# KAMADGIRI
FASHION LIMITED

# ANNUAL REPORT
# 2017-18

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# KAMADGIRI FASHION LIMITED

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# KAMADGIRI FASHION LIMITED

## CORPORATE INFORMATION

**BOARD OF DIRECTORS**

| | | |
|---|---|---|
| CHAIRMAN & MANAGING DIRECTOR | : | Mr. Pradip Kumar Goenka |
| NON-EXECUTIVE DIRECTOR | : | Mr. Anil Biyani |
| DIRECTOR INDEPENDENT | : | Mr. Rahul Mehta |
| INDEPENDENT DIRECTOR | : | Mr. Sanjeev Maheshawari |
| INDEPENDENT DIRECTOR | : | Ms. Bindu Shah |
| EXECUTIVE DIRECTOR | : | Mr. Tilak Goenka |
| CHIEF EXECUTIVE OFFICER | : | Mr. Abhay Kumat |
| CHIEF FINANCIAL OFFICER | : | Mr. Jagdish Prasad Dave |
| COMPANY SECRETARY | : | Mr. Gaurav K. Soni |
| AUDITORS | : | M/s. Haribhakti & Co. LLP<br>Chartered Accountants, Mumbai. |
| BANKERS | : | State Bank of India<br>Bank of Baroda |

# KAMADGIRI FASHION LIMITED

| | | |
|---|---|---|
| REGISTERED OFFICE | : | B-104, 'The Qube',<br>Off M.V. Road Marol,<br>Andheri (E), Mumbai - 400059.<br>Tel: (+91 22) 71613131<br>Fax: (+91 22) 71613199<br>Website : www.kflindia.com<br>Email: cs@kflindia.com |
| CIN | : | L17120MH1987PLC042424 |
| FACTORY/PLANT | : | 43/2, 42/1, Ganga Devi Road,<br>Umbergaon - 396171<br>Dist. Valsad (Gujarat).<br><br>C-4/2/2, MIDC, Tarapur - 401506<br>Dist. Thane (Maharashtra).<br><br>J-72/1, MIDC, Tarapur - 401 506<br>Dist.Thane (Maharashtra). |
| REGISTRAR & SHARE TRANSFER AGENT | : | Sharex Dynamic (India) Pvt. Ltd.<br>Unit No.1, Luthra Industrial Premises<br>Safed Pool, Andheri-Kurla Road<br>Andheri East, Mumbai – 400072.<br>Tel: (+91 22) 28515606/28515644<br>Fax: (+91 22) 28512885<br>Email: sharexindia@vsnl.com |

# KAMADGIRI FASHION LIMITED
## DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Thirty-First Annual Report on the business and operation of the Company together with the Audited Financial Statements for the year ended March 31, 2018.

### FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Income from Operations | 33,152.52 | 30,482.91 |
| Other Income | 148.39 | 45.64 |
| **Profit before tax** | **1,062.03** | **414.19** |
| Less: Provision for current tax | 417 | 220.00 |
| Less: Net deferred tax liability | (6.28) | (87.35) |
| **Profit after tax** | **651.31** | **281.54** |
| Other Comprehensive Income | 7.74 | (16.25) |
| **Earning per share of ₹ 10/- each** | | |
| Basic (in ₹) | 11.10 | 4.80 |
| Diluted (in ₹) | 11.10 | 4.80 |

### COMPANY'S PERFORMANCE

Pursuant to the notification issued by the Ministry of Corporate Affairs on February 16, 2015 and under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, the Company has adopted Indian Accounting Standards (Ind AS) on April 1, 2017, with the transition date as April 1, 2016.

The Financial Statements for the year under review and previous year have been prepared in accordance with the recognised and measurement principles stated therein. Considering the effect given in the financial statements of the previous years, as per the provisions of Ind AS 101 with respect to "First-time Adoption of Indian Accounting Standards".

During the year under review, the Company has achieved a turnover of ₹ 33,152.52 Lakhs as compared to ₹ 30,482.91 Lakhs in the previous year. Accordingly, there was a top line growth of 8.76%. The Profit after tax for the financial year 2017-18 was ₹ 651.31 lakhs as compared to ₹ 281.54 lakhs during the previous year.

### FUTURE PLANS

The Company would continue its focus in increasing efficiency through modernisation and adoption innovative management methods in every division of the Company. The Company's finished fabrics division which supplies fabrics to readymade branded manufacturers is expected to perform better, considering the improved consumer sentiments.

The Company proposes to launch "RISQUE" – Men's Casual Shirt Brand targeted for online market and distribution network. This would enable the Company to create better margin in same capacities. Also, the brand will be positioned to enter new areas and segments of fashion. The Company proposes to enter into Women's Wear segment wherein it will use fabric manufacturing capacity of the Company to offer innovative fabrics for women's garments and use these fabrics to create garment samplings eventually to create women's wear brand in long run.

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2/- (i.e. 20%) per equity share on the equity capital of the Company for the year under review. The said dividend shall be subject to the approval of the members at the ensuing annual general meeting.

### PUBLIC DEPOSIT

The Company has not accepted any deposit from the public during the financial year under review.

### RESERVES

During the year under review, the Company has not transferred any profit to general reserves.

### CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a separate report on Corporate Governance is enclosed as a part of this Annual Report. A Certificate from Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated in Regulation 17(7) read with Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also enclosed along with the Corporate Governance Report.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is as required under Regulation 34 read with Schedule V of the Listing regulations forms part of this Annual Report.

### DISCLOSURE REQUIREMENTS

Details of programmes for familiarization of Independent Directors with the Company are available on the website of the Company at the folllowing link http://kflindia.com/wp-content/uploads/2017/09/PD-3.pdf .

Policy on dealing with related party transactions is available on the website of the Company at the following link http://kflindia.com/wp-content/uploads/2017/09/PD-1.pdf .

Policy for archival of documents of the Company is available on the website of the Company at the following link http://kflindia.com/wp-content/uploads/2018/04/Archival-Policy.pdf .

Policy for determining Materiality of Events of the Company is available on the website of the Company at following the link http://kflindia.com/wp-content/uploads/2018/05/WebsiteRegulation-305_2018-19_KFL.pdf.

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4(2)(d)(iv) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Policy on Whistle Blower is available on the website of the Company at the following link http://kflindia.com/wp-content/uploads/2017/09/PD-2.pdf .

## NUMBER OF BOARD MEETINGS

The Board of Directors met 4 (Four) times during the financial year 2017-18. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

## DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act stating that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

## PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) and Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually. At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

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 judgment, 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 except the Independent Director being evaluated.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013, has been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of Section 152 of the Companies Act, 2013, Mr. Pradip Kumar Goenka retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Additional information on appointment/re-appointment of Directors as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the Notice convening the ensuing Annual General Meeting.

During the year, Mr. Siddanth Singh ceased to be a Key Managerial Personnel of the Company with effect from December 5, 2017.

Subsequent to the year under review, Mr. Lalit Goenka ceased to be a Director of the Company with effect from May 26, 2018 and Mr. Gaurav K. Soni was appointed as Company Secretary (Key Managerial Personnel) with effect from May 26, 2018.

## COMMITTEES OF THE BOARD OF DIRECTORS

### AUDIT COMMITTEE

During the year in review, the Audit Committee of the Company comprised of three Independent Directors viz., Mr. Sanjeev Maheshwari, Mr. Rahul Mehta and Ms. Bindu Shah. Mr. Sanjeev Maheshwari is the Chairman of the Audit Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

Details of all the Committees of the Board of the Company along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this Annual Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement it is hereby confirmed that:

i. in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii. 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 as at March 31, 2018 and of the profit of the Company for that period;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts for the financial year ended March 31, 2018, on a going concern basis;

v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

vi. 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.

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

At the Annual General Meeting of the Company held on September 26, 2014, M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai was appointed as statutory auditors of the Company to hold office till the conclusion of the 32nd Annual General Meeting.

The Auditors' Report does not contain any disqualification, reservation or adverse mark.

### Secretarial Auditor

The Company has appointed M/s. H. S. Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2017-18 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor Report for the year ended March 31, 2018 is annexed to this report as **Annexure A**. There is no observation or comment which requires your attention.

### Cost Auditor

As per the requirement of Central Government pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out Cost Audit of cost records relating to Textile products every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to audit the accounts of the Company for the financial year 2018-19 at a remuneration of ₹ 0.90 Lakh plus Goods and Service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking ratification of members' for the payment of remuneration to Cost Auditor forms part of the Notice convening the Annual General Meeting.

The Cost Audit report for the financial year 2016-17 was filed with the Ministry of Corporate Affairs.

### EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 92(3) of the Companies Act, 2013, an extract of Annual Return in prescribed format is annexed to this Report as **Annexure B**.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company.

Disclosure of transactions with related parties as required under the Indian Accounting Standard (IND AS-24) has been made in the notes forming part of the financial statements. Accordingly, the disclosure of related party transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to your Company.

