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CORPORATE INFORMATION**BOARD OF DIRECTORS**

- Sri. G. Raghu Rama Raju : Managing Director
- Smt. G. Parvathi : Director
- Sri. G. Ganapathi Rama Prabhakara Raju : Director & CFO
- Sri V. Viswanada Raju : Independent Director
- Sri Kathari Siddhardha : Independent Director
- Sri M. Kiran Phani Varma : Independent Director

COMPANY SECRETARY : Sri P. Lenin Babu

AUDITORS : M/s CHEVUTURI ASSOCIATES
Chartered Accountants, Vijayawada

CIN : L37200AP1993PLC016785

REGISTERED OFFICE : Door No. 4-243
Chivatam, Near NH-5 Road
Tanuku - 534211, West Godavari Dist,
Andhra Pradesh, India

BANKERS : State Bank of India, Tanuku
Axis Bank, Tanuku

LISTED AT : The BSE Limited, Mumbai
Madras Stock Exchange Limited, Chennai

**REGISTRARS &
SHARE TRANSFER AGENTS** : M/s. Bigshare Services Private Limited
Local office at 306, Right Wing, Amrutha
Ville, Opp. Yashoda Hospital, Somajiguda,
Rajbhavan Road, Hyderabad – 500 082

SECRETARIAL AUDITORS : M/s. P. S. Rao & Associates
Company Secretaries
Flat No.10, 4th Floor, D. No.6-3-347/22/2
Ishwarya Nilayam, Opp. Sai Baba Temple,
Dwarakapuri Colony, Punjagutta,
Hyderabad – 500 082,
Telangana., India.

NOTICE

Notice is hereby given that the **Twenty Second Annual General Meeting** of the members of the Company will be held on Monday, 26th Day of September, 2016 at 11.00 A.M. at the registered office of the Company at 4-243, Chivatam, Near NH-5 Road, Tanuku-534211, West Godavari District, Andhra Pradesh, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date alongwith the Report of the Board of Directors and the Auditors thereon.
2. To confirm interim dividend as final dividend.
3. To appoint a Director in the place of Sri. G. Ganapathi Rama Prabhakara Raju, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, the appointment of M/s Chevaturi Associates, Chartered Accountants, Vijayawada (ICAI Firm Registration No 000632S), who were appointed as the Statutory Auditors of the Company till the conclusion of 25th Annual General Meeting, be and is hereby ratified and confirmed, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March, 2017.

SPECIAL BUSINESS:

5. **Re-appointment of Sri. G. Raghu Rama Raju as Managing Director of the Company:**

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

"RESOLVED THAT pursuant to the section 196 and 197 and section 203 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules , 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, Sri. G. Raghu Rama Raju be and is hereby reappointed as Managing Director for a term of 5 years with effect from 13.02.2016 as approved by Nomination and Remuneration Committee in consultation of Board of Directors without any remuneration.

**BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited**

**Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)**

**Place: Tanuku
Date : 13.08.2016**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. A person cannot act as proxy for more than 50 members and holding in aggregate not more than 10% of the total share capital of the Company.
2. The Register of Members and the Share Transfer Books will remain closed from 23rd September, 2016 to 26th September, 2016 (both days inclusive)
3. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
4. Members are requested to quote their Registered Folio No or Demat Account No and Depository Participant Identification Number (DPID No) on all correspondence with the Company.
5. Members are requested to send all communication relating to shares to the Company's RTA, M/s Bigshare Services Pvt. Ltd. 306, Right Wing Amrutha Ville Opp Yashoda Hospital Rajbhavan Road Somajiguda, Hyderabad - 500 082
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circular stating that service of notice/documents including annual report can be sent by e-mail to its members. We fully support the Ministry's green initiative. Accordingly, the members are requested to inform their e-mail addresses to RTA - M/s Bigshare Services Pvt. Ltd. 306, Right Wing Amrutha Ville Opp Yashoda Hospital Rajbhavan Road Somajiguda, Hyderabad - 500 082
7. The information pursuant to Regulation 36(3) of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is annexed.
8. All the documents referred to in the Notice and explanatory statement will be available to the members at the registered office of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
10. Voting through electronic means:
In Compliance with provisions of Section 108 of the companies Act, 2013 and Rule 20 of the companies (Management and Administration) Rule, 2014 the company is pleased to provide members facility to exercise their vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL).
11. The Company has appointed Ms. N Vanitha, Practicing Company Secretary as scrutinizer for conducting the e-voting process for the Annual General Meeting in fair and transparent manner
12. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
13. The instructions for members for voting electronically are as under:-
 - (i) The Voting period begins on 23.09.2016 at 9.00 am and ends on 25.09.2016 at 5.00 pm. During this period shareholders of the company, holding shares either in physical form or in form as on the cutoff date 19.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iv) Click on "Shareholders" tab.
- (v) Now, select "**RADIX INDUSTRIES (INDIA) LIMITED**" from the drop down menu and click on "SUBMIT"
- (vi) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	<ul style="list-style-type: none"> Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN of "**RADIX INDUSTRIES (INDIA) LIMITED**" to vote.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.radixindustries.in and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 22nd AGM of the Company on 26th September, 2016 and communicated to the BSE Limited, Madras Stock Exchange Limited, where the shares of the Company are listed.

**BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited**

**Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)**

**Place: Tanuku
Date : 13.08.2016**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 5**

The Board of Directors at its Meeting held on 11th February, 2016 has re-appointed Sri. G Raghu Rama Raju as Managing Director, for a period of Five years w.e.f from 13.02.2016, subject to the approval of the Members and was approved by the Nomination and Remuneration Committee and the brief profile of Sri G. Raghu Rama Raju as required is mentioned below and in the table required under Regulation 36(3) of SEBI(Listing Obligation and Disclosure Requirements) Regulations,2015.

Brief Profile of Sri G Raghu Rama Raju :

Sri G. Raghu Rama Raju, aged 49 Years, is a Post graduate in Business Management from Shivaji University and Diploma in Labour Laws and Labour Welfare. In the year 1995, he floated a mini cement manufacturing Unit and erected a mini cement plant (clinker grinding unit) at Hyderabad. In the year 1998, he worked as Export Executive with M/S Geetha Enterprises, Eluru, pioneer in the field of Process and Export of Human Hair. Later on he floated a Partnership firm M/s Veena Impex (100% E.O.U) during July 1999, which was later converted in to a company in the name and style of M/S Arqube Industries (India) Limited which is also an 100% E.O.U and is the Managing Director of the Company.

Shareholding in the Company as on 13.08.2016 : 5880000 (58.77.%)

ADDITIONAL INFORMATION
(Persuant to Regulation 36(3) SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015)

Name of the Director	G. Ganapathi Rama Prabhakara Raju	G. Raghu Rama Raju
Date of Birth	09.08.1963	15.08.1966
Date of Appointment on the Board	29.12.2011	29.12.2011
Qualification, Experience & Expertise	He holds a Diploma in Civil Engineering, with more than two decades of experience in different Industries including hairs. His forte his interpersonal and problem solving skills.	Management from Shivaji University and Diploma in Labour Laws and Labour Welfare
Directorship in other companies (Excluding foreign companies and section 25 Companies)	He is not a Director in any other Company	Managing Director of M/s Arqube Industries (India) Limited
Shareholding	5000	58,80,000
Disclosures of relationships between Directors interese	Mr. G. Ganapathi Rama Prabhakara Raju is a brother of Mr. Gokaraju Raghu Rama Raju	Mrs. Parvathi Gokaraju is wife of Mr. Gokaraju Raghu Rama Raju

BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited

Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)

Place: Tanuku
Date : 13.08.2016

DIRECTORS' REPORT

Your Directors hereby present the **Twenty Second Annual Report** together with the Audited Accounts of the Company for the financial year ended 31st March, 2016.

Financial Summary or Highlights/Performance of the Company:

The financial highlights for the current year in comparison to the previous year are as under:

(Rupees in Lakhs)

PARTICULARS	Current Year (2015-16)	Previous year (2014-15)
Total Revenue	3013.40	5601.48
Total Expenditure (before Financial Charges, Depreciation and Taxation)	2621.96	4790.77
Profit before Financial Charges, Depreciation and Taxation	391.44	810.71
Less: Depreciation	7.67	10.31
Less: Financial Charges	75.39	63.04
Profit Before Tax	308.38	737.36
Less: Provision for Tax & Deferred Tax	105.00	247.56
Profit After Tax	203.38	489.80
Loss from Previous Year	0.00	-11.01
Less: Transfer from Reduction of Capital	0.00	0.00
Net Loss/Profit carried to Balance Sheet	203.38	478.79

COMPANY PERFORMANCE:

The Financial Year 2015-16 has been another good year for your Company. Your Company has made a revenue of Rs.3013.40 Lacs in the current financial year as compared to 5601.48 Lacs for the previous financial year. Your Company has posted net profit after tax of Rs.203.38 Lacs in the current year as compared to Rs.478.79 Lacs in the previous financial year.

There is no change in the nature of business during the FY 2015-16

DIVIDEND:**i. Interim Dividend**

After considering the cash position and profitability of the company, the Board of the Directors passed the resolution on 18th March, 2016 for payment of an Interim Dividend of Rs 1/- per share for the financial year 2015-16 by way of circular resolution

ii. Final Dividend

The Board recommends the Interim Dividend declared and paid itself as the Final Dividend for the financial year 2015-16.

TRANSFER TO RESERVES

Your Company has not transferred any amount to reserves during the financial year.

THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

Till date the Company doesnot have any subsidiaries.

STATUTORY AUDITORS:

The shareholders in their meeting held on 20th September, 2014 approved the appointment of M/s Chevuturi Associates, Chartered Accountants, Vijayawada, as the Statutory Auditors of the Company to hold office till the conclusion of 25th Annual General Meeting subject to ratification of shareholders in every Annual General Meeting. Accordingly, a resolution seeking Members' ratification on appointment of M/s Chevuturi Associates Chartered Accountants Vijayawada, as the Statutory Auditors of the Company for the financial year 2016-17 is included at Item No.4 of the Notice convening the Annual General Meeting.

