SHORT TERM LOANS AND ADVANCES		
(unsecured and Considered Good)		
Prepaid Expenses	35,117	37,526
Advance to suppliers	2,90,39,691	8,45,49,813
Others*	10,09,021	8,24,418
TOTAL	<u>3,00,83,829</u>	<u>8,54,11,757</u>
*Includes Interest Receivable on Fixed Deposit with Banks of Rs. 5,35,021/- and staff advance of Rs. 4,74,000/-.		
14. OTHER CURRENT ASSETS		
New India Assurance Company	50,32,720	50,32,720
VAT	57,190	40,635
TOTAL	<u>50,89,910</u>	<u>50,73,355</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	31st March 2015	31st March 2014
15. REVENUE FROM OPERATIONS		
Sales of Products	5,44,95,751	37,15,46,322
TOTAL	<u>5,44,95,751</u>	<u>37,15,46,322</u>
Particulars of Sale of Products		
Particulars	2014-15	2013-14
Yarn	5,44,95,751	37,15,46,322
TOTAL	<u>5,44,95,751</u>	<u>37,15,46,322</u>
16. OTHER INCOME		
Interest		
From Long Term Investments	11,18,969	14,09,926
From Loan	-	-
Other Non-operating Income		
Import Exchange Difference	34,443	-
VAT Tax Credit	38,103	-
Futures and Options Profit	-	6,57,827
Bad Debut Recovered	55,00,000	-
Creditors Balance Written Off	33,85,718	-
SAD Refund (Custom Duty)	3,22,235	4,47,244
Rent Income	59,82,548	58,41,720
Gratuity credits	12,138	-
Prior Period Income	2,62,430	-
TOTAL	<u>1,66,56,584</u>	<u>83,56,717</u>
17. CHANGE IN INVENTORIES OF STOCK IN TRADE		
Inventories (at close)		
Finished Goods / Stock in Trade	13,97,94,787	5,09,07,033
Inventories (at commencement)		
Finished Goods / Stock in Trade	5,09,07,033	20,02,00,673
TOTAL	<u>8,88,87,754</u>	<u>(14,92,93,640)</u>
18. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	21,18,979	28,16,131
Staff welfare expenses	78,262	66,929
TOTAL	<u>21,97,241</u>	<u>28,83,060</u>

18.1 As per Accounting standard 15 "Employees benefit" the disclosures as defined in the Accounting standard are given below.

Defined Contribution Plan

No contribution has been made to defined contribution plans. The company does not made contribution to provident fund as they are not covered by Employees provident fund and Miscellaneous provision Act 1952.

Defined benefit plan

The company provision for gratuity is the defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The company does not recognise leave encashment.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	31st March 2015	31st March 2014
-------------	-----------------	-----------------

I. Reconciliation of opening and closing balances of Defined benefit obligation

	Gratuity (Unfunded)	
	2014-15	2013-14
Defined benefit obligation at beginning of year	1,56,430	77,251
Current Service cost	88,234	76,850
Interest Cost	14,126	6,180
Actuarial (Gain) / Loss	(1,14,498)	(3,851)
Benefits paid	-	-
Defined benefit obligation at year end	1,44,292	1,56,430

II. Expenses / (Income) recognised during the year

	Gratuity (Unfunded)	
	2014-15	2013-14
Current Service cost	88,234	76,850
Interest Cost	14,126	6,180
Actuarial (Gain) / Loss	(1,14,498)	(3,851)
Net Cost	(12,138)	79,179

III. Investment Details

	% Invested	
	As at 31st March 2015	As at 31st March 2014
Others (Bank Balance)	100	100

IV. Actuarial Assumption

	Gratuity	
	2014-15	2013-14
Mortality Table	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (Per Annuity)	7.95% P.A.	9.03% P.A.
Rate of Escalation in salary	4% P.A.	4% P.A.
Attrition Rate	2% P.A.	2% P.A.
Retirement Age	60 yrs.	60 yrs.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary based on advice of the Company.

The discount rate is taken on the basis of benchmark rate available as government securities for tenure of 10 years as certified by actuary.