### PARTICULARS OF LOANS GRANTED, GUARANTEE PROVIDED AND INVESTMENTS MADE PURSUANT TO THE PROVISIONS OF SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not granted any loans, not provided any Guarantee and not made any Investments which are covered under the provision of Section 186 of the Companies Act, 2013.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO AND EXPORT INITIATIVE

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 is given as **Annexure C**. The Company being focusing in Indian market, it has not taken any export initiative.

### PARTICULARS OF REMUNERATION TO MANAGERIAL PERSONNEL

In terms of provisions of the Companies Act, 2013 and disclosure as required under rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed there under, the names and other particulars of employees are provided under **Annexure D**, which is annexed to this Report.

A statement containing the particulars as required under rule 5(2) and (3) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 is not required to be given as per the Notification issued by Ministry of Corporate Affairs dated June 30, 2016.

### RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Audit Committee of the Board of Directors actively review the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### ACKNOWLEDGEMENT

The Board wishes to place on record their sincere appreciation to all the bankers, customers, employees at all levels and stakeholders for the continued support and patronage during the year under review.

**By Order of the Board**
For **Kamadgiri Fashion Limited**

**Place:** Mumbai
**Date:** May 26, 2018

**Pradip Kumar Goenka**
**Chairman & Managing Director**

## ANNERXURE A

## Form No. MR-3
## SECRETARIAL AUDIT REPORT
## FOR FINANCIAL YEAR ENDED ON MARCH 31, 2018.

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

To,
The Members,
KAMADGIRI FASHION LIMITED.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KAMADGIRI FASHION 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 ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, to the extent applicable 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") to the extent applicable to the Company: -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company being in Textile Sector as given below:

   (I) The Environment (Protection) Act, 1986 and Rules made there under.

   (II) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards.

   (III) Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the Sate Pollution Control Boards.

   (IV) Industries (Development and Regulation) Act, 1951.

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

i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India along with revised Secretarial Standards 1 and 2 as Issued by The Institute of Company Secretaries of India with effect from October 01, 2017.

ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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.

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

We further report that during the Audit period the Company has:

1. Company Secretary cum Compliance officer of the Company was resigned w.e.f. December 05, 2017. Mr Jagdish Prasad Dave, Chief Financial Officer of the Company appointed as a Compliance Officer as per Regulation 6 of the SEBI (LODR) Regulations, 2015 w.e.f. December 13, 2017.
2. Transferred 13,605 shares to IEPF Authority for Financial Year ended 2009 – 10 pursuant to section 124(5) of the Companies Act, 2013 read with the applicable rules made thereunder.
3. Declared and paid the Final dividend of ₹ 1.50/- per equity share of ₹ 10/- each for the Financial year ended March 31, 2017 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.
4. Obtained Shareholders approval pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) for Ratification and Remuneration payable to Cost Auditor of the Company for the financial year ended March 31, 2018.

For **HS Associates**
**Company Secretaries**

**Hemant S. Shetye**
**Partner**
**FCS No.: 2827**
**CP No.: 1483**

**Date:** May 26, 2018
**Place:** Mumbai

## Annexure - I

To,
The Members,
KAMADGIRI FASHION LIMITED

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 appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial audit report is neither an assurance as of the Company nor 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 **HS Associates**
**Company Secretaries**

**Hemant S. Shetye**
**Partner**
**FCS No.: 2827**
**CP No.: 1483**

**Date:** May 26, 2018
**Place:** Mumbai

**ANNERXURE B**

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

*[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 | L17120MH1987PLC042424 |
| ii | Registration Date | 4/2/1987 |
| iii | Name of the Company | Kamadgiri Fashion Limited |
| iv | Category/Sub-category of the Company | Limited by Shares |
| v | Address of the Registered office and contact details | B-104, 'The Qube', M.V. Road, Marol, Andheri (East), Mumbai – 400059<br>Tel No.: (+91 22) 71613131 |
| vi | Whether listed company | Yes |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Sharex Dynamic (India) Pvt. Ltd.,<br>Luthra Ind. Premises, Unit-1, Safeed Pool, Andheri-Kurla, Road, Andheri (East), Mumbai – 400072<br>Tel no.: (+91 22) 28515644 |

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

| Sr. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Ready-made Garments | 1410 | 46.85 |
| 2 | Weaving, Finish Fabrics | 1312 | 53.15 |

### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

| Sr. No. | Name & Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| NIL | | | | | |

### IV. SHARE HOLDING PATTERN:

#### (i) Category-wise Share Holding

| Category code (I) | Category of shareholder (II) | No. of Shares held at the beginning of the year as on April 01, 2017 | | | | No. of Shares held at the end of the year as on March 31, 2018 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **(A)** | **Shareholding of Promoter and Promoter Group[2]** | | | | | | | | | |
| **1** | **Indian** | | | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 1346080 | 0 | 1346080 | 22.93 | 1346080 | 0 | 1346080 | 22.93 | 0.00 |
| (b) | Central Government/ State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Bodies Corporate | 468400 | 0 | 468400 | 7.98 | 468400 | 0 | 468400 | 7.98 | 0.00 |
| (d) | Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Any Other (Relatives of promoters) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |

| Category code (I) | Category of shareholder (II) | No. of Shares held at the beginning of the year as on April 01, 2017 | | | | No. of Shares held at the end of the year as on March 31, 2018 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | **Sub-Total (A)(1)** | **1814480** | **0** | **1814480** | **30.91** | **1814480** | **0** | **1814480** | **30.91** | **0.00** |
| **2** | **Foreign** | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Qualified Foreign Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Any Other (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub-Total (A)(2)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | **1814480** | **0** | **1814480** | **30.91** | **1814480** | **0** | **1814480** | **30.91** | **0.00** |
| **(B)** | **Public shareholding [3]** | | | | | | | | | |
| **1** | **Institutions** | | | | | | | | | |
| (a) | Mutual Funds/ UTI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Financial Institutions/ Banks | 870 | 0 | 870 | 0.01 | 870 | 0 | 870 | 0.01 | 0.00 |
| (c) | Central Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (g) | Foreign Institutional Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) | Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Other (specify) | | | | | | | | | |
| (i-i) | Foreign Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub-Total (B)(1)** | **870** | **0** | **870** | **0.01** | **870** | **0** | **870** | **0.01** | **0.00** |
| **2** | **Non-institutions** | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| i) | Indian | 3101245 | 0 | 3101245 | 52.84 | 3101775 | 0 | 3101775 | 52.85 | 0.01 |
| ii) | Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Individuals | | | | | | | | | |

| Category code (I) | Category of shareholder (II) | No. of Shares held at the beginning of the year as on April 01, 2017 | | | | No. of Shares held at the end of the year as on March 31, 2018 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | i. Individual shareholders holding nominal share capital up to ₹1 lakh. | 384262 | 76835 | 461097 | 7.86 | 393772 | 60725 | 454497 | 7.74 | -0.11 |
| | ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh. | 434883 | 0 | 434883 | 7.41 | 381554 | 0 | 381554 | 6.50 | -0.91 |
| (c) | Other (specify) | | | | | | | | | |
| (c-i) | Clearing Member | 14242 | 0 | 14242 | 0.24 | 9141 | 0 | 9141 | 0.16 | -0.09 |
| (c-ii) | Non Resident Indians | 5401 | 100 | 5501 | 0.09 | 7323 | 0 | 7323 | 0.12 | 0.03 |
| (c-iii) | IEPF | 0 | 0 | 0 | 0 | 13605 | 0 | 13605 | 0.23 | 0.23 |
| (c-iv) | Director and their Relatives | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c-v) | Trust | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c-vi) | HUF | 37053 | 0 | 37053 | 0.63 | 85426 | 700 | 86126 | 1.47 | 0.84 |
| | **Sub-Total (B)(2)** | **3977086** | **76935** | **4054021** | **69.07** | **3992596** | **61425** | **4054021** | **69.07** | **0.00** |
| | **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **3977956** | **76935** | **4054891** | **69.09** | **3993466** | **61425** | **4054891** | **69.09** | **0.00** |
| **(C)** | **Shares held by Custodian for GDRs & ADRs** | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **GRAND TOTAL (A)+(B)+(C)** | **5792436** | **76935** | **5869371** | **100.00** | **5807946** | **61425** | **5869371** | **100.00** | **0.00** |

### (ii) Shareholding of Promoters

Share Holding of Promoters/Promoters Group

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year as on April 01, 2017 | | | Shareholding at the end of the year as on March 31, 2018 | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Mr. Pradip Kumar Goenka | 649200 | 11.06 | 0.00 | 649200 | 11.06 | 0.00 | 0.00 |
| 2 | Mr. Tilak Pradip Goenka | 496102 | 8.45 | 0.00 | 496102 | 8.45 | 0.00 | 0.00 |
| 3 | Mrs. Asha Devi Goenka | 199171 | 3.39 | 0.00 | 199171 | 3.39 | 0.00 | 0.00 |
| 4 | Mr. Lalit Goenka | 1607 | 0.03 | 0.00 | 1607 | 0.03 | 0.00 | 0.00 |
| 5 | Jagruti Synthetics Limited | 31600 | 0.54 | 0.00 | 31600 | 0.54 | 0.00 | 0.00 |
| 6 | Ananddeep Cotsyn Private Ltd | 436800 | 7.44 | 0.00 | 436800 | 7.44 | 0.00 | 0.00 |
| | **Total** | **1814480** | **30.91** | **0.00** | **1814480** | **30.91** | **0.00** | **0.00** |