INTERNAL AUDITORS:

M/s Brahmayya & Co, Chartered Accountants, Gubbalavari Street, Society Road, Tanuku, 534211 (ICAI Firm Registration No. 000513S) were appointed as internal Auditors of the Company and they are submitting their reports on quarterly basis

SECRETARIAL AUDITORS:

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 M/s. P.S.Rao & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is annexed herewith as "Annexure IV" to this report.

REPLY TO QUALIFICATIONS IN SECRETARIAL AUDIT REPORT:

During our Audit is observed that the Company has appointed Company Secretary with effect from 11.02.2016, under Section 203 of Companies Act, 2013 and the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015

Inspite of all efforts made, Company could not get a person to work as the Company is situated in remote place and finally company could find an eligible person for the post of Company Secretary and the Board appointed him w.e.f 11.02.2016

DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act, 2013, Sri. G. Ganapathi Rama Prabhakara Raju, Director of the Company retires by rotation and being eligible, has offered himself for reappointment.

The Board of Directors of the Company met 4 (four times). The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:**Re appointment of MD:**

The Board of Directors at its Meeting held on 11th Feburary, 2016 has re-appointed Sri. G Raghu Rama Raju as Managing Director, for a period of Five years w.e.f from 13.02.2016 recommended by the Nomination and Remuneration Committee, subject to the approval of the Members which was approved in the meeting.

Appointment of Company Secretary cum Compliance Officer :

Board of Directors in their meeting held on 11th Feburary, 2016 has appointed Mr. P. Lenin Babu as Company Secretary cum Compliance Officer w.e.f 11th February 2016.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

Every Independent Director, at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act, 2013.

FIXED DEPOSITS:

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There are no Loans given or Guarantees provided or Investments made as cover under section 186 of Company Act, 2013.

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments affecting the financial position of the company occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- (i) that in the preparation of Annual Accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (iv) that the directors have prepared the annual accounts on a going concern basis.
- (v) The Directors had laid down Internal Financial controls to be followed by the Company and that such internal financial Controls are adequate and were operating efficiently.
- (vi) 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.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company www.radixindustries.in

RISK MANAGEMENT

The Company has risk management mechanism in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may threaten the existence of the Company. A detailed description of the risks & threats has been disclosed in the Management Discussion Analysis Report forming part of the Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with

the interest of the Company at large. The requisite details of the related party transactions are provided as **Annexure I** to this report. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as **Annexure - II** and forms part of this report.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "**Annexure - III**" to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to the provisions of Schedule V to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 a report on Management Discussion & Analysis is herewith annexed as '**Annexure VI**' to this report.

CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into with the Stock Exchanges. A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Certificate on its compliance.

LISTING:

Your Company's shares are presently listed on The B S E Limited, and the listing fees for the financial year 2016-17 is paid.

The trading in Shares of your Company was suspended from 31.03.2016 for surveillance and Supervision by BSE Limited.

Further on successful submission of all documents / information / clarifications as required by BSE Limited and on obtaining satisfactory reply from the company by the BSE Limited, Suspension on trading of shares was revoked w.e.f 08.07.2016

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired are used economically

HUMAN RESOURCES:

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is herewith annexed as '**Annexure V**' to this report.

DETAILS ABOUT THE CORPORATE SOCIAL RESPONSIBILITY POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY

The Company does not meet the Criteria as specified in Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

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

"The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the financial year:

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

ACKNOWLEDGEMENTS:

Your directors acknowledge the continued support from regulatory, government authorities, staff and all the stake holders for their support and cooperation.

**BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited**

**Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)**

**Place: Tanuku
Date : 13.08.2016**

FORM NO. 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 thereto.

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

Sl.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board / Share holders	Amount paid as advances, if any	Justification for entering into Contract
1.	Diamond Drop property Holdings (India) Private Limited Smt. Gokaraju Parvathi Director of the Company is also Director of this Company	Lease Rents Paid	8 th February, 2011 to 7 th February, 2021	Leasing of property for registered office of the company at 4-243, Chivatam, Near NH-5 Road, Tanuku-534211, West Godavari District, Andhra Pradesh, India. At payment of Rs. 3,30,000 per anum	NA	NA	The property is taken on lease for a period of 10 years for the purpose of registered office of the Company

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as below.

A. CONSERVATION OF ENERGY:**i. The steps taken or impact on conservation of energy:**

The operations of the Company are not power intensive. However it is very careful in using the power to reduce the cost of maintenance and conserve the resources.

ii. Steps taken by the Company for utilizing alternate sources of energy:

As the Company is not a huge manufacturing unit there are no requirements for utilizing of alternate sources of energy

iii. The capital investment on energy conservation equipments:

The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

B. TECHNOLOGY ABSORPTION:

- | | | |
|--|---|--|
| i) The efforts made towards technology absorption | : | NIL |
| (ii) The benefits derived like product improvement, cost reduction, product development or import substitution | : | NIL |
| (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: | | |
| (a) The details of technology imported | : | No technology imported during the last 3 years |
| (b) The year of import | : | NA |
| (c) Whether the technology been fully absorbed | : | NA |
| (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | : | NA |
| (iv) The expenditure incurred on Research and Development | : | NIL |

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports and initiatives taken to increase export products, services and export plans

The Company is 100% Export Oriented Unit (EOU), and as such all its sales is export sales. The Company is also actively scouting for new overseas Markets.

Foreign Exchange earnings and outgo: (on receipts and payments basis)

Particulars	(Rs. In Lacs)	
	2015-16	2014-15
Foreign Exchange Earnings	2715.58	5384.54
Foreign Exchange Outgo	NIL	NIL

**BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited**

**Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)**

**Place: Tanuku
Date : 13.08.2016**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31/03/2016**

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L37200AP1993PLC016785
- ii) Registration Date : 23/12/1993
- iii) Name of the Company : RADIX INDUSTRIES (INDIA) LIMITED
- iv) Category / Sub-Category of the Company : Public Limited, Company Limited by Shares
- v) Address of the Registered Office and contact details : Door No. 4-243, Chivatam, Near NH-5 Road Tanuku, Andhra Pradesh -534211
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : **M/s Bigshare Services Pvt. Ltd,**
306, Right Wing Amrutha Ville
Opp Yashoda, Hospital Rajbhavan Road
Somajiguda, Hyderabad - 500 082

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products and services.	NIC Code of the product/service.	% to total turnover of the Company
1	Human hair	32904	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company doesn't have any Subsidiary or Associate Companies.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of shares	Demat	Physical	Total	% of shares	
A. Promoters									
1. Indian	-	-	-	-	-	-	-	-	-
a. Individual/HUF	7215000	-	7215000	72.12	7215000	-	7215000	72.12	0
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	7215000	-	7215000	72.12	7215000	-	7215000	72.12	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Body Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	0	0	0	0	0	0	0	0	0
Total Share holding of promoter (A) = (A)(1)+(A)(2)	7215000	-	7215000	72.12	7215000	-	7215000	72.12	0
B. Public Share Holding									

1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	-	-	-	-	-	-	-	-	-

2. Non-Institutions									
A) Bodies Corp.	3672	330	4002	0.04	2679	330	3009	0.03	-0.01
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
B) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	86867	63040	149907	1.50	86201	62120	148321	1.48	-0.02
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	1494363	1105000	2599363	25.98	1493890	1105000	2598890	25.98	0
Others (specify)	36508	-	36508	0.36	39560	-	39560	0.40	0.03
Sub-total (B)(2):	1621410	1168370	2789780	27.88	1622330	1167450	2789780	27.88	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	1621410	1168370	2789780	27.88	1622330	1167450	2789780	27.88	0
c) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8836410	1168370	10004780	100	8837330	1167450	10004780	100	

(ii)Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in Share holding during the year.
		No. of Shares	% to Total Shares of the Company	% of Shares pledged / Encumbered to total shares	No. of Shares	% to Total Shares of the Company	% of Shares pledged / Encumbered to total shares	
1	Gokaraju Raghu Rama Raju	5880000	58.77	-	5880000	58.77	-	Nil
2	G Ganapathi Rama Prabhakara Raju	5000	0.05	-	5000	0.05	-	Nil
3	G Parvathi	1330000	13.29	-	1330000	13.29	-	Nil
	Total	7215000	72.12	-	7215000	72.12	-	Nil

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

S.No	Name of the Shareholder	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.	G RAGHU RAMA RAJU				
	At the Beginning of the Year	5880000	58.77	5880000	58.77
	At the end of the year			5880000	58.77
2.	G GANAPATHI RAMA PRABHAKARA RAJU				
	At the Beginning of the Year	5000	0.05	5000	0.05
	At the end of the year			5000	0.05
3.	G PARVATHI				
	At the Beginning of the Year	1330000	13.29	1330000	13.29
	At the end of the year			1330000	13.29