19 DEPRECIATION AND AMORTISATION EXPENSE :

	2014-15	2013-14
Depreciation and Amortisation (Refer Note 6)	8,25,169	5,58,003
Less : Transferred from Revolution Reserve	-	-
Less : Transferred from General Reserve	-	-
Total	<u><u>8,25,169</u></u>	<u><u>5,58,003</u></u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

20 OTHER EXPENSES	As at 31st March 2015	As at 31st March 2014
Selling and Distribution Expenses		
Sale Tax	475	45,745
Transport Expenses	16,800	4,520
Establishment Expenses		
Bank Charges	21,913	12,902
Conveyance Expenses	2,61,674	3,18,347
Commission	–	33,250
Directors remuneration	9,07,500	36,30,000
General Expenses (Annexure)	3,31,468	5,75,012
Import Expenses	1,67,354	–
Insurance	68,707	1,23,103
Legal Expenses	1,08,462	69,476
Loss on Sale of Computer	–	–
Loss Sale of Share	89,08,236	–
Motor Car Expenses	5,00,331	7,21,603
Payment to Auditors	4,49,440	6,96,632
Professional Fees	2,36,384	6,53,258
Prior period Expense	80,031	1,03,635
Office Electricity and water charges	52,341	1,08,851
Gratuity	–	79,179
Rates and Taxes	–	–
Rent	44,19,960	66,59,040
Repairs and Maintenance	5,98,600	7,06,636
Subscription and Membership Fees	1,92,443	2,49,212
Security Charges	85,000	2,04,000
Traveling Expenses	13,28,846	21,71,844
Total	<u>1,87,35,965</u>	<u>1,71,66,245</u>

20.1 PAYMENT TO AUDITOR AS:

	2014-15	2013-14
(a) Auditor:		
Statutory Audit Fees	3,37,080	5,05,620
Tax Audit Fees	84,270	1,68,540
(b) Consultancy Fees	28,090	22,472
TOTAL	<u>4,49,440</u>	<u>6,96,632</u>

21 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :

	2014-15	2013-14
Stock in Trade	2,69,36,095	–
TOTAL	<u>2,69,36,095</u>	<u>–</u>

22 EXPENDITURE IN FOREIGN CURRENCY:

	2014-15	2013-14
Import of Yarn	–	–



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

23 EARNING PER SHARE (EPS)

	2014-15	2013-14
Net Profit after tax as per statement of Profit and Loss		
i) Statement attributable to Equity Shareholders	1,24,98,335	46,45,507
Weighted Average number of equity shares		
ii) used as denominator for calculating EPS	1,08,95,000	1,08,95,000
iii) Basis and Diluted earning per share (Rs.)	1.15	0.43
iv) Face value per equity share (Rs.)	10	10

24 EARNING IN FOREIGN EXCHANGE

	2014-15	2013-14
FOB value of exports	NIL	NIL

25 RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related party are given below
List of related parties where share control exists and related parties with whom transactions i) have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1.	Hindupur Vyapar Apparel Park*	Associates
2.	Beneficent Knowledge Parks and Properties Ltd.*	
3.	Mr. Abbas A. Rassai	Key Managerial Personnel
4.	Mr. Hussain A. Rassai	
5.	Mr. Akil A. Rassai	
6.	Mrs. Shamima Rassai	Relative of Key Managerial Personnel
7.	Mrs. Yakuta Rassai	
8.	Mrs. Sakina Rassai	
9.	M/s. Noble Enterprises	Enterprises over which Key Managerial Personnel are able to exercise significant influence

* No longer associates as on 31st March, 2015.

ii) TRANSACTIONS DURING THE YEAR WITH RELATED PARTIES:

Sr. No.	Nature of Transactions (Excluding reimbursements)	Associates	Enterprise over which key managerial personnel are able to exercise significant influence	Key Managerial Personnel	Relative of Key Managerial Personnel	Total
1.	Salary	—	—	9,07,500	11,04,000	20,11,500
2.	Deposits	—	—	—	—	—
3.	Rent	—	—	26,96,640	13,48,320	40,44,960
Balance as on 31st March, 2014						
	Deposits	—	—	72,00,000	36,00,000	1,08,00,000

Disclosure in Respect of Material Related Party Transaction during the year :