**(iii) Change in Promoters' Shareholding**

| Sr. No. | Shareholders Name | 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 | **Mr. Pradip Kumar Goenka** | | | | |
| | At the beginning of the year | 649200 | 11.06 | 649200 | 11.06 |
| | At the end of the year | | | 649200 | 11.06 |
| 2 | **Mr. Tilak Pradip Goenka** | | | | |
| | At the beginning of the year | 496102 | 8.45 | 496102 | 8.45 |
| | At the end of the year | | | 496102 | 8.45 |
| 3 | **Mrs. Asha Devi Goenka** | | | | |
| | At the beginning of the year | 199171 | 3.39 | 199171 | 3.39 |
| | At the end of the year | | | 1991711 | 3.39 |
| 4 | **Mr. Lalit Goenka** | | | | |
| | At the beginning of the year | 1607 | 0.03 | 1607 | 0.03 |
| | At the end of the year | | | 1607 | 0.03 |
| 5 | **Jagruti Synthetics Limited** | | | | |
| | At the beginning of the year | 31600 | 0.54 | 31600 | 0.54 |
| | At the end of the year | | | 31600 | 0.54 |
| 6 | **Ananddeep Cotsyn Private Limited** | | | | |
| | At the beginning of the year | 436800 | 7.44 | 436800 | 7.44 |
| | At the end of the year | | | 436800 | 7.44 |

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

| Sr. No. | For Each of the Top 10 Shareholders | 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 | **Suhani Trading and Investment Consultants Private Limited** | | | | |
| | At the beginning of the year | 1645389 | 28.03 | 1645389 | 28.03 |
| | At the End of the year | | | 1645389 | 28.03 |
| 2 | **Surplus Finvest Private Limited** | | | | |
| | At the beginning of the year | 569000 | 9.70 | 569000 | 9.70 |
| | At the End of the year | | | 569000 | 9.70 |
| 3 | **Tritoma Hotels Pvt. Ltd.** | | | | |
| | At the beginning of the year | 325000 | 5.54 | 325000 | 5.54 |
| | At the End of the year | | | 325000 | 5.54 |
| 4 | **Counseled Mercantile Private Limited** | | | | |
| | At the beginning of the year | 199905 | 3.40 | 199905 | 3.40 |
| | At the End of the year | | | 199905 | 3.40 |
| 5 | **Loyal Apparels Private Limited** | | | | |
| | At the beginning of the year | 135500 | 2.31 | 135500 | 2.31 |
| | At the End of the year | | | 135500 | 2.31 |

| Sr. No. | For Each of the Top 10 Shareholders | 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 |
| 6 | **Abhay Jaswant Singh Kumat** | | | | |
| | At the beginning of the year | 130742 | 2.23 | 130742 | 2.23 |
| | At the End of the year | | | 130742 | 2.23 |
| 7 | **Jyoti Abhay Kumat** | | | | |
| | At the beginning of the year | 72752 | 1.24 | 72752 | 1.24 |
| | At the End of the year | | | 72752 | 1.24 |
| 8 | **Quality Synthetic Industries Limited** | | | | |
| | At the beginning of the year | 69300 | 1.18 | 69300 | 1.18 |
| | 3rd November, 2017- Market Sale | (100) | 0.00 | 69200 | 1.18 |
| | At the End of the year | | | 69200 | 1.18 |
| 9 | **Subramanian P** | | | | |
| | At the beginning of the year | 63070 | 1.07 | 63070 | 1.07 |
| | At the End of the year | | | 63070 | 1.07 |
| 10 | **Srinarayan Rajkumar Merchants Pvt. Ltd.** | | | | |
| | At the beginning of the year | 59000 | 1.00 | 59000 | 1.00 |
| | At the End of the year | | | 59000 | 1.00 |
| 11 | **Hemant Kumar Gupta#** | | | | |
| | At the beginning of the year | 90548 | 1.54 | 90548 | 1.54 |
| | 21st April, 2017 – Market Sale | (568) | (0.01) | 89980 | 1.53 |
| | 28th April, 2017 – Market Sale | (7708) | (0.13) | 82272 | 1.40 |
| | 5th May, 2017 – Market Sale | (425) | (0.01) | 81847 | 1.39 |
| | 12th May, 2017 – Market Sale | (74085) | (1.26) | 7762 | 0.13 |
| | 14th July, 2017 – Market Sale | (3962) | (0.07) | 3800 | 0.06 |
| | 27th October, 2017 – Market Sale | (500) | (0.01) | 3300 | 0.05 |
| | 24th November, 2017 | (2600) | (0.04) | 700 | 0.01 |
| | At the End of the year | | | 700 | 0.01 |

**Note:**

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated
2. #Ceased to be in the list of Top 10 shareholders as on March 31, 2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 01, 2017.

### (v) Shareholding of Directors and Key Managerial Personnel (KMP)

| Sr. No. | Name of the Director/KMP | Shareholding at the beginning of the year April 01, 2017 | | Change in Shareholding (No. of Shares ) | | Shareholding at the end of the year March 31, 2018 | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | Increase | Decrease | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr. Pradip Kumar Goenka | 649200 | 11.06 | - | - | 649200 | 11.06 | 649200 | 11.06 |
| 2 | Mr. Lalit Goenka | 1607 | 0.03 | - | - | 1607 | 0.03 | 650807 | 11.09 |
| 3 | Mr. Jagdish Prasad Dave | 295 | 0.01 | - | - | 295 | 0.01 | 651102 | 11.09 |

**Note:** Names of only those Directors & KMPs are mentioned who held shares at any time during the year.

## V. INDEBTEDNESS:

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

(₹ in Lakhs)

| PARTICULARS SECURED LOANS | SECURED LOANS EXCLUDING DEPOSITS | UNSECURED LOANS | DEPOSITS | TOTAL INDEBTEDNESS |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year April 01, 2017** | | | | |
| 1) Principal Amount | 706.83 | 100.00 | 63.00 | 869.83 |
| 2) Interest due but not paid | - | - | - | - |
| 3) Interest accrued but not due | - | - | - | - |
| **Total of (1+2+3)** | **706.83** | **100.00** | **63.00** | **869.83** |
| **Change in Indebtedness during the financial year** | | | | |
| + Addition | 250.00 | - | - | 250.00 |
| - Reduction | (309.38) | - | - | (309.38) |
| Net change | **(59.38)** | **-** | **-** | **(59.38)** |
| **Indebtedness at the end of the financial year March 31, 2018** | | | | |
| 1) Principal Amount | 647.45 | 100.00 | 63.00 | **810.45** |
| 2) Interest due but not paid | - | - | - | **-** |
| 3) Interest accrued but not due | - | - | - | **-** |
| **Total of (1+2+3)** | **647.45** | **100.00** | **63.00** | **810.45** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: (Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of the MD/WTD/Manager<br>Mr. Pradip Kumar Goenka (Chairman & Managing Director) | Total |
|---|---|---|---|
| 1 | **Gross salary** | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961. | 54,00,000* | **54,00,000** |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | NIL | **NIL** |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | NIL | **NIL** |
| 2 | Stock option | NIL | **NIL** |
| 3 | Sweat Equity | NIL | **NIL** |
| 4 | Commission as % of profit | NIL | **NIL** |
| 5 | Others | NIL | **NIL** |
| | **Total (A)** | 54,00,000* | **54,00,000** |
| | **Ceiling as per the Act** | **5% of the Net Profit calculated under Section 198 of the Companies Act, 2013** | |

* Payment is as per Schedule V of the Companies Act, 2013

### B. Remuneration of other Directors:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of the Directors | | | Total |
|---|---|---|---|---|---|
| 1 | **Independent Directors** | **Mr. Sanjeev Maheshwari** | **Mr. Rahul Mehta** | **Ms. Bindu Shah** | |
| | (a) Fee for attending board and committee meetings | 50,000 | 1,00,000 | 1,00,000 | **2,50,000** |
| | (b) Commission | NIL | NIL | NIL | **NIL** |
| | (c) Others | NIL | NIL | NIL | **NIL** |
| | **Total (1)** | **50,000** | **1,00,000** | **1,00,000** | **2,50,000** |
| 2 | **Other Non-Executive Directors** | **Mr. Anil Biyani** | **Mr. Lalit Goenka** | | |
| | (a) Fee for attending board and committee meetings | 48,000 | 40,000 | | **88,000** |
| | (b) Commission | NIL | NIL | | **NIL** |
| | (c) Others, please specify. | NIL | NIL | | **NIL** |
| | **Total (2)** | **48,000** | **40,000** | | **88,000** |
| | **Total (B)=(1+2)** | | | | 3,38,000 |
| | **Total Managerial Remuneration (A+B)** | | | | **57,38,000** |
| | **Overall Ceiling as per the Act** | **1% of the Net Profits. No remuneration is paid other than sitting fees** | | | |