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

S.No	Name of the Shareholder	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.	BHUPATIRAJU VENKATAPATI RAJU				
	At the Beginning of the Year	300000	3.00	300000	3.00
	At the end of the year			300000	3.00
2.	INDUKURI LAKSHMI				
	At the Beginning of the Year	250000	2.50	250000	2.50
	At the end of the year			250000	2.50
3.	KOSURI SARASWATHI				
	At the Beginning of the Year	250000	2.50	250000	2.50
	At the end of the year			250000	2.50
4.	APPALA RAJU GADIRAJU				
	At the Beginning of the Year	200000	2.00	200000	2.00
	At the end of the year			200000	2.00
5.	KANAKADURGA GADIRAJU				
	At the Beginning of the Year	200000	2.00	200000	2.00
	At the end of the year			200000	2.00
6.	KOLLURI PRAVEEN KUMAR				
	At the Beginning of the Year	200000	2.00	200000	2.00
	At the end of the year			200000	2.00
7.	M P KIRAN VARMA				
	At the Beginning of the Year	195570	1.95	195570	1.95
	At the end of the year			195570	1.95
8.	I SAROJINI DEVI				
	At the Beginning of the Year	130000	1.30	130000	1.30
	At the end of the year			130000	1.30
9.	VIJAY BABU KATARI				
	At the Beginning of the Year	120000	1.20	120000	1.20
	At the end of the year			120000	1.20
10.	KIRAN SAYYAPARAJU				
	At the Beginning of the Year	110000	1.10	110000	1.10
	At the end of the year			110000	1.10

(v) Shareholding of Directors and Key Managerial Personnel

S.No	Name of the Shareholder	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.	G Raghu Rama Raju				
	At the Beginning of the Year	5880000	58.77	5880000	58.77
	At the end of the year			5880000	58.77
2.	G Parvathi				
	At the Beginning of the Year	1330000	13.29	1330000	13.29
	At the end of the year			1330000	13.29
3.	Ganapathi Rama Prabhakara Raju Gokaraju				
	At the Beginning of the Year	5000	0.05	5000	0.05
	At the end of the year			5000	0.05
4.	Vemanamanda Raju Viswanada				
	At the Beginning of the Year	0	0	0	0
	At the end of the year			0	0
5.	Kiran Phanivarma Mantena				
	At the Beginning of the Year	199570	1.95	199570	1.95
	At the end of the year			199570	1.95
6.	Siddhardha Kathari				
	At the Beginning of the Year	0	0	0	0
	At the end of the year			0	0
7.	P Lenin Babu				
	At the Beginning of the Year	0	0	0	0
	At the end of the year			0	0

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Amount in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,72,67,289.00	NIL	NIL	9,72,67,289.00
ii) Interest due but not paid		NIL	NIL	
iii) Interest accrued but not due	7,93,706.00	NIL	NIL	7,93,706.00
Total (i + ii + iii)	9,80,60,995.00			9,80,60,995.00
Change in Indebtedness during the financial year				
• Addition				
• Reduction	6,83,65,180.86	NIL	NIL	6,83,65,180.86
Net Change	6,83,65,180.86			6,83,65,180.86
Indebtedness at the end of the financial year				
i) Principal Amount	2,95,00,572.14	NIL	NIL	2,95,00,572.14
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	1,95,242.00			1,95,242.00
Total (i + ii + iii)	2,96,95,814.14	NIL	NIL	2,96,95,814.14

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i). Remuneration to Managing Director, Whole-time Directors and/or Manager:

SNo	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
			--	--
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	NIL		NIL
2.	Stock Option	NIL		NIL
3.	Sweat Equity	NIL		NIL
4.	Commission • As a % of profit • Others, specify	NIL		NIL
5.	Others please specify (Performance Pay)	NIL		NIL
	Total A	NIL		NIL
	Ceiling as per the Act(Section 197 of the Companies Act 2013 is not applicable.)	30,00,000		30,00,000

(ii). Remuneration to other directors: Nil

SNo	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
3.	Independent Directors • Fee for attending Board Committee Meetings • Commission • Others please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL	NIL
4.	others Non Executive Directors • Fee for attending Board Committee Meetings • Commission • Others please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total B= (1) + (2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	One Lakh per meeting per director				

(iii). REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SNo	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	NIL	36000	36000
	(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			
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission • As a % of profit • Others, specify	NIL	NIL	NIL
5.	Others please specify	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act.	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. others officers in default					
Penalty					
Punishment					
Compounding					

**BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited**

**Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)**

**Place: Tanuku
Date : 13.08.2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016**

To,
The Members,
Radix Industries (India) Limited,
Door No. 4-243,
Chivatam, Near NH-5 Road,
Tanuku,
Andhra Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Radix Industries (India) 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 our opinion thereon.

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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 has 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2016 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (d) 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;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. Other industry specific major law that is applicable to the company
- As per the information provided by the management there is no industry specific law applicable to the company.
4. We have also examined compliance with the applicable clauses of the following:
- a) Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulation 2015 (Effective from 01.12.2015) and the Listing Agreement entered into by Company with BSE Limited (Since repealed)
 - b) Secretarial Standards SS -1 and SS-2 issued by the Institute of Company Secretaries of India

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

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

Majority decision is carried through 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 year under report, the Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

During our Audit is observed that the Company has appointed Company Secretary with effect from 11.02.2016, under Section 203 of Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

**For P.S. Rao & Associates
Company Secretaries**

Place: Hyderabad

Date: 13.08.2016

**Sd/-
N Vanitha
ACS No. 26859
C.P. No.:10573**

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

'ANNEXURE A'

To,
The Members,
Radix Industries (India) Limited
Tanuku

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For P.S. Rao & Associates
Company Secretaries**

Place: Hyderabad

Date: 13.08.2016

**Sd/-
N Vanitha
ACS No. 26859
C.P. No.:10573**

Annexure-V

Details pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2015-16**

NA

- ii) **The median remuneration of employees' of the Company during the financial year:**

The median remuneration of employees' of the Company during the financial year was Rs- 45467.5 /- p.a

- iii) **The percentage increase in the median remuneration of employees in the Financial year:**

The percentage increase in the median remuneration of employees in the financial year ending March 31,2016 was 8.95%

- iv) **The number of permanent employees on the rolls of Company as at March 31, 2016:**

There were 24 permanent employees on the rolls of Company as on 31st March, 2016

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

There is no increase in the salary of employee and further no remuneration is paid to managerial personnel

Details of Top Ten employees of the Company:

Sl. No.	Name of the Employee	Designation	Remuneration (Per Annum)	Nature of Employment (whether Contractor or otherwise)	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment of such Employee	% of Equity Shares held of the Employee	Whether the employee is relative of any director / Manager, if yes name such Director and Manager
1.	V.Singa Raju	Production Executive	133200	Regular	Technical & 9 years	01.07.2015	40	Arqube Industries Ltd.	0	No
2.	P. Lenin Babu	CS	36000	Regular	ACS & 6 years	11.02.2016	45	Meenakshi Energy & Infrastructure Holdings Pvt. Ltd.,	0	No
3.	K. Phani Babu	Tech Executive	169200	Regular	Technical	01.04.2015	22		0	No
4.	Balaji Valluri	Accounts Officer	103500	Regular	M.Com & 8 years	01.07.2015	35	Andhra Sugar Ltd.,	0	No
5.	V. Rama Chandra Raju	Asst. Production Executive	94500	Regular	Technical & 7 years	01.07.2015	35	Arqube Industries Ltd.	0	No
6.	V. Pradeep Raju	Technical Asst.	96000	Regular	Technical & 5 years	01.04.2015	33	Arqube Industries Ltd.	0	No

7.	B. Venkata Seetha Ramaraju	Production Asst.	84000	Regular	Technical & 3 years	01.04.2015	32	Arqube Industries Ltd.	0	No
8.	I. Nagar Krishnam Raju	Office Asst.	84000	Regular	B.Com	01.04.2015	22	NIL	0	No

The are no other employees drawing Rs 8.50 Lacs per month or Rs 102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.

There are no employees in the service of the Company covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited**

**Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)**

**Place: Tanuku
Date : 13.08.2016**

POLICIES OF THE COMPANY**1. Vigil Mechanism / Whistle Blower Policy**

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

The Whistle Blower Policy of the Company is also posted on the website of the Company.

2. Related Party Transaction Policy.

Radix Industries (India) Limited (the Company) recognizes that Related Party Transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stockholders' best interests.

Hence, keeping in view the frequency of transactions entered by the Company with the related parties, the Board has in accordance with the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, adopted a policy on related party transactions to ensure high level of transparency in all its business dealings, thereby promoting good corporate governance.

The Company has been entering into the transactions in the ordinary course of business and on arms length basis.

The Company also have a Code of Conduct for all employees, officers and directors of the Company, which emphasizes that all possible conflicts of interest should be avoided.

Therefore, it is found appropriate to adopt a policy regarding the review and approval of Related Party Transactions in order to set forth the procedures under which certain transactions must be reviewed, approved or ratified.

3. Nomination and Remuneration Policy**1. Introduction**

RADIX Industries (India) Limited (RADIX), believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, RADIX ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. RADIX recognizes the importance of Independent Directors in achieving the effectiveness of the Board. RADIX aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

RADIX also recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.

- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2. Scope :

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a Director appointed to the Board of a Company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by RADIX's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and regulation 19 of SEBI (listing obligations and disclosure requirement) regulations, 2015.
- 3.3 "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and regulation 16 (I) (b) of SEBI (listing obligations and disclosure requirement) regulations, 2015.
- 3.4 "Key Managerial Personnel" means
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013

4. Selection of Directors and determining Directors' independence

4.1 Qualifications and criteria

- 4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's global operations.
- 4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:
 - General understanding of the Company's business dynamics, global business and social perspective; Educational and professional background Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 4.1.3 The proposed appointee shall also fulfill the following requirements:
 - Shall possess a Director Identification Number;

Shall not be disqualified under the Companies Act, 2013;
 Shall give his written consent to act as a Director;
 Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
 Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
 Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as below:

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

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company;

or

- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
 - g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
 - h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees

- 5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

5.2 Remuneration to Non-Executive Directors

5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

5.3 Remuneration to other employees

5.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

5. Meeting of Independent Directors

During the year under review, the Independent Directors met on 11th February, 2016 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

6. Familiarization Programme

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted and inform the Board members about the provisions and rules as applicable to the company from time to time.