1. Payment of salary to Key Managerial Personnel and their relatives include to Mr.Abbas Rassai Rs. 337,500/- (Previous Year Rs. 13,50,000/-), Mr. Akeel Rassai Rs. 285,000/- (Previous Year Rs. 11,40,000/-), Mr.Husain Rassai Rs. 285,000/- (Previous Year Rs. 11,40,000/-). Mrs.Yakuta Rassai Rs. 4,80,000/- (Previous Year Rs. 4,80,000/-), Mrs. Shamima Rassai Rs. 144,000/- (Previous Year Rs. 5,76,000/-), Mrs.Sakina Rassai Rs. 4,80,000/- (Previous Year Rs. 4,80,000/-).
2. Payment of rent to Key managerial Personnel, their relatives and enterprise over which Key managerial personnel are able to exercise significant influence includes to M/s Noble Enterprise is NIL (Previous Year Rs.2,022,480/-), Mr. Akeel Rassai Rs. 1,348,320/- (Previous Year Rs. 1,348,320/-), Mr.Husain Rassai Rs. 1,348,320/- (Previous Year Rs. 1,348,320/-), Mrs.Shamima Rassai Rs. 1,348,320/-(Previous Year Rs. 1,348,320/-).


NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
26 CONTINGENT LIABILITIES AND COMMITMENTS

Sr. No.		As at 31st March 2015	As at 31st March 2014
1	Guarantee in respect of SEZ unit	2,21,19,676	2,21,19,676
2	Service Tax Liability Pending appeal	32,60,228	32,60,228
3.	Income Tax of A.Y. 2008-09	29,645	29,645
4.	Income Tax of A.Y. 2010-11	38,41,020	38,41,020
5.	Income Tax of A.Y. 2011-12	2,41,560	2,41,560
6.	Income Tax of A.Y. 2012-13	5,38,420	-
TOTAL		3,00,30,549	2,94,92,129

- 27 The Company has only one segment of reporting namely yarn and consequently segmental reporting as per AS 17 is not applicable.

As per our Reports of even Date

Salim A. Kantawala
Chartered Accountant

Salim A. Kantawala
(Proprietor)

Place : Mumbai
Date : 25th May, 2015

Shabana Mistry
(Chief Financial Officer)

Anil Singla
(Company Secretary)

For and on behalf of Board

Hussain A. Rassai
(Joint Chairman)

Akil A. Rassai
(Managing Director)

VYAPAR INDUSTRIES LIMITED

CIN: L65990MH1983PLC029875

Registered Office : 145, S. V. Road, Khar (W), Mumbai - 400 052.

Attendance Slip

Name of the member(s) :	
Name of the Proxy :	
Folio No./*DP id and Clint Id:	

**Applicable for investors holding shares in electronic form*

I hereby record my presence at the 30th Annual General Meeting of the Company held on Wednesday, September 30, 2015 at 03:00 p.m. at 145, S. V. Road, Khar (W), Mumbai -400 052.

Member's / Proxy's Signature

Notes: 1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Joint shareholders may obtain attendance slip at the venue of the meeting.

VYAPAR INDUSTRIES LIMITED

CIN: L65990MH1983PLC029875

Registered Office : 145, S. V. Road, Khar (W), Mumbai - 400 052.

Form No. MGT-11

PROXY FORM

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

Name of the member(s):		E-mail id:	
Registered Address :		Folio No./*DP id and Clint id:	

**Applicable for investors holding shares in electronic form*

1. Name :		E-mail id:	
Address :		Signature:	

Or failing him

2. Name :		E-mail id:	
Address :		Signature:	

Or failing him

3. Name :		E-mail id:	
Address :		Signature:	

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Wednesday, September 30, 2015 at 3:00 p.m. at 145, S. V. Road, Khar (W), Mumbai - 400 052 and at any adjournment thereof in respect of such resolution as are indicated overleaf.

S.No.	Resolution
1.	Adoption of audited financial statements, Report of Board of Directors and Auditors for the year ended March 31, 2015.
2.	Appointment of Director in place of Mr. Akil A. Rassai, who retires by rotation and being eligible, Offers himself for reappointment.
3.	Appointment of Director in place of Mr. Hussain A. Rassai, who retires by rotation and being eligible, Offers himself for reappointment.
4.	Appointment of Auditors of the Company.
5.	Appointment of Ms. Shabana Mistry as Whole Time Director of the Company designated as C.F.O.
6.	Appointment of Mr. Akil A. Rassai as Managing Director of the Company.
7.	Appointment of Mr. Hussain Rassai as W.T. Director of the Company designated as Jt. Chairman

Signature of Shareholder



Signature of Proxy

Signed this day of 2015

Note : This Form 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.