### C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

| Sr. No. | Particulars of Remuneration | Name of KMPs | | Total |
|---|---|---|---|---|
| | | **Mr. Jagdish Prasad Dave (Chief Financial Officer)** | **Mr. Siddhant Singh* (Company Secretary)** | |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 12,62,344 | 3,54,135 | **16,16,479** |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | NIL | NIL | **NIL** |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | NIL | NIL | **NIL** |
| 2 | Stock Option | NIL | NIL | **NIL** |
| 3 | Sweat Equity | NIL | NIL | **NIL** |
| 4 | Commission<br>- As % of Profit<br>- Others, specify | NIL | NIL | **NIL** |
| 5 | Others, please specify:<br>Provident Fund & other Funds | NIL | NIL | **NIL** |
| | **Total** | **12,62,344** | **3,54,135** | **16,16,479** |

*Upto December 05, 2017

### VII PENALTIES/PUNISHMENT/COMPPOUNDING 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 | | | NIL | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |

**By Order of the Board**
For **Kamadgiri Fashion Limited**

**Place:** Mumbai
**Date:** May 26, 2018

**Pradip Kumar Goenka**
**Chairman & Managing Director**

**ANNEXURE C**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

| | |
|---|---|
| **(A) Conservation of Energy :**<br>(i) the steps taken or impact on conservation of energy | The operations of your Company are not energy intensive however adequate measures have been taken to reduce energy consumption. |
| (ii) the steps taken by the company for utilising alternate sources of energy | All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy. |
| (iii) the capital investment on energy conservation equipments | NIL |
| **(B) Technology absorption :**<br>(i) the efforts made towards technology absorption | N.A. |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | N.A. |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)<br>(a) the details of technology imported;<br>(b) the year of import;<br>(c) whether the technology been fully absorbed;<br>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof. | N.A. |
| (iv) the expenditure incurred on Research and Development | NIL |
| **(C) Foreign exchange earnings and Outgo :** | The Foreign Exchange outgo and foreign exchange earned by the Company during the year is detailed in Note no. 42.1.2 of Notes forming part of the Financial Statements. |

**By Order of the Board**
For **Kamadgiri Fashion Limited**

**Place:** Mumbai
**Date:** May 26, 2018

**Pradip Kumar Goenka**
**Chairman & Managing Director**

## ANNEXURE D

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

I. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of Managing Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

| Name of Director/KMP and Designation | Remuneration of Director/ KMP for Financial Year 2017-18 (₹ in Lakhs) | % increase in Remuneration in the Financial Year 2017-18 | Ratio of remuneration of each Director to MRE for Financial Year 2017-18 |
|---|---|---|---|
| Mr. Pradip Kumar Goenka (Chairman & Managing Director) | 54.00 | Nil | 29.34% |
| Mr. Jagdish Dave (Chief Financial Officer) | 12.62 | 10.74 | N.A |
| Mr. Siddhant Singh* (Company Secretary) | 3.54 | 11.84 | N.A |

*upto 5th December 2017

II. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 1.84 Lakh previous year it was ₹ 1.48 Lakh.

III. The increase in MRE in the financial year 2017-18, as compared to the financial year 2016-17 is 24.34%

IV. There were 1660 permanent employees on the rolls of Company as on March 31, 2018.

V. Average percentage increase made in the salaries of employees other than the managerial personnel in last financial year i.e. 2017-18 was 24.3% whereas there was increase by 31.65 % in the managerial remuneration for the same financial year.

VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**NOTE:** “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDIAN ECONOMIC SCENARIO

The implementation of the landmark Goods and Service Tax ('GST') has appeared as an apparent headwind for economy as a whole inspite of initial disruptions. After growing at a steady pace in the first quarter of 2017-18, there was a decline in Indian economic growth rate due to slowdown in consumer spending and exports. India's economic growth rate had rebounded in third quarter of FY 2017-18 and growth trajectory is expected to continue going forward. Indian economy is on a recovery path and is the fastest growing economy in the world. India has emerged as a 'bright spot' in an otherwise subdued world economy.

## INDIAN TEXTILE INDUSTRY

Indian textiles industry is one of the oldest and largest industries in the world. It is one of the largest contributors to India's exports, it roughly contributes about 11% of total exports. Textile industry is one of the largest employer in the country and employs about 45 million people directly. It broadly has two segments first, the unorganised sector consisting of handlooms, handicrafts and sericulture and the second is the organised sector consisting of spinning, weaving, knitting, garments and home textiles segment. The sector contributes 7% of Industrial output in value terms, 2% to India's Gross Domestic Product ('GDP') and 15% of the country's export earnings.

## KEY GROWTH DRIVERS FOR INDIA

- Increase in manufacturing cost of China that forces brands and retailers to look beyond China;
- Stronger ability of Indian manufacturers to adhere to compliance norms in comparison to other low-cost manufacturing countries like Bangladesh or Vietnam;
- Implementation of GST;
- Government initiatives to push growth and investment in Textile sector.

## OPPORTUNITIES AND THREATS

### Opportunities

- Market is gradually shifting towards Branded Textile products and Readymade Garments;
- Rise in e-commerce activities in retail sector for fashion led consumption;
- Greater investment and FDI opportunities are available in specialised, technical and engineering Textile.

### Threats

- Make balance between price and quality;
- Presence of many unorganised players leading to reduction of overall contribution from any product;
- Increasing costs of various input services and products is affecting the overall profitability.

## PERFORMANCE REVIEW

Large opportunities in global textile and clothing markets have led in growth of weaving business and it continues to show good performance. Performance of finished fabric unit which caters to readymade garment manufacturers and brands was satisfactory. 'True Value' – the value for money brand of the Company has evolved as one of the leading brands for quality suitings and shirtings. 'True Linen' linen fabric brand for the Company has maintained its established recall value and its loyal customer base in addition to adding new customer base. The readymade garment manufacturing unit of the Company has been catering to the satisfaction of brands.

## FUTURE OUTLOOK

In view of the better outlook for economy and in expectation of increase in overall consumption of consumer goods, the Company expects its readymade garmenting business to contribute more to top-line as well as bottom-line. The readymade garmenting is focusing on new growth opportunities considering the large domestic consumption.The Company expects to improve its performance in weaving and fabric business. The Company proposes to launch **"RISQUE"** – Men's Casual Shirts Brand targeted for online market and distribution network. The Company also proposes to enter Women's Wear segment wherein it will use fabric manufacturing capacity of the Company to offer innovative fabrics for women's garments and use these fabrics to create garment samplings eventually to create a women's wear brand in the long-run.

## RISK MANAGEMENT

In today's economic environment, Risk Management is a very critical for smooth operations. The main objective of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company's risk management is embedded in the business processes. The Company ensures that all the current and future material risk exposures are identified, assessed, quantified, appropriately mitigated, minimised and managed.

## INTERNAL CONTROL SYSYTEMS

Your company has put in place internal control systems and a structured internal audit process vested with the task of safeguarding the assets of the organisation and ensuring reliability and accuracy of the accounting and other operational data. Internal audit is conducted for all the processes to identify risks and verify whether all systems and processes are commensurate with the business size and structure. These internal controls are verified by professionals and presented to the Members of the Audit Committee to keep a check on existing systems and take corrective action to further enhance control measures.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Sales

The Company's Sales has increased to ₹ 33,152.91 Lakhs for the financial year ended March 31, 2018 as against ₹ 30,482.91 Lakhs in the previous year.

### Profit Before Tax

Profit Before Tax of the Company for the financial year ended March 31, 2018 stood at ₹ 1,062.03 Lakhs as against ₹ 414.19 Lakhs in the previous financial year.

### Interest

Interest & other borrowing cost outflow is ₹ 717.30 Lakhs for the financial year ended March 31, 2018 as against ₹ 843. 89 lakhs in the previous financial year.

**Net Profit**

Net Profit of the Company for the financial year ended March 31, 2018 stood at ₹ 651.31 Lakhs as against ₹ 281.54 Lakhs in the previous financial year.

**Dividend**

The Company has proposed a dividend of ₹ 2/- (20 %) per Equity Share for the financial year ended March 31, 2018 as against ₹ 1.50/- (15%) paid in the previous financial year.

**Capital Employed**

The capital employed in the business is ₹ 5492.58 Lakhs as at March 31, 2018. Return on Capital employed during 2017-18 is 32.40% as compared to 24.93% during 2016 – 17.

**Surplus Management**

The Company generate a cash profit of ₹ 1093.65 Lakhs for the financial year ended March 31, 2018 as compared to ₹ 716.28 Lakhs in the previous financial year. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund growth. The growth of the Company has been party been funded by the cash generated from the business as well as from additional funds borrowed.