MANAGEMENT DISCUSSION & ANALYSIS**OVERVIEW:**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and other statutory requirements. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

INDUSTRY STRUCTURE AND DEVELOPMENT:**ECONOMIC OVERVIEW**

According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17. Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will grow by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

Economic growth is projected to remain strong, hovering around 7.5%. Private consumption will be boosted by expected large increases in public wages and declining inflation. Investment will pick up gradually as excess capacity fades, deleveraging continues for corporations and banks, and infrastructure projects mature.

Inflation is above the long-term target and public debt is high, leaving little room for accommodative policies. However, some monetary impulse is to come as recent cuts in policy rates are passed on to consumers and investors. The renewed commitment for fiscal consolidation is welcome but the quality of public finances should be improved by increasing tax revenue and tilting the spending mix towards physical and social infrastructure. Creating more and better quality jobs is the key to inclusive growth and requires modernising labour laws and making further progress in the ease of doing business.

Improving productivity is essential for India's GDP per capita to catch up with higher-income countries. In the agriculture sector, which still absorbs about half of total employment, this would require farm consolidation and mechanisation as well as better storage and transport infrastructure. In the manufacturing sector, labour and product market regulations should be reformed to enable firms to expand to an efficient size. Providing better access to quality health and education systems is also key, both to raise productivity and to ensure its fruits are spread more equitably.

INDUSTRY OVERVIEW

The hair business have a very good scope in international market and especially Indian hair is the most chosen quality product being seen as the fastest growing export from the Southern Indian state of Andhra Pradesh. This bizarre export of human hair to the US, China, Europe and the Middle East is fast booming into a 1,500 crore (\$241.857 million) industry.

The hair trade is swiftly turning into a growing industry and with famous Hindu Temples in South coming out with e-auction global tenders, the international buyers will enter Indian Markets.

As per estimates, a ton of human hair approximately costs 50 lakh in the international market. The demand is high for virgin remy hair (quality hair) in European countries, such as Switzerland, Italy and France, while the non-remy is sent to China.

FUTURE OUTLOOK:

After going through a long process of restructuring, the stage is all set for the company to takeoff. During the year the Company has made a humble beginning and other Infrastructure and finances are in place. The management is actively scouting for new orders and markets. In the coming years, the management will strive to identify and produce distinct varieties of hair wigs to cater to the needs of European markets and other overseas markets.

OPPORTUNITIES & THREATS

Strength: Huge demand of Hair wigs produced in India in foreign countries, providing high export potential.

Weakness: To get the Hairs for the manufacturing of wigs whenever required is not possible. So it needs to be purchased in bulk quantity whenever it is available, requiring heavy capital investments in stocks.

Opportunities: Asian hair grows the fastest and has the greatest elasticity, making it the most preferred wigs around the world. There is huge demand for human hair and Articles of human hair in China, Brazil, Spain, Korea, U.K, Hong Kong, Indonesia, Italy, Austria, Germany etc.

Threats: Earlier the industry experienced serious threat from synthetic hair. However, the synthetic hair had not found favor with the consumers, as it is said to have caused allergic problems and cancer. Other perceived threats are Un Organized Sector, largely dependent on overseas market and normal market competition.

SEGMENT WISE /PRODUCT WISE PERFORMANCE : Company do not have multiple segment and products

HAIR WIGS: Your Company has made a revenue of Rs.3013.40 Lacs in the current financial year as compared to 5601.48 Lacs for the previous financial year. Your Company has posted net profit after tax of Rs.203.38 Lacs in the current year as compared to Rs.478.79 Lacs in the previous financial year.

RISK & CONCERNS : Earlier the industry experienced serious threat from synthetic hair. However, the synthetic hair had not found favor with the consumers, as it is said to have caused allergic problems and cancer. Other perceived threats are Un Organized Sector, largely dependent on overseas market and normal market competition.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interests of the Company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data. The Company has a well defined organization structure with clear functional authority, limits for approval of all transactions. The Company has a strong reporting system, which evaluates and forewarns the management on issues related to compliance. Company updates its internal control system from time to time, enabling it to monitor employee adherence to internal procedures and external regulatory guidelines.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The highlights of overall performance are as follows

(Rs in Lacs)

Particulars	2015-16	2014-15
Total Income	3013.40	5601.48
Total Expenses	2621.96	4790.77
Profit Before Taxation	308.38	737.36
Profit after Tax	203.38	489.80
Earnings per Equity share - Basic & Diluted	2.03	4.90

PERSONNEL:

Human wealth is the ultimate wealth in for any industry. The Company recognizes this fact and understands that employees are one of the most important sources for sustained growth of any business. Quality personnel delivering their optimum potential for the organization is the key differentiator. The Company maintained good relations with its employees and there was no unrest in the Company at any point of time.

Industrial relations in the organization continued to be cordial and progressive.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:

There were no material developments in the human resources of the Company and in the number of people employed in the Company

HEALTH AND SAFETY:

The Company places considerable emphasis on health and safety throughout its operation and displays commitment to ensure the high standards being maintained in compliance with applicable laws and regulations.

FORWARD LOOKING / CAUTIONARY STATEMENT:

Certain statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, finish goods prices, changes in Government Regulations and Tax regime etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

**BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited**

**Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)**

**Place: Tanuku
Date : 13.08.2016**

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company believes in transparency, empowerment, accountability and integrity in its operations duly delegated authority to various functional heads that are responsible for attaining the corporate plans with the ultimate purpose of enhancement of "Stake holder value".

Moreover, the Company believes that sound Corporate Governance practices that provide an important platform to assist the management and the Board in delivering its responsibilities. The Company has always been taking the spirit of various legislations as guiding principles and has done well beyond simple statutory compliance. The Board of directors of the company has the responsibility of protecting the long term interests of all the stakeholders, while adhering to sound principles of corporate governance.

The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. BOARD OF DIRECTORS

The Company upholds the policy of having an optimum combination of Executive, Non- Executive and Independent Directors and not less than fifty percent of the Board of Directors being independent including a women director on the Board of the Company.

Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case the company does not have a regular non-executive Chairman, at least 50% of the Board should comprise independent director

During the Financial year ended 31st March, 2016, Board of Directors met (4) Four times and gap between two Board meetings did not exceed 120 days.

06.05.2015	31.07.2015	30.10.2015	11.02.2016
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The attendance at the Board Meetings conducted during the 12 months period ended 31st March, 2016 and at the Annual General Meeting as also the number of Directorships and committee memberships (other than Radix Industries (India) Limited) are given below:

Name of Director	Category	Designation	No. of Board Meetings Attended	Attendance at previous AGM held on 28.09.2015	No. of Chairmanship / Memberships in other companies (excluding private limited Companies)			No. of Shares Held
					Boards	Chairmanship	Committees	
G. Raghu Rama Raju	Promoter Executive	Managing Director	4	Yes	1	Nil	0	5880000
G. Parvathi	Promoter Non Executive	Director	4	Yes	1	Nil	Nil	1330000
G Ganapathi Rama Prabhakara Raju	Promoter Non Executive	Director	4	Yes	Nil	Nil	Nil	5000

V Vishwanada Raju	Independent Non-Executive	Director	4	Yes	Nil	Nil	Nil	Nil
M. Kiran Phani Varma	Independent Non-Executive	Director	4	Yes	Nil	Nil	Nil	195570
Siddhardha Kathari	Independent Non-Executive	Director	4	Yes	Nil	Nil	Nil	Nil

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies

In accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 , memberships/ chairmanships of Audit Committees and Stakeholders Relationship Committees in all public Limited companies (excluding RADIX Industries (India) Limited) has been considered.

None of the Directors of the Company is serving on the Boards of more than seven Listed Companies and no Whole-time Director is serving as Independent Director in more than three Listed Companies

3. COMMITTEES OF THE BOARD:

Currently, there are Three Board Committees - Audit Committee, Nomination and Remuneration Committee, Shareholders/ Investors Grievance Redressal Committee.

The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

1. AUDIT COMMITTEE

The Audit Committee consists of 3 Independent Directors. It provides assistance to the Board of Directors in fulfilling its oversight responsibilities. The Audit committee has been entrusted with the responsibilities as laid down under Section 177 of the Companies Act,2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable and required.

Details on composition of the Audit Committee and the attendance by each Member of the Audit Committee are as under:

Name of the Director	Category	No. of meetings Attended
Sri. Siddhardha Kathari	Chairman	4
Sri. M Kiran Phani Varma	Member	4
Sri. V.Viswanada Raju	Member	4

Meetings during the year:

During the Financial year ended 31st March, 2016, the Audit Committee met Four (4) times as follows, and all the members were present in each of such meetings.

06.05.2015	31.07.2015	30.10.2015	11.02.2016
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All recommendations made by the audit committee during the year were excepted by the Board.

Terms of Reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement entered into with Stock Exchanges read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

(i) Powers of Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) Role of the Audit Committee includes:

1. Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
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 (c) of sub-section 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. review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements
 - h. Management Discussion and Analysis of financial conditions and results of operations
5. Review of Statement of significant related party transactions submitted by the management.
6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
7. Review of internal audit reports relating to internal control weaknesses.
8. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
10. Review of the financial statements of subsidiary Companies

11. Review and monitor the auditor's independence and performance and effectiveness of audit process
12. Approval or any subsequent modification of transactions of the Company with related parties
13. Scrutiny of inter-corporate loans and investments
14. Valuation of undertakings or assets of the Company, wherever it is necessary
15. Evaluation of internal financial controls and risk management systems
16. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors
17. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
19. 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
20. Discussion with internal auditors of any significant findings and follow up there on
21. Reviewing the risk management policies, practices and 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
22. 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.
23. To review the functioning of the Whistle Blower Mechanism
24. Approval of appointment / reappointment / remuneration of CFO (or any other person heading
25. the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
26. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee
27. The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been formed in compliance of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 Independent Directors.

Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Nomination and Remuneration Committee are as under:

The committee comprises of the following members:

Name of the Director	Category	No. of meetings Attended
Sri. M Kiran Phani Varma	Chairman	1
Sri. V.Viswanada Raju	Member	1
Sri Siddhardha Kathari	Member	1

Meetings during the year:

During the Financial year ended 31st March, 2016, the Nomination and Remuneration Committee met One time (i,e) on 11.02.2016 and all the members were present in the meeting.

Terms of Reference:

- Attraction and Retention strategies for employees.
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and Performance targets of the Chairman, Managing Director, COO, CFO, CEO & other senior management personnel
- Review employee development strategies.
- Formulate a criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy for the remuneration of directors, key managerial personnel and other employees;
- Identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Recommend the appointment of any director to executive or other employment/place of profit in the Company;
- Recommend the sitting fees to be paid to Non Executive Directors;

Shareholding of Non-Executive Director as on 31.03.2016:

Name of Director	No of Shares	%
G Parvathi	1330000	13.29
V Vishwanada Raju	NIL	NIL
M. Kiran Phani Varma	195570	1.95
Kathari Siddhartha	Nil	Nil
G. Ganapathi Rama Prabhakara Raju	5000	0.05

5. Remunerations of Directors

- I. Non executive directors of the Company do not have any pecuniary relationship or transactions with the in the company.
- II. Company does not make any payments to non Executive Diectors
- III. Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013:

Not applicable as no remuneration/incentives are paid and no stock options are granted to any of the director.

6. SHAREHOLDERS/ INVESTORS GRIEVANCE REDRESSAL COMMITTEE

The STAKEHOLDERS / Investor Redressal committee has been formed in compliance of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to Section 178(5) of the Companies Act 2013. The Stakeholders Relationship Committee consists of 3 Independent Directors.

Terms of reference

1. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
2. monitors expeditious redressal of investor grievance matters received from the stock exchanges, SEBI, registrar of companies, monitoring redressal of queries / complaints received from members relating to transfers, non-receipt of annual report, non receipt of dividend, redressal of grievances of shareholders, debenture holders and other security holders To approve, register, refuse to register transfer / transmission of shares and other securities ;
3. To sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company;
4. To authorise affixation of common seal of the Company;
5. To issue duplicate share other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
6. To approve the transmission of shares or other securities arising as a result of death of the sole/ any joint shareholder;
7. To review of dematerialization or rematerialization of the issued shares and other related matters;
8. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
9. Carrying out any other function contained in the equity listing agreements as and when amended from time to time

Composition

The committee comprises of the following members:

- Sri. M Kiran Phani Varma – Chairman
- Sri. V.Viswanada Raju – Member
- Sri Siddhardha Kathari – Member

Mr Lenin Babu P, Company Secretary of the Company act as Compliance officer of the Company

The company has registered itself under SEBI Compliant Redressal System (**SCORES**) for faster and transparent processing of Investor Grievance. The details of Complaints receive and resolved during the year is as follows:

1	PENDING AT THE BEGINNING OF THE YEAR	0
2	RECEIVED DURING THE YEAR	1
3	DISPOSED OF DURING THE YEAR	1
4	REMAINING UNRESOLVED AT THE END OF THE YEAR	0

There are no outstanding complaints as on 31st March, 2016
There are no pending transfers as on 31st March, 2016.

7. GENERAL BODY MEETINGS:

Last three AGMs were held at registered office of the Company at 4-243, Chivatam, Near NH-5 Road Tanuku - 534211 West Godavari District, Andhra Pradesh

Year	AGM	Day & Date	Time	Special Resolutions passed at the AGMs by the Shareholders
2015	21 st	Monday, 28 th September 2015	11.00 A.M	
2014	20 th	Saturday, 20 th September 2014	11.00 A.M	i) Approval for authorising Board of Directors for borrowing powers as per Section 180 (1) (c) of Companies Act, 2013 ii) Approval for authorising Board of Directors for mortgage and /or create charge on the assets of the Company as per Section 180 (1) (a) of Companies Act, 2013
2013	19 th	Thursday, 22 nd August, 2013	11.00 A.M	

Postal ballot:

There were no items of business transacted by way of Postal Ballot during the financial year 2015-2016.

8. MEANS OF COMMUNICATION:

- Quarterly Financial Results are furnished within the time frame to all the concerned Stock Exchanges
- The results are also published in English in Financial Express and in Telugu (Regional Language) in Prajashakthi. Quarterly results
- Results are also uploaded on the website of the company www.radixindustries.in
- No presentations were made to the analysts or institutional investors during the year under review except the results are mailed electronically to those who have requested for regular information.
- All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's shares are listed.

9. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	: 22 nd Annual General Meeting
Day, Date and time	: 26 th September, 2016, Monday, 11.00 AM
Venue	: 4-243, Chivatam, Near NH-5 Road, Tanuku – 534211 West Godavari District, Andhra Pradesh
Financial year	: 01.04.2015 to 31.03.2016 (12 Months)
Book Closure Date	: 23rd September, 2016 to 26th September 2016(Both days inclusive).

Dividend : NA

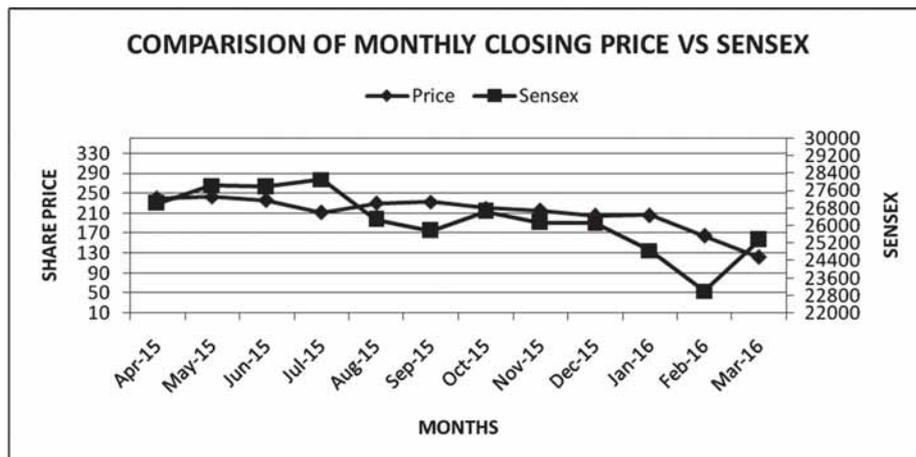
Listing on Stock Exchanges : The B S E Limited, Mumbai
Madras Stock Exchange Limited, Chennai

Scrip Code Number : 531412 – **BSE**, RGPT - **MSE**

Market Price Data : Monthly Closing, High, Low and number of equity shares traded during each month in the year 2015-16 on BSE:

Month	Closing price	High	Low	Total no of equity shares traded
Apr-15	240	290	238	502
May-15	243	267	241	462
Jun-15	236	252	230	691
Jul-15	211	240	193	799
Aug-15	230	234.9	180.2	1565
Sep-15	233	233	198.6	835
Oct-15	220.9	250	220.9	479
Nov-15	215.9	216	202	733
Dec-15	205	217	198	681
Jan-16	205.9	213	200	408
Feb-16	165	206	163.5	868
Mar-16	122	170	115.6	8718

The performance of the equity Share price of the Company vis-vis Sensex at BSE:



The Trading of Shares of the Company were suspended from 31.03.2016 to 07.07.2016. The reasons for Suspension are mentioned in Boards Report.

Registrars and Transfer Agents : Share Transfers & Communication regarding Share Certificates, Dividends & Change of Address may be sent to

M/s. Bigshare Services Private Limited
Local office at 306, Right Wing, Amrutha Ville,
Opp. Yashoda Hospital, Somajiguda,
Rajbhavan Road, Hyderabad – 500 082

Share Transfer System :

The R&T agents process the share transfers received in physical form and the share certificates are returned within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to the Share Transfer Committee.

The Company obtains half yearly Certificate of Compliance with the Share Transfer formalities as required under Regulation 40 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with Stock exchanges from a Company Secretary in practice and the same is submitted to the Stock Exchanges within the period prescribed.

Distribution of Shareholdings as on 31.03.2016:

Equity shares holding of Nominal Value (Rs)	No. of shareholders	%	Amount(in Rs)	%
Upto 5000	709	91.60	278770	0.28
5001 to 10000	11	1.42	85150	0.09
10001 to 20000	2	0.26	35840	0.04
20001 to 30000	5	0.65	122760	0.12
30001 to 40000	5	0.65	169100	0.17
40001 to 50000	1	0.13	50000	0.05
50001 to 100000	11	1.42	857280	0.85
100001 & above	30	3.87	98448900	98.40
Total	774	100	100047800	100

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has obtained electronic connectivity with NSDL & CDSL. The ISIN allotted to the Company is **INE576N01014**. As on 31.03.2016, 88.32 % paid up share Capital of the Company is in dematerialized form.

Outstanding GDR's / ADR's / Warrant or any convertible instruments, conversion date and likely impact on Equity:

The Company has not issued any of these instruments till date.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Main business of the Company is manufacture of hair wigs and the raw material required for the purpose is raw human hair. Historically, the price of the same is mostly stable and as such your management does not foresee any commodity price risk. In relation to hedging of foreign exchange risk, Company enters into forward contracts to hedge its exports.

Address for correspondence : 4-243, Chivatam, Near NH-5 Road, Tanuku - 534211
West Godavari District, Andhra Pradesh

Plant Office : 4-243, Chivatam, Near NH-5 Road, Tanuku - 534211
West Godavari District, Andhra Pradesh

Nomination Facility:

14. Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act, 2013, and the rules made thereunder shareholders are requested to send their request in SH-13 in duplicate to the company.