**Debt- Equity**

Debt- Equity ratio of the Company has decreased from 1.38 in the previous year to 1.30 as at March 31, 2018.

**Earnings Per Share (EPS)**

The Company's Basic Earnings Per Share (EPS) has increased/ decreased from ₹ 4.80 in the previous year to ₹11.10 and Diluted Earnings Per Share (EPS) has increased/decreased from ₹ 4.80 in the previous year to ₹11.10 for the financial year ended as on March 31, 2018.

**HUMAN RESOURCE**

Your company strongly believes that its employees are its biggest assets and have played a major role in it growth. The Company has permanent employee strength of 1660 as on March 31, 2018. The Company believes in inclusive growth and being an employer of choice. As the Company has now three different operating units, human resource and relationship with the employees plays key role in its smooth operations. The Company pays required attention on the development and social needs of workers and staff. The Company is in a continuous process of evaluating, training, motivating and rewarding its employees for their unstinted performance and contributions to the Company so that the Company also receives the same in future also.

***CAUTIONARY STATEMENT***

*Statement in the report of management discussion and analysis and/or elsewhere in this report contains "forward looking statement" which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectation or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.*

*The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise and forward-looking statements, on the basis of any subsequent development, information or events.*

# CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Thus, Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**1. Company's philosophy on code of Governance:**

Kamadgiri Fashion Limited ('KFL' or 'the Company') believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is guided by a strong emphasis on transparency, accountability and integrity and has been practicing the principles of Corporate Governance over the years. The Company stresses upon building a culture of ethical behaviour and disclosures aimed at developing trust of our stakeholders.

**2. Board of Directors:**

The Board composition is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations. The strength of the Board as on March 31, 2018 is 6 Directors comprising of 2 Promoter Directors, 1 Non-Executive Director and 3 Independent Directors.

**Board Meeting**

During the financial year 2017-18, 4 (four) Board Meetings were held i.e. on May 29, 2017, September 13, 2017, December 13, 2017 and February 13, 2018. The time gap between two meetings did not exceed maximum period mentioned under the section 173 of the Companies Act, 2013 and the Regulation 17(2) of the Listing Regulations. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

**The composition of the Board and their attendance in the Board Meetings and other details are as under:**

| Name of Directors | Category of Directorship | #No. of other Directorships in public limited companies | ^No. of Committee Memberships | No. of Board meetings attended | Attendance at last AGM | Shares held |
|---|---|---|---|---|---|---|
| Mr. Pradip Kumar Goenka | Promoter & Executive | 1 | - | 4 | Present | 649200 |
| Mr. Lalit Goenka | Promoter & Non-Executive | - | - | 4 | Present | 1607 |
| Mr. Anil Biyani | Non-Independent & Non-Executive | 1 | - | 4 | Present | NIL |
| Mr. Rahul Mehta | Independent & Non-Executive | 1 | - | 4 | Absent | NIL |
| Mr. Sanjeev Maheshwari | Independent & Non-Executive | 2 | - | 2 | Absent | NIL |
| Ms. Bindu Shah | Independent & Non-Executive | - | - | 4 | Present | NIL |

#Alternate directorships and directorships in private companies, foreign companies and Section 8 companies are excluded.

^In accordance with Regulation 26 of Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies except Kamadgiri Fashion Limited have been considered.

There are no Nominees or Institutional Directors in the Company. None of the Directors have pecuniary or business relationship with the Company except to the extent as disclosed in note no. 38 of notes on Financial Statement. None of the Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director. There is no *inter se* relationship between directors. None of the Directors on the Company is serving as an Independent Director in more than seven/three listed entities, as specified in Regulation 25 of the Listing Regulations.

**Code of conduct for Directors and Senior Management**

The Code of conduct as applicable to the Directors and the members of the Senior Management had been approved by the Board and it is being abided by all of them. The Annual report contains declaration to this effect from the Chairman & Managing Director. It is also available on the website of the Company at the following link http://kflindia.com/wp-content/uploads/2017/09/PD-6.pdf .

**Familiarisation Programme for Directors**

The details of programmes for familiarization of Independent Directors with the Company are available on the website of the Company at the following link http://kflindia.com/wp-content/uploads/2017/09/PD-3.pdf .

### 3. Audit Committee

The Company has an Audit Committee at the Board level with powers and role that are in accordance with the provisions of the Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The Committee acts as a link between the management, the statutory auditors and the Board of Directors and oversees the financial reporting process.

The Audit Committee presently comprises of 3 Independent Directors. The members of the Committee are well versed in finance matters, accounts, Company law and general business practices.

The functions of the Audit Committee are as per Company Law and Listing Regulations. These include the review of accounting and financial policies and procedures, review of financial reporting system, internal control system and procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

The Committee met 4 (four) times during the financial year 2017-18 of the report, i.e., on May 29, 2017, September 13, 2017, December 13, 2017 and February 13, 2018. The time gap between the two meetings did not exceed one hundred and twenty days.

**Composition of Audit Committee and details of the meeting attended:**

| Sr. No. | Name of the Directors | Category | Designation in the Committee | No. of Meeting attended |
|---|---|---|---|---|
| 1. | Mr. Sanjeev Maheshwari | Independent & Non- Executive | Chairman | 2 |
| 2. | Mr. Rahul Mehta | Independent & Non- Executive | Member | 4 |
| 3. | Ms. Bindu Shah | Independent & Non- Executive | Member | 4 |

**The terms of reference of the Audit Committee includes:**

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of the audit process;
- Examination of financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the Company, whenever it is necessary;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management system;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing the functioning of the Whistle Blower mechanism;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 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;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

### 4. Stakeholders Relationship Committee:

The Stakeholders Relationship-Committee comprises of 3 Non-Executive Directors including 2 Independent Directors. The Committee meets at frequent intervals to consider, *inter alia*, shareholders complaints like non-receipt of share certificate or delay in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. and provide satisfactory solution to the complainant's except for disputed cases and sub-judice matters which would be solved on final disposal by the Courts.

During the financial year 2017-18, the Committee met 4 (four) times i.e. on May 29, 2017, September 13, 2017, December 13, 2017 and February 13, 2018.

**Composition of Stakeholders Relationship Committee and details of the meeting attended:**

| Sr. No. | Name of the Directors | Category | Designation in the Committee | No. of Meeting attended |
|---|---|---|---|---|
| 1. | Ms. Bindu Shah | Independent & Non-Executive | Chairperson | 4 |
| 2. | Mr. Rahul Mehta | Independent & Non-Executive | Member | 4 |
| 3. | Mr. Anil Biyani | Non-Independent & Non-Executive | Member | 4 |

**Compliance officer**

Mr. Gaurav Kirankumar Soni, Company Secretary is the compliance officer of the Company with effect from May 26, 2018.

During the financial year 2017-18, the Company had received 2 (two) which were redressed. There was no complaint pending as on March 31, 2018. There was also no request for transfer & dematerialisation pending as on the said date.

**5. Nomination & Remuneration Committee:**

The Nomination and Remuneration Committee (‘NRC‘) presently comprises of 3 Independent Directors. KFL’s remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth.

The Company’s NRC is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of Whole-Time Directors and to deal with all the elements of remuneration package of all such Directors.

As for non-whole-time directors their appointment is for utilizing their professional expertise in achieving the goals of the Company. Accordingly, the service contract, notice period and severance fees, if any, are not applicable to such non-whole-time directors. However, as per Company’s policy, upon attaining the age of 70 years the non-whole time Directors seek retirement by not offering themselves for re-appointment at Annual General Meeting of the Company.

During the financial year 2017-18, the Committee met once on September 13, 2017.

**Composition of NRC and details of the meeting attended:**

| Sr. No. | Name of the Directors | Category | Designation in the Committee | No. of Meeting attended |
|---|---|---|---|---|
| 1. | Mr. Rahul Mehta | Independent & Non- Executive | Chairman | 1 |
| 2. | Mr. Sanjeev Maheshwari | Independent & Non- Executive | Member | 0 |
| 3. | Ms. Bindu Shah | Independent & Non- Executive | Member | 1 |

**The terms of reference of the NRC includes:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

**Remuneration Policy:**

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company’s remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retirement benefits. The remuneration policy is in consonance with the existing industry practice.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Managing Director and CEO, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the NRC evaluates the remuneration paid by the comparable organization and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on revision of remuneration payable to the Managing Director and CEO as per terms of appointment and based on the performance of the individual as well as the Company.

Non-Executive Directors are paid sitting fees of ₹ 10,000 for attending any Meeting of the Board, Audit Committee and Meeting of Independent Directors and ₹ 2,000 for attending any meeting of NRC, Stakeholders Relationship Committee and the Board shall from time to time decide sitting fees payable to any new committees, if constituted or revision of sitting fees, if any.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, governance, etc.

**Remuneration of Directors:**

The Company has no pecuniary relationship or transaction with its Non-Executive Independent Directors other than payment of sitting fees to them, if any, for attending Board and Committee Meetings.