Code of Conduct for the Board & Senior Management Personnel:

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

Other Disclosures:

- a) There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential Conflict with the interests of the Company at large.
- b) Details on non-compliance by the Company, penalties and strictures imposed on the Company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
- c) The company has formulated and adopted formal whistle blower / vigil mechanism and the same is hosted on the company's website and no concerned person has been denied access to Audit Committee
- d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the clause Pursuant to Regulation 34 read Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015 the Company confirms that it has complied with all mandatory requirements prescribed.
- e) Material subsidiary policy is hosted in our website www.radixindustries.in The following is the weblink: <http://radixindustries.in/wp-content/uploads/2016/04/Policy-for-determining-material-subsiadiaries-1.pdf>
- f) Related party transaction policy is hosted in our website www.radixindustries.in.The following is the weblink: <http://radixindustries.in/wp-content/uploads/2016/04/Policy-on-Related-Party-Transactions-1-1.pdf>

The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status Yes/No
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2) (b) to (i)	Website	Yes

Address of Compliance officer

P. Lenin Babu Door No. 4-243 , Chivatam, Near NH-5 Road, Tanuku - 534211, West Godavari Dist, Andhra Pradesh, India

Discloser with respective demat suspense account / unclaimed suspense account

Not applicable

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

Radix industries (India) Limited has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company. Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards.

I hereby certify that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2015-16.

**BY THE ORDER OF THE BOARD
For Radix Industries (India) Limited**

**Sd/-
G. Raghu Rama Raju
Chairman & Managing Director
(DIN: 00453895)**

Place: Tanuku
Date : 13.08.2016

**CEO /CFO CERTIFICATION TO THE BOARD
(Pursuant to Regulation 17(8) under Chapter IV of
Securities Exchange Board of India (Listing Obligations and Disclosure
Regulations) 2015**

We, Raghu Rama Raju Gokaraju, Chairman and Managing Director and Ganapathi Rama Prabhakara Raju Gokaraju, Chief Financial Officer of the Company responsible for the finance function hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2015 -2016 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 or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulation, including adoption of accounts in the revised Schedule VI Format for the Current and Previous Year.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2015-2016, which 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 that we 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 propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee :
- (i) significant changes in internal control over financial reporting during the year 2015-16
- (ii) significant changes in accounting policies during the year 2015 - 2016 and that the same have been disclosed in the notes to the financial statements;
- (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Sd/-
Raghu Rama Raju Gokaraju
Chairman & Managing Director
(DIN: 00453895)**

**Sd/-
Ganapathi Rama Prabhakara Raju Gokaraju
Director & Chief Financial Officer
(DIN : 00454614)**

**Place :Tanuku
Date : 13.08.2016**

2015-16

RADIX INDUSTRIES (INDIA) LIMITED

CERTIFICATE FROM COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
Radix industries (India) Ltd

We have examined the compliance of conditions of corporate governance by **Radix Industries (India) Ltd** for the year ended 31st March, 2016, ***excepting for the period of non appointment of company secretary*** as stipulated in SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

The compliance of the conditions of the corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

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

**For P.S. Rao & Associates
Company Secretaries**

**Sd/-
N Vanitha
Company Secretary
C.P. No.:10573**

Place: Hyderabad

Date: 13.08.2016

INDEPENDENT AUDITORS' REPORT

To
THE MEMBERS OF
RADIX INDUSTRIES (INDIA) LIMITED,
CHIVATAM, TANUKU.

Report on the Financial Statements:

We have audited the accompanying financial statements of **RADIX INDUSTRIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and 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 Management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - f. With respect to the adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure A".
 - g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position as on reporting date.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Tanuku
Date: 16th May, 2016

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
Firm Reg. No.000632S

Sd/-
(CA. Srinivasa Rao Cherukuri)
Partner
M. No.209237

Annexure to the Auditor's Report:

- (i) (a) According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations furnished to us, the company has physically verified its fixed assets during the period and such intervals which in our opinion, provided for the physical verification of all the Fixed Assets at reasonable interval having regard to the size of the company and nature of its business. According to the information and explanation given to us, no material discrepancies have been noticed on such verification carried out during the period.
- (c) The company doesn't having any immovable properties as on reporting date and hence the reporting requirement under this clause doesn't arise.
- (ii) (a) According to the information and explanations furnished to us, the company has physically verified its inventories at reasonable intervals during the period under report. In our opinion and according to information and explanation given to us, the discrepancies if any noticed on verification of inventories between the physical stocks and the book records were not material, and have been properly dealt with in the books of account.
- (iii) According to the information and explanations furnished to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under Section 189 of the Companies Act 2013. Consequently, the provisions of clauses iii (a), iii (b) and iii (c) of the order are not applicable to the Company.
- (iv) According to the information and explanations furnished to us, the company has not given any loan, made any investment, given any guarantee, or provided any security covered under section 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the company has not accepted any deposits covered under the provisions of section 73 to 76 or any other relevant provisions of the Act. Further, according to the information furnished to us, no order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act, 2013.
- (vi) According to the information and explanations given to us, the requirement of Sec.148 (1) of the Companies Act, 2013 with regard to the maintenance of cost records doesn't apply to this company.
- (vii) (a) According to the information and explanations furnished to us and according to the books and records produced for our examination, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Value added tax and other material statutory dues wherever applicable to it and further there are no undisputed statutory dues that were outstanding, as at the date of the Balance Sheet, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations furnished to us and according to the records of the company, the company has no disputed dues on account of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value added tax or Cess pending remittance as at March 31, 2016.

- (viii) According to the information and explanations given to us, there were no defaults in repayment of dues to financial institutions, banks, government or debenture holders at the date of balance sheet.
- (ix) According to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instrument) and the term loans from Banks and Financial Institutions. Hence reporting requirement in terms of Clauses (ix) does not arise during the period under report.
- (x) According to the information and explanations furnished to us, and based on the audit procedures generally adopted by us, we report that, during the period, no fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi). According to the information and explanations furnished to us, the company has not paid or provided managerial remuneration during the period. Hence reporting requirement in terms of Clauses (xi) does not arise during the period under report.
- (xii). To the best of our knowledge and according to the information and explanations furnished to us, the company is not a Nidhi company.
- (xiii). According to the information and explanations furnished to us, the company has not entered in to any transactions with related parties in accordance with the provisions of sections 177 and 188 of the Companies Act, 2013. Hence reporting requirement in terms of Clauses (xiii) does not arise during the period under report.
- (xiv). According to the information and explanations furnished to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv). According to the information and explanations furnished to us, the company has not entered in to any non-cash transactions with directors or persons connected with him.
- (xvi). According to the information and explanations furnished to us, the company is not required to be registered under the section 45-IA of the Reserve Bank of India Act, 1934.

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
Firm Reg. No.000632S

Place: Tanuku
Date: 16th May, 2016

Sd/-
(CA. Srinivasa Rao Cherukuri)
Partner
M. No.209237

ANNEXURE-A**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **RADIX INDUSTRIES (INDIA) LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on the date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accounts of India (ICAI) and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control and, both issued by the Institute of Chartered Accounts of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place: Tanuku
Date: 16th May, 2016

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
Firm Reg. No.000632S

Sd/-
(CA. Srinivasa Rao Cherukuri)
Partner
M. No.209237

BALANCE SHEET AS AT 31st MARCH, 2016

(All amounts in ₹)

PARTICULARS	Note No.	As on 31.03.2016	As on 31.03.2015
A. EQUITY & LIABILITIES:			
(1) Shareholders' Funds			
(a) Share Capital	3	100047800	100047800
(b) Reserves and Surplus	4	54553512	46257053
		154601312	146304853
(2) Current Liabilities			
(a) Short-term borrowings	5	29695814	98060995
(b) Other current liabilities	6	199919	36784
(c) Short-term provisions	7	13366780	36893147
		43262513	134990926
TOTAL:		197863825	281295779
B. ASSETS:			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	8	2568909	3147937
(b) Long-term loans and advances	9	33350	33350
(c) Deferred tax asset	10	185459	113946
		2787718	3295233
(2) Current assets			
(a) Inventories	11	163726281	122469410
(b) Trade receivables	12	16823127	130634434
(c) Cash and cash equivalents	13	4384608	809314
(d) Other current assets	14	10142091	24087388
		195076107	278000546
TOTAL		197863825	281295779
Corporate information and Statement of Accounting Policies	1		
	2		

Note: The accompanying notes are an integral part of the financial statements.

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
F.R.NO.000632S

Sd/-
(CA Srinivasa Rao Cherukuri)
Partner
M.No.: 209237

Place: Tanuku
Date: 16.05.2016

For **RADIX INDUSTRIES (INDIA) LIMITED**

Sd/-
GOKARAJU RAGHU RAMA RAJU
Chairman & Managing Director

Sd/-
GOKARAJU PARVATHI
Director

Sd/-
G. Ganapathi Rama Prabhakara Raju
Director & CFO

Sd/-
P. Lenin Babu
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(All amounts in ₹)

PARTICULARS	Note No.	For the Year Ending 2015-16	For the Year Ending 2014-15
1 INCOME FROM OPERATIONS			
(a) Revenue from operations	15	301316565	560006538
(b) Other Income	16	22775	141473
		301339340	560148011
2 EXPENSES			
(a) Cost of materials consumed	17	255909386	475434523
(b) Employee benefits expense	18	1266660	325751
(c) Finance cost	19	7538982	6303807
(d) Depreciation and amortization expense	8	766528	1031032
(e) Other expenses	20	5019097	3315588
Total Expenses		270500653	486410701
Profit before tax		30838687	73737310
Tax expense:			
Less: — Current tax		10572000	24888000
— MAT Credit Utilization		223	0
		20266464	48849310
Add: — Deferred tax		71513	132009
		20337977	48981319
Net Profit for the period		20337977	48981319
Earnings per equity share: Basic & Diluted		2.03	4.90

Note: The accompanying notes are an integral part of the financial statements.