The Company does not have an incentive plan, which is linked to performance and achievement of the Company's objectives. The Company has no stock option and pension scheme.

The details of remuneration paid to the Executive Director of the Company during the year ended March 31, 2018 are given as under:

| Sr. No. | Particulars | Unit | |
|---|---|---|---|
| a) | Salary p.a. | ₹ | 54,00,000/- |
| b) | Fixed Component – Contribution to Provident Fund | ₹ | 2,59,200/- |
| c) | Bonus, Benefits & Other Allowances | ₹ | Nil |
| d) | Service contract | Years | 3 |
| e) | Notice Period | Months | 3 |
| f) | Severance Fees | ₹ | Nil |

| Sr. No. | Name of Director | Amount (₹) |
|---|---|---|
| 1 | Mr. Rahul Mehta | 1,00,000/- |
| 2 | Mr. Sanjeev Maheshwari | 50,000/- |
| 3 | Ms. Bindu Shah | 1,00,000/- |
| 4 | Mr. Anil Biyani | 48,000/- |
| 5 | Mr. Lalit Goenka | 40,000/- |

## 6. Committee of Directors

The Board of Directors has constituted a Committee of Directors and delegated powers to transact certain regular matters relating to the business of the company. A total of 4 meetings were held during the financial year 2017-18.

## 7. General Body Meetings

The details of the Annual General Meeting held during the last 3 financial years are as under:

| Financial Year | Date | Time | Venue | No. of Special Resolution(s) passed |
|---|---|---|---|---|
| 2016-17 | 19/09/2017 | 10:00 am | Hotel Mirage<br>International Airport Approach Road,<br>Marol, Andheri (East),<br>Mumbai – 400059 | Nil |
| 2015-16 | 19/09/2016 | 10:30 am | Hotel Mirage<br>International Airport Approach Road,<br>Marol, Andheri (East),<br>Mumbai – 400059 | Nil |
| 2014-15 | 25/09/2015 | 10:00 am | Hotel Mirage<br>International Airport Approach Road,<br>Marol, Andheri (East),<br>Mumbai – 400059 | Three |

## 8. Means of Communication:

The results of the Company are furnished to the BSE Limited on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors. The results are normally published in "Free Press" or "Business Standard" - English Newspaper and "Mumbai Lakshadweep", Marathi Newspaper within 48 hours after the approval of the Board. These were not sent individually to the shareholders. However, the Company furnishes the same on receipt of a request from the shareholder.

A separate dedicated section under "Investor" on the Company's website gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.

## 9. General Shareholders Information:

### a) Annual General Meeting

Day, Date and Time: Tuesday, September 25, 2018 at 10:00 AM
Venue: Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059

**b) Financial Calendar for 2018-19:**

Results for the quarter ending June 30, 2018
By August 14, 2018

Results for quarter ending September 30, 2018
By November 14, 2018

Results for quarter ending December 31, 2018
By February 14, 2019

Results for year ending March 31, 2019
By May 30, 2019

Annual General Meeting:
By September 30, 2019

**c) Financial Year**

The financial year covers the period from April 01 of every year to March 31 of the next year.

**d) Record Date / Book Closure**

The Company has fixed Tuesday, September 18, 2018 as the Record Date for the purpose of payment of Dividend for the year 2017-18.

**e) Dividend payment Date**

Dividend will be paid on or before October 25, 2018

**f) Listing on Stock Exchanges & Listing fees.**

The Company's shares are listed on:
BSE Limited (BSE), Phrioze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

**g) Listing Fees**

Listing fees as prescribed has been paid to BSE Limited, the Stock Exchange where shares of the Company are listed.

**h) Stock Code & ISIN**

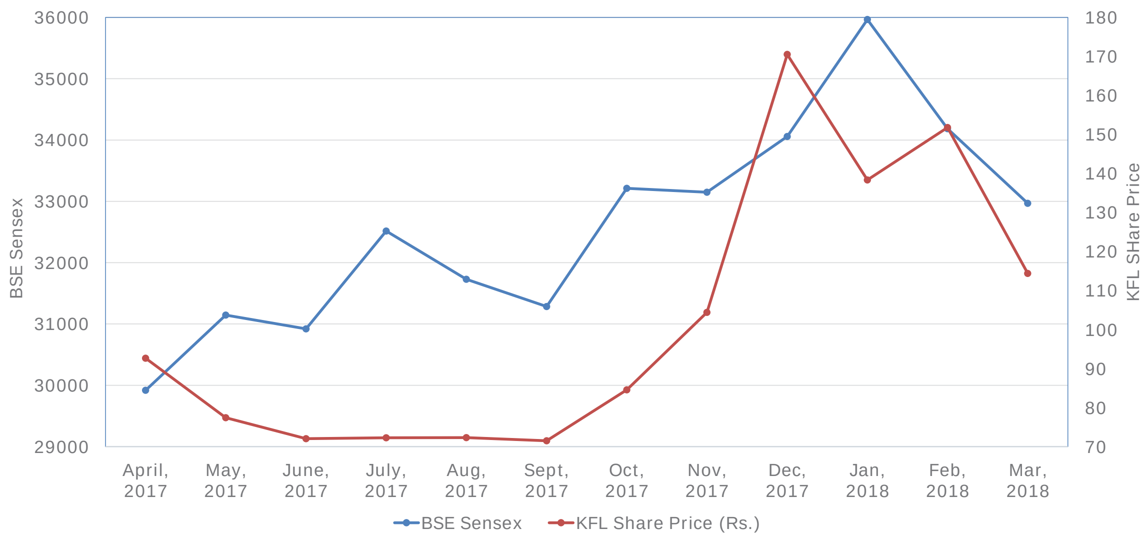
Stock Code at BSE Limited is 514322. ISIN is INE535C01013.

**i) Market Price Data**

i. The monthly high and low quotations of shares of the Company traded on BSE Limited for the financial year ended March 31, 2018 was as follows:

| Month | (Amount in ₹ ) | | |
|---|---|---|---|
| | High | Low | Volume |
| April, 2017 | 95.10 | 63.50 | 64968 |
| May, 2017 | 107.40 | 67.30 | 566497 |
| June, 2017 | 81.00 | 61.00 | 26192 |
| July, 2017 | 87.00 | 70.30 | 35574 |
| August, 2017 | 91.10 | 65.95 | 42167 |
| September, 2017 | 84.85 | 59.00 | 79868 |
| October, 2017 | 92.00 | 71.00 | 40523 |
| November, 2017 | 124.65 | 80.10 | 161429 |
| December, 2017 | 188.00 | 98.35 | 301665 |
| January, 2018 | 176.00 | 138.2 | 50198 |
| February, 2018 | 167.00 | 113.85 | 81672 |
| March, 2018 | 154.00 | 93.10 | 48877 |

ii. Performance of the stock in comparison to BSE Sensex




**j) Registrar and Share Transfer Agent**

The Company has appointed Sharex Dynamic (India) Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

**Sharex Dynamic (India) Private Limited**
Unit No.1, Luthra Industrial Premises, Safed Pool,
Andheri-Kurla Road, Andheri (East), Mumbai - 400072.
Tel No.: (+91 22) 28515606/28515644
Fax: (+91 22) 28512885
Concerned officer in charge of the Registry is Mr. T. Shashi Kumar.
Email: sharexindia@vsnl.com

**k) Share Transfer System**

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and affected within 15 days from the date of receipt.

Shares held in the dematerialized form are electronically traded by Depository Participants and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

**l) Distribution of shareholding as on March 31, 2018**

| No. of Shares | No. of Shareholders | % of Shareholders | Number of shares | % of Shareholding |
|---|---|---|---|---|
| Upto 500 | 1493 | 86.80 | 199745 | 3.40 |
| 501 – 1000 | 111 | 6.45 | 88243 | 1.50 |
| 1001 – 5000 | 81 | 4.71 | 186110 | 3.17 |
| 5001 – 10000 | 8 | 0.47 | 57110 | 0.47 |
| 10001 and above | 87 | 1.57 | 5338163 | 90.95 |
| **Total** | **1720** | **100.00** | **5869371** | **100.00** |

**Categories of Shareholders as on March 31, 2018 is as under:**

| Category | Number of shares | % of Shareholding |
|---|---|---|
| Promoters | 1814480 | 30.91 |
| Banks/MFs/FIs | 870 | 0.02 |
| Private Bodies Corporate | 3101775 | 52.85 |
| Indian Public | 922177 | 15.71 |
| NRIs/OCBs | 7323 | 0.12 |
| Clearing Members | 9141 | 0.16 |
| IEPF | 13605 | 0.23 |
| **Total** | **5869371** | **100.00** |

**l) Dematerialisation of shares**

About 98.94% of the shares have been dematerialised as on March 31, 2018. The equity shares of Kamadgiri Fashion Limited are traded at the BSE Limited.

The equity shares of the Company are permitted to be traded in dematerialised form only.

**m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

There is no outstanding GDRs/ADRs/Warrants or any convertible instruments.