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
F.R.NO.000632S

Sd/-
(CA Srinivasa Rao Cherukuri)
Partner
M.No.: 209237

Place: Tanuku
Date: 16.05.2016

For **RADIX INDUSTRIES (INDIA) LIMITED**

Sd/-
GOKARAJU RAGHU RAMA RAJU
Chairman & Managing Director

Sd/-
GOKARAJU PARVATHI
Director

Sd/-
G. Ganapathi Rama Prabhakara Raju
Director & CFO

Sd/-
P. Lenin Babu
Company Secretary

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

(All amounts in ₹)

PARTICULARS	2015-16	2014-15
I CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	30838687	73737310
<u>Add/Less: Adjustments for</u>		
Depreciation	766528	1031032
Finance Cost	7538982	6303807
Operating profit before working capital changes	39144197	81072149
<u>Add/Less: Adjustments for working capital</u>		
Increase / Decrease in inventories	(41256871)	14892535
Increase/Decrease in Trade receivables	113811307	(130634434)
Increase/Decrease in Other current assets	(69946)	484916
Increase / Decrease in Loans and advances	0	0
Increase / Decrease in current liabilities	131626	(13778)
Cash generated from operations	111760313	(34198612)
Less: Direct taxes paid	10872980	24648150
Net cash used in operating activities	100887333	(58846762)
II CASH FLOW FROM INVESTMENT ACTIVITIES		
Increase / decrease in fixed assets	(187500)	(111951)
	(187500)	(111951)
III CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Bank Borrowing	(68365181)	64470054
Interest expense	(7538982)	(6303807)
Dividend paid including tax on dividend	(21220376)	0
Net cash from financing activities	(97124539)	58166247
Net increase / decrease in cash and cash equivalents	3575294	(792466)
Cash and cash equivalents at the beginning of the period	809314	1601780
Cash and cash equivalents at the end of the period	4384608	809314
Net increase / decrease in cash and cash equivalents	(3575294)	792466

Note: The accompanying notes are an integral part of the financial statements.

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
F.R.NO.000632S

Sd/-
(CA Srinivasa Rao Cherukuri)
Partner
M.No.: 209237

Place: Tanuku
Date: 16.05.2016

For **RADIX INDUSTRIES (INDIA) LIMITED**

Sd/-
GOKARAJU RAGHU RAMA RAJU
Chairman & Managing Director

Sd/-
GOKARAJU PARVATHI
Director

Sd/-
G. Ganapathi Rama Prabhakara Raju
Director & CFO

Sd/-
P. Lenin Babu
Company Secretary

STATEMENT ON ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**1. Corporate information**

Radix Industries (India) Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of human hair products. The company caters to both domestic and international markets.

2. Statement on Accounting Policies**a. Basis of Accounting and preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consisted with those of previous period.

Use of Estimates

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities and commitments. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an ongoing basis. However, future results could differ from these estimates. Any revision to these accounting estimates is recognised prospectively in the current and future periods.

b. Tangible fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties and taxes, borrowing costs, if any, on specific borrowings utilized for financing the assets upto the date of commissioning, the cost of installation/erection and other incidental expenses incurred to bring the asset to its present location and condition but exclusive of duties and taxes that are subsequently recoverable from taxing authorities.

c. Depreciation and Amortization

Depreciable amount for assets is the cost of the asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the written-down method as per the useful life prescribed in Schedule II to the Companies Act, 2013

In respect of assets sold or disposed off during the year, depreciation / amortization is provided till the month of sale or disposal of the assets.

d. Borrowing Costs

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

e. Inventories

Valuation of inventories is made as under:

- i) Finished goods are valued at lower of cost or net realizable value.
- ii) Raw materials, work-in-progress and stores and spares are valued at cost, following the FIFO Basis.
- iii) Work-in-Progress, raw materials, stores, spares are valued at cost except where the net realizable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than their books value, they are valued at replacement cost.
- iv) By-products and scrap are valued at net realizable value.

f. Revenue Recognition

- i. Sales are accounted for net of discounts and rebates. Export Sales are initially accounted at the exchange rate prevailing on the date of documentation/invoicing and the same is adjusted with the difference in the rate of exchange arising on actual receipt of proceeds in foreign exchange.

g. Income Taxes

Income tax expense comprises current and deferred taxes.

- i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognised under the liability method, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods, at the rate of tax enacted or substantively enacted by the balance sheet date.

h. Provisions, Contingent Liabilities and Contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognise contingent liabilities but the same are disclosed in the Notes.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

i. Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the

period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j. Foreign Exchange Transactions

- i) Transactions in foreign currency are initially accounted at exchange rate prevailing on the date of transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the period under report.
- ii) At each Balance Sheet date foreign currency monetary items being receivables/payables are reported using the rate of exchange on that date and difference is recognized as income or expense. Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized.
- iii) In respect of forward exchange contracts in the nature of hedges. Premium or discount on the contract is amortized over the term of the contract. Exchange differences on the contract are recognized as profit or loss in the period in which they arise.

1. Government Grants:

Grants from government are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants relating to assets the company has opted "capital approach" method. Accordingly, the grant is deducted from the gross value of the assets concerned in arriving at their books value.

Government grants in the nature of export incentives are recognised in the statement of Profit and Loss in the year in which the licenses was approved by respective authorities and the same is considered as reasonable assurance that the enterprise has complied the conditions attached to them and the benefits have been earned by the enterprise is reasonably certain and the ultimate collection will be made.

(All amounts in ₹)

Note No.	Schedules Annexed to and Forming Part of Balance Sheet	As on 31.03.2016 ₹	As on 31.03.2015 ₹
3	SHARE CAPITAL:		
	a. Authorised Share capital 1,50,00,000 (1,50,00,000) Equity Shares of ₹ 10/- each	150,000,000	150,000,000
	b. Issued and subscribed capital 1,00,04,780 (1,00,04,780) Equity shares of ₹ 10/- each	100,047,800	100,047,800
	c. Paid up capital 1,00,04,780 (1,00,04,780) Equity Shares of ₹ 10/- each	100,047,800	100,047,800
	d. The Reconciliation of number of shares:	No.of Shares	No.of Shares
	Number of Shares at the beginning	10004780	10004780
	Add: Shares issued during the year	0	0
	Number of Shares at the end	10004780	10004780
e.	Terms/Rights attached to equity shares: The company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The company declares and pays dividend in indian rupees.		
f.	In the event of liquidation of the company, the holders of equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders		
g.	The details of share holders holding more than 5% shares.	No.of Shares/ (% of holding)	No.of Shares/ (% of holding)
	Name of the Share holder		
	i) Sri Gokaraju Raghu Rama Raju	5880000 58.77	5880000 58.77
	ii) Smt Gokaraju Parvathi	1330000 13.29	1330000 13.29

(All amounts in ₹)

Note No.	Schedules Annexed to and Forming Part of Balance Sheet	As on 31.03.2016 ₹	As on 31.03.2015 ₹
4	<u>RESERVES AND SURPLUS:</u>		
	a. Capital Reserve:		
	Opening Balance	10382500	10382500
	b Surplus:		
	Opening Balance	35874553	(1101619)
	Add: Net Profit transferred from statement of Profit and loss	20337977	48981319
	Closing Balance	56212530	47879700
	Less: Appropriations:		
	Interim / (Final) Dividend on Equity Shares (amount per share ₹ 1.00 (Pr. Year ₹ 1.00))	10004780	10004780
	Tax on Interim / (Final) Dividend	2036738	2000367
		12041518	12005147
	Closing Balance	44171012	35874553
	Total (a+b)	54553512	46257053
5	<u>SHORT TERM BORROWINGS:</u>		
	State Bank of India - Tanuku EPC Limit (The above loan is primarily secured by hypothecation of stock and receivables and further collaterally secured by way of specific properties belonging to two directors and further guaranteed by three directors in their individual capacities)		
	Terms		
	a) The above loan is repayable on demand		
	b) The sanction limit is ₹ 1300 lacs (Pr. Year ₹ 1000 lacs)		
	c) The interest rate of 10.45% p.a		
	d) The Company is regular in payment of interest on above loan as on reporting date		
		29695814	98060995
6	<u>OTHER CURRENT LIABILITIES:</u>		
	Interest accrued and due	0	0
	Due to others	168410	36784
	Unpaid Dividends	31509	0
		199919	36784
7	<u>SHORT-TERM PROVISIONS:</u>		
	Provision for Income-Tax	10572000	24888000
	Proposed Dividend	2794780	10004780
	Tax on Distributable profits	0	2000367
		13366780	36893147

**Fixed Assets
Note No - 8**

Amount in ₹

S. No.	Name of the Asset	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		Cost As on 01.04.2015 ₹	Additions during the Period ₹	Deductions during the Period ₹	Total Cost upto 31.03.2016 ₹	Depreciation Upto 31.03.2015 ₹	Depreciation for the period ₹	Depreciation on Deductions ₹	Depreciation Upto 31.03.2016 ₹	W.D.V As on 31.03.2016 ₹	W.D.V As on 31.03.2015 ₹
1	Office equipment	849023	0	0	849023	440618	112614	0	553232	295791	408405
2	Plant & Machinery	2900180	187500	0	3087680	1201003	339550	0	1540553	1547127	1699177
3	Computers	230845	0	0	230845	205422	18291	0	223713	7132	25423
4	Vehicles	1765836	0	0	1765836	750904	296073	0	1046977	718859	1014932
	TOTAL:	5745884	187500	0	5933384	2597947	766528	0	3364475	2568909	3147937
	Previous Year :	5633933	111951	0	5745884	1566915	1031032	0	2597947	3147937	4067018

Note: No Intangible Assets & Impairment of assets.