**n) Plant Locations**

The Company's plant are located at:

- 43/2, 42/1, Ganga Devi Road, Umbergaon - 396 171, Dist. Valsad (Gujarat).
- C-4/2/2, MIDC Tarapur - 401 506, Dist. Thane (Maharashtra).
- J-72/1, MIDC Tarapur - 401 506, Dist. Thane (Maharashtra).

**o) Address for investor correspondence**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, payment of dividend on shares and any other query relating to shares of the Company Registrar & Share Transfer Agent may be contacted at the following address:

**Sharex Dynamic (India) Private Limited**
Unit No.1, Luthra Industrial Premises, Safed Pool
Andheri-Kurla Road, Andheri (East), Mumbai – 400072
Tel No.: (+91 22) 28515606/28515644
Fax: (+91 22) 28512885
Concerned officer incharge of the Registry is Mr. T. Shashi Kumar.
Email: sharexindia@vsnl.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

**10. CEO/CFO Certification**

As per requirement of Part B of Schedule II of Regulation 17(8) of Listing Regulations, the Managing Director and CEO of the Company have certified to the Board regarding Financial Statements for the year ended March 31, 2018.

**11. Disclosures:**

(a) There were no other related party transactions of material nature with the Promoters, Directors, the management or relatives during the year that may have potential conflict with the interest of the Company at large. However, attention is drawn to note no. 38 of Notes to Financial Statements.

(b) There were no instances of non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.

(c) The Company has a Whistle Blower Mechanism in place. The Board affirms that no personnel have been denied access to the Audit Committee during the year in terms of the Whistle Blower Policy.

(d) The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance. A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and is attached to this report.

(e) The web link of policy on dealing with related party transactions is available on the website of the Company at the link http://kflindia.com/wp-content/uploads/2017/09/PD-1.pdf .

(f) The policy on dealing with material subsidiaries is not applicable to the Company as there are no subsidiaries.

**12. DISCRETIONARY REQUIREMENTS**

a) **The Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

b) **Shareholders' Right:** As the financial results of the Company is published every quarter in English and Marathi newspapers having a wide circulation, the same need not be sent to shareholders individually. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

c) **Audit Qualifications:** There are no audit qualifications or observations on the Financial Statements for the financial year 2017-18.

d) **Separate posts of Chairman and CEO:** The position of Chairman and Managing Director is not separately held.

e) **Reporting of Internal Auditor:** The Internal auditors are invited to Audit Committee Meetings to make their presentation directly to the Audit Committee.

**13. Compliance**

A certificate from the Statutory Auditors of the Company regarding compliance of corporate governance and a declaration signed by the chief executive officer stating that the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management has been obtained and attached to this report.

**Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To The Members of

**Kamadgiri Fashion Limited**

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 25, 2017.
2. We have examined the compliance of conditions of Corporate Governance by Kamadgiri Fashion Limited ('the Company'), for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**Management's Responsibility**

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the 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 an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

**Opinion**

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. 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.

**Restriction on Use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sumant Sakhardande
Partner
Membership No.034828

**Place:** Mumbai

**Date:** May 26, 2018

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**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT**

I, Pradip Kumar Goenka, Chairman & Managing Director of the Company hereby declare that all Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct laid down by the Board on an annual basis.

For **Kamadgiri Fashion Limited**

**Place:** Mumbai
**Date:** May 26, 2018

**Pradip Kumar Goenka**
**Chairman & Managing Director**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Kamadgiri Fashion Limited**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Kamadgiri Fashion Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

**Management's Responsibility for the Ind AS Financial Statements**

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

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Other Matter**

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 which were audited by us, on which we expressed an unmodified opinion dated May 29,2017 and May 30,2016 respectively. The adjustments to those financial statements, for the differences in the accounting principles adopted by the Company on transition to the Ind AS, have been audited by us.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in “Annexure 2”.

g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 37 on Contingent Liabilities to the Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W /W100048

Sumant Sakhardande
Partner
Membership No. 034828

Place: Mumbai
Date: May 26, 2018

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**ANNEXURE 1 TO THE INDEPENDENT AUDITOR’S REPORT**

[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the members of Kamadgiri Fashion Limited on the financial statements for the year ended March 31, 2018]

(i)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

(ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) Based on information and explanation given to us, there are no loans, investment, guarantees and security where provisions of Section 185 and 186 of the Act are required to be complied with. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii)

(a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it,

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, goods and service tax, custom duty, excise duty which have not been deposited on account of dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹ in Lakh) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 122.36 | 2010-2011<br>2011-2012<br>2012-2013<br>2013-2014<br>2014-2015* | CIT (Appeals) |
| Gujarat Sales Tax Act, 1969 | Sales Tax | 31.02 | 2001-2002<br>2002-2003 | Commissioner (Appeals) |
| * Assessment Year | | | | |

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. Further there are no borrowings from financial institution, government or dues to debenture holder.

(ix) The Company has not raised money by way of public issue offer / further public offer during the year. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable Indian Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W /W100048

Sumant Sakhardande
Partner
Membership No. 034828

Place: Mumbai
Date: May 26, 2018

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kamadgiri Fashion Limited on the financial statements for the year ended March 31, 2018]

**Report on the Internal Financial Controls over Financial Reporting 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 Kamadgiri Fashion Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W /W100048

Sumant Sakhardande
Partner
Membership No. 034828

Place: Mumbai
Date: May 26, 2018

# BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

| PARTICULARS | Note No. | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-Current Assets** | | | | |
| Property, Plant and Equipment | 2 | **2,915.27** | 2,724.09 | 2,915.32 |
| Capital work-in-progress | 2 | **6.23** | 35.61 | 3.66 |
| Intangible Assets | 2 | **21.07** | 15.58 | 18.84 |
| Investment property | 3 | **41.37** | 42.15 | 42.93 |
| Financial Assets | 4 | **53.52** | 106.00 | 138.69 |
| Other non current assets | 5 | **41.68** | 22.19 | 28.62 |
| **Total Non-Current Assets** | | **3,079.14** | **2,945.62** | **3,148.06** |
| **Current Assets** | | | | |
| Inventories | 6 | **5,248.15** | 5,350.24 | 5,627.55 |
| Financial Assets | | | | - |
| Trade Receivables | 7 | **7,030.18** | 5,150.10 | 5,166.38 |
| Cash and Cash Equivalents | 8 | **18.92** | 11.03 | 77.27 |
| Bank Balances other than above | 9 | **82.13** | 51.19 | 45.16 |
| Loans | 10 | **13.08** | 11.41 | 3.35 |
| Others Financial Assets | 11 | **211.37** | 128.84 | 104.93 |
| Other Current Assets | 12 | **219.09** | 183.53 | 181.17 |
| **Total Current Assets** | | **12,822.92** | **10,886.34** | **11,205.81** |
| **Total Assets** | | **15,902.06** | **13,831.96** | **14,353.87** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity Share Capital | 13 | **586.94** | 586.94 | 543.99 |
| Other Equity | 14 | **3,469.17** | 2,916.11 | 2,749.04 |
| **Total Equity** | | **4,056.11** | **3,503.05** | **3,293.03** |
| **LIABILITIES** | | | | |
| **Non-Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 15 | **379.56** | 490.65 | 749.10 |
| Other financial liabilities | 16 | **464.40** | 345.52 | 355.48 |
| Provisions | 17 | **285.71** | 259.86 | 163.14 |
| Deferred tax liabilities (net) | 18 | **159.21** | 169.32 | 264.70 |
| Other non current liabilities | 19 | **55.84** | 56.48 | 57.12 |
| **Total Non-Current Liabilities** | | **1,344.72** | **1,321.83** | **1,589.54** |
| **Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 20 | **4,645.18** | 4,075.99 | 4,596.49 |
| Trade Payables | 21 | **3,610.60** | 3,151.79 | 3,381.05 |
| Other Financial Liabilities | 22 | **1,989.83** | 1,531.78 | 1,271.15 |
| Other Current Liabilities | 23 | **127.32** | 195.29 | 191.26 |
| Provisions | 24 | **27.09** | 21.43 | 25.62 |
| Current Income tax liabilities (Net) | 25 | **101.21** | 30.80 | 5.73 |
| **Total Current Liabilities** | | **10,501.23** | **9,007.08** | **9,471.30** |
| **Total Equity and Liabilities** | | **15,902.06** | **13,831.96** | **14,353.87** |

Notes along with significant accounting policies form an integral part of the financial statements 1 to 45

As per our Report of even date.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W/W100048

**Sumant Sakhardande**
Partner
Membership No. 034828

Date : May 26, 2018
Place : Mumbai

**For and on behalf of the Board**

**Pradip Kumar Goenka**
Chairman & Managing Director
DIN : 00516381

**Anil Biyani**
Director
DIN : 00005834

**Jagdish Prasad Dave**
Chief Financial Officer

**Gaurav K. Soni**
Company Secretary

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

| PARTICULARS | Note No. | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|---|
| **REVENUE** | | | |
| **Revenue From Operations** | 26 | **33,152.52** | 30,482.91 |
| Other Income | 27 | **148.39** | 45.64 |
| **Total Revenue** | | **33,300.91** | **30,528.55** |
| | | | |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 28 | **15,251.88** | 14,617.74 |
| Purchases of Stock-in-Trade | - | **5,166.14** | 3,235.59 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 29 | **(108.96)** | (47.30) |
| Employee Benefits Expense | 30 | **3,704.85** | 3,385.32 |
| Finance Costs | 31 | **717.30** | 843.89 |
| Depreciation and Amortization Expenses | 2 | **442.34** | 434.74 |
| Other Expenses | 32 | **7,065.33** | 7,644.38 |
| **Total Expenses** | | **32,238.88** | **30,114.36** |
| | | | |
| **Profit Before Tax** | | **1,062.03** | **414.19** |
| **Tax Expense** | | **-** | - |
| (1) Current Tax | 35 | **417.00** | 220.00 |
| (2) Deferred Tax (Net of MAT Credit) | 35 | **(6.28)** | (87.35) |
| | | **410.72** | 132.65 |
| | | | |
| **Profit For The Year** | | **651.31** | **281.54** |
| **Other Comprehensive Income** | | **-** | - |
| (i) Items that will not be reclassified subsequently to profit or loss | | | |
| a) Remeasurement of defined employee benefit plans | | **11.57** | (24.28) |
| a) Income tax relating to items that will not be reclassified to profit or loss | | **(3.83)** | 8.03 |
| **Other Comprehensive Income For The Year** | | **7.74** | **(16.25 )** |
| | | | |
| **Total Comprehensive Income For The Year** | | **659.05** | **265.29** |
| | | | |
| **Earnings Per Equity Share of Face Value of ₹ 10/- each** | | | |
| Basic (in ₹) | 34 | **11.10** | 4.80 |
| Diluted (in ₹) | 34 | **11.10** | 4.80 |
| Notes along with significant accounting policies form an integral part of the financial statements 1 to 45 | | | |

As per our Report of even date.
**For Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W/W100048

**Sumant Sakhardande**
Partner
Membership No. 034828

Date : May 26, 2018
Place : Mumbai

**For and on behalf of the Board**

**Pradip Kumar Goenka**
Chairman & Managing Director
DIN : 00516381

**Anil Biyani**
Director
DIN : 00005834

**Jagdish Prasad Dave**
Chief Financial Officer

**Gaurav K. Soni**
Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

| | PARTICULARS | Year Ended 31 March 2018 | Year Ended 31 March 2017 |
|---|---|---|---|
| (A) | **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| | Net Profit before tax | **1,062.03** | 414.19 |
| | Adjustments: | | |
| | Depreciation and amortisation expense | **442.34** | 434.74 |
| | Gain on sale of Property, Plant and Equipments(net) | **(121.08)** | 15.06 |
| | Interest income | **(2.39)** | (2.96) |
| | Interest Expenses | **717.30** | 843.89 |
| | Allowance For Doubtful Debts | **53.22** | (13.30) |
| | | **1,089.39** | 1,277.43 |
| | **Operating Profit before Working Capital changes** | **2,151.42** | 1,691.62 |
| | Adjustments For: | | |
| | Decrease in Inventories | **102.09** | 277.31 |
| | Increase in Trade Receivable | **(1,933)** | 29.58 |
| | Increase in Loans & Advances | **(1.67)** | (8.06) |
| | Increase in Others Financial Assets | **(93.05)** | (13.87) |
| | Increase in Other Current and Non Current Assets | **(55.05)** | 4.07 |
| | Increase in Trade Payable | **458.81** | (229.26) |
| | Decrease in Other Current and Non-Current Liabilities | **(70.40)** | 3.39 |
| | Increase in Other financial liabilities | **494.70** | 249.38 |
| | Increase in Provisions | **4.63** | 62.52 |
| | | **(1,093.24)** | 375.06 |
| | **Cash generated from operations** | **1,058.18** | 2,066.68 |
| | Income Tax Paid | **(314.00)** | (189.20) |
| | **NET CASH GENERATED FROM OPERATING ACTIVITIES** | **744.18** | 1,877.48 |
| (B) | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Inflow: | | |
| | Sale of Property, Plant and Equipments | **224.74** | 1.70 |
| | Interest Received | **34.44** | 19.58 |
| | | **259.18** | 21.28 |
| | Outflow: | | |
| | Purchase of Property, Plant and Equipments | **(699.47)** | (288.17) |
| (C) | **NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES** | **(440.29)** | **(266.89)** |
| | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Inflow: | | |
| | Proceeds of Long Term Borrowings | **250.00** | - |
| | Proceeds of Short Term Borrowings | **569.19** | - |
| | | **819.19** | - |
| | Outflow: | | |
| | Repayment of Long Term Borrowings | **(294.59)** | (257.17) |
| | Repayment of Short Term Borrowings | **-** | (477.55) |
| | Interest Paid | **(714.61)** | (843.89) |
| | Dividend Paid (Including Dividend Distribution Tax) | **(105.99)** | (98.22) |
| | | **(1,115.19)** | (1,676.83) |
| | **NET CASH (USED IN) FINANCING ACTIVITIES** | **(296.00)** | (1,676.83) |
| | **Net Increase In Cash And Cash Equivalents (A+B+C)** | **7.89** | **(66.24)** |
| | Opening Balance Of Cash And Cash Equivalents | **11.03** | 77.27 |
| | Closing Balance Of Cash And Cash Equivalents | **18.92** | 11.03 |
| | **Notes to Cash Flow Statements:** | | |
| | Cash & Cash Equivalents comprise of: (Refer Note.8) | | |
| | Cash on hand | **5.48** | 5.23 |
| | Bank Balances with Scheduled Banks: | | |
| | In Current Accounts | **13.44** | 5.80 |
| | **TOTAL** | **18.92** | **11.03** |

Note 1 : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind-AS 7 ) - Statement of Cash Flow.

Notes 2 : The Amendments to Ind As 7 Cash Flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash flows changes, suggesting inclusion of reconciliation between the opening and closing balance in balance sheet for liabilities arising from financing activites, to meet the disclosure requirement. This amendment has become effective from 1st april 2017 and the require disclosure is made below. There is no other impact on financial Statements due to this amendment.

**Reconcillation of between of Opening and Closing of Finance Activities of Cash Flow Statements**

| Particulars | As at March 31, 2017 | Non Cash Changes | As At March 31, 2018 |
|---|---|---|---|
| | | Current/Non Current Classification | |
| Borrowings Non current | 490.65 | (360.15) | 379.56 |
| Other Financial Liabilities | 277.92 | 360.15 | 360.15 |
| Borrowings current | 4,075.99 | | 4,645.18 |

As per our Report of even date.
**For Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W/W100048

**Sumant Sakhardande**
Partner
Membership No. 034828

Date : May 26, 2018
Place : Mumbai

**For and on behalf of the Board**

**Pradip Kumar Goenka**
Chairman & Managing Director
DIN : 00516381

**Anil Biyani**
Director
DIN : 00005834

**Jagdish Prasad Dave**
Chief Financial Officer

**Gaurav K. Soni**
Company Secretary

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

## EQUITY SHARE CAPITAL

| Particulars | 2017-2018 | 2016-2017 |
|---|---|---|
| As at the beginning of the year | 586.94 | 543.99 |
| Add: CCDs converted to Equity Shares | - | 42.95 |
| As at end of the year | **586.94** | **586.94** |

## OTHER EQUITY

| Particulars | Other Equity | | | | Total Other Equity |
|---|---|---|---|---|---|
| | Reserves and surplus | | | | |
| | Securities premium reserve | Capital reserve | General reserve | Retained Earnings | |
| **As at April 1, 2016** | **731.66** | **37.00** | **670.02** | **1,310.36** | **2,749.04** |
| Profit for the year | - | - | - | 281.54 | 281.54 |
| Dividends on equity shares | - | - | - | (81.60) | (81.60) |
| Corporate dividend tax | - | - | - | (16.62) | (16.62) |
| Remeasurement of defined benefit obligation (net of tax) | - | - | - | (16.25) | (16.25) |
| **As at March 31, 2017** | **731.66** | **37.00** | **670.02** | **1,477.43** | **2,916.11** |
| Profit for the year | - | - | - | 651.31 | 651.31 |
| Dividends on equity shares | - | - | - | (88.04) | (88.04) |
| Corporate dividend tax | - | - | - | (17.95) | (17.95) |
| Remeasurement of defined benefit obligation (net of tax) | - | - | - | 7.74 | 7.74 |
| **As at March 31, 2018** | **731.66** | **37.00** | **670.02** | **2,030.49** | **3,469.17** |

As per our Report of even date.

**For Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W/W100048

**Sumant Sakhardande**
Partner
Membership No. 034828

Date : May 26, 2018
Place : Mumbai

**For and on behalf of the Board**

**Pradip Kumar Goenka**
Chairman & Managing Director
DIN : 