(All amounts in ₹)

Note No.	Schedules Annexed to and Forming Part of Balance Sheet	As on 31.03.2016 ₹	As on 31.03.2015 ₹
9	<u>LONG TERM LOANS & ADVANCES:</u> (Advances recoverable in Cash or in kind or for value to be received, unsecured considered good)	33350	33350
	Deposits with Govt. and Other Departments	33350	33350
10	<u>DEFERRED TAX ASSET (Net):</u> Timing difference between book and tax depreciation	185459	113946
11	<u>INVENTORIES:</u> Raw Materials at cost	163622849	122249060
	Stores & Spares at cost	103432	220350
		163726281	122469410
12	<u>TRADE RECEIVABLES:</u> a. Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Doubtful	-	-
	b. Other receivables		
	Secured, considered good	16823127	130634434
	Unsecured, considered good	-	-
	Doubtful	16823127	130634434
13	<u>CASH & CASH EQUIVALENTS:</u> Cash on hand	128995	59365
	Balance with scheduled banks in current a/c.	1429324	749949
	Earmarked balances with banks (Dividend Accounts)	2826289	0
		4384608	809314
14	<u>OTHER CURRENT ASSETS:</u> (Advances recoverable in Cash or in kind or for value to be received, unsecured considered good)		
	Advance Income Tax	1000000	2400000
	Prepaid Expenses	142091	72145
	TDS Receivable	0	15243
		10142091	24087388

(All amounts in ₹)

Note No.	Schedules Annexed to and Forming Part of Profit & Loss Statement	For the Year Ending 2015-16 ₹	For the Year Ending 2014-15 ₹
15	<u>REVENUE FROM OPERATIONS:</u>		
	Sale of Human Hair Products (Export)	279295914	548991841
	Other Operating revenues		
	a. Export Incentives	22020651	7113388
	b. Profit on Forward Contracts	0	3901309
		301316565	560006538
	Less: Excise duty	0	0
		301316565	560006538
16	<u>OTHER INCOME:</u>		
	Interest on Bank Deposit	0	141473
	Exchange Gain on translation of dues in foreign currency	22775	0
		22775	141473
17	<u>COST OF RAW MATERIAL CONSUMED:</u>		
	Opening stock of Human hair	122249060	137230389
	Add: Purchases	297283175	460453194
		419532235	597683583
	Less: Closing stock of Human hair	163622849	122249060
		255909386	475434523
18	<u>EMPLOYEE BENEFITS EXPENSE:</u>		
	Salaries and Wages	1266660	325751
19	<u>FINANCE COSTS:</u>		
	Interest to bank	6643594	6011307
	Other Borrowing cost	895388	292500
		7538982	6303807
20	<u>OTHER EXPENSES:</u>		
	Stores Consumed	151320	272235
	Advertisements	58955	40980
	Electricity Charges	86855	99426
	Manufacturing Exp	83144	180432
	Repairs & Maintenance	26116	10720
	Office and Administrative Expenses	1722628	467048
	Freight Charges	1085992	895706
	Rent	330000	330000
	Bank Charges	417673	253496
	Insurance	272464	260923
	Payment to Auditors - Towards Statutory Audit	17175	17100
	Taxes & Licenses	38209	23119
	Miscellaneous Expenses	728566	464403
		5019097	3315588

21. Expenses / Earnings in Foreign Exchange

Particulars	Current period	Previous period
a) Expenses :	₹	₹
i) CIF Value of Machinery Imported during the period	NIL	NIL
ii) Imported Stores and Spares	NIL	NIL
b) Earnings :		
i) FOB value of exports made during the period	27,15,58,820	53,84,53,618

22. Disclosure on payments and dues to "suppliers" as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ('The Act').

SINo.	Particulars	31-03-16
1	Amount remaining unpaid, beyond the appointed/ agreed day, at the end of the period	₹
	(a) Principal amount of bills to be paid	-- Nil --
	(b) Interest due thereon	-- Nil --
2	(a) Payments made to suppliers, during the period, but beyond appointed/agreed day interest thereon in terms of Sec.16 of the Act.	-- Nil --
	(b) Interest paid along with such payments during the period.	-- Nil --
	(c) Interest due and payable at the end of the period, on such payments made during the period.	-- Nil --
3	Amount of interest, for the period, u/s.16 of the Act. Accrued and remaining unpaid, at the end of the period.	-- Nil --
4	Total amount of interest, u/s.16 of the Act, including that arising in earlier periods, accrued and remaining unpaid at the end of the period.	-- Nil --

For the purpose of the above details the Status of the 'Suppliers' under the Act has been determined to the extent of and based on the information furnished by the respective parties, and has accordingly been relied upon by the company and its auditors.

23. Details of consumption of imported and indigenous items

Particulars	Current Period	Previous Period
A. Raw material	₹	₹
Imported	NIL (0%)	NIL (0%)
Indigenous	25,59,09,386 (100%)	47,54,34,523 (100%)
B. Stores and spares		
Imported	NIL (0%)	NIL (0%)
Indigenous	1,51,320 (100%)	2,72,235 (100%)

24. Particulars disclosed pursuant to "AS-18 Related Party Disclosures".

A. List of Related parties:

Key Management Personnel

- Sri.G. Raghu Rama Raju, Mg.Director
- Smt.G.Parvathi, Director
- Sri.G.G.R. Prabhakara Raju, Director & CFO

Companies controlled by Key Management Personnel:

- M/s. Diamond Drop Property Holdings (India) Private Limited
(Smt. G. Parvathi, Director interested as Director in the Company)
- M/s. Arqube Industries (India) Limited
(Sri.G.Raghu Rama Raju, Mg.Director &
Smt. G. Parvathi, Director interested as Directors in the Company)

B. List of Related party transactions:

Nature of Transaction	Key Management personnel	Companies/ Firms/Controlled by KMP/Relatives of KMP
A. Rent paid during the period to Diamond Drop Property Holdings (India) Private Ltd.,	₹	₹ 3,30,000
B. Balances as at 31-03-2016 Share capital in Company held by		
-Sri G. Raghu Rama Raju	5,88,00,000	
-Smt. G Parvathi	1,33,00,000	
-Sri G.G.R. Prabhakara Raju	5,00,000	

25. Earning Per Share (E.P.S) – AS-20**CALCULATION OF EPS**

	PARTICULARS	31.03.2016	31.03.2015
i)	Net Profit as per Statement of Profit and Loss available for Equity Shareholders	₹ 20337977	₹ 48981319
ii)	Number of Equity Shares for Basic EPS	10004780	10004780
iii)	Nominal value of share (₹)	10	10
iv)	Weighted average no of equity shares	10004780	10004780
v)	Basic and Diluted Earning per Share (₹)	2.03	4.90

26. Miscellaneous Expenses include the following:

NSC & BSE Exp	3,27,522
Professional charges	3,60,509
ROC Filing fee	36,600
Others	3,935
	7,28,566

- 27.** Since the company deals only in Manufacturing of Human hair products, the reporting requirement as per AS-17 on Segment reporting does not arise during the period.
- 28.** The total sale revenue of Rs. 27,92,95,914/- includes an amount of Rs.63,66,251/- towards net exchange gain on account of realization of export receivables.
- 29.** The earmarked balances under head Cash & Cash equivalents represents the balance held in Dividend accounts towards unpaid final dividend of Rs.31,509/- pertaining to the FY: 2014-15 and Interim dividend payable of Rs.27,94,780/- in respect of FY: 2015-16.
- 30.** The exchange value for restatement of export receivables and Exchange Earners' Foreign Currency Account (EEFC) balance are taken at Rs. 66.25 per dollar.
- 31.** Cash-flow statement enclosed.
- 32.** Figures in brackets indicate those for the previous period.
- 33.** The previous period's figures have been regrouped / reclassified wherever necessary to conform to the current period presentation

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
F.R.NO.000632S

Sd/-
(CA Srinivasa Rao Cherukuri)
Partner
M.No.: 209237

Place: Tanuku
Date: 16.05.2016

For **RADIX INDUSTRIES (INDIA) LIMITED**

Sd/-
GOKARAJU RAGHU RAMA RAJU
Chairman & Managing Director

Sd/-
GOKARAJU PARVATHI
Director

Sd/-
G. Ganapathi Rama Prabhakara Raju
Director & CFO

Sd/-
P. Lenin Babu
Company Secretary

**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]

CIN : L37200AP1993PLC016785
Name of the company : Radix Industries (India) Limited
Registered Office : Door No. 4-243, Chivatam, Near NH-5 Road, Tanuku, Andhra Pradesh-534211
Name of the Member(s) :
 Registered Address :
 Email ID :
 Folio No. /Client ID :
 DP ID :

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

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 : Or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on on Monday, 26th Day of September, 2016 at 11.00 A.M at the registered office of the company at Door No. 4-243, Chivatam, Near NH-5 Road, Tanuku, Andhra Pradesh-534211 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Statement of Profit and Loss, Balance Sheet, Reports of Board of Directors and Auditors for the year ended March 31, 2016.
2. Confirmation of interim dividend as final dividend.
3. Re-appointment of Sri. G. Ganapathi Rama Prabhakara Raju as a director of the Company.
4. Ratification of M/s Chevuturi Associates., Chartered Accountants as Auditors of the Company
5. Re-appointment of Managing Director.

Affix
Revenue
Stamp

Signed this Day of 2016.

Signature of shareholder

Signature of Proxy holder(s) _____

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



RADIX INDUSTRIES (INDIA) LIMITED

Door No. 4-243, Chivatam, Near NH-5 Road, Tanuku, Andhra Pradesh-534211

CIN:L37200AP1993PLC016785

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 22nd Annual General Meeting of the members of the company to be held on on Monday, 26th Day of September, 2016 at 11.00 A.M at the registered office of the company at Door No. 4-243, Chivatam, Near NH-5 Road, Tanuku, Andhra Pradesh-534211.

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____

(In block letters)

Folio No./ Client ID _____

No. of shares held _____

Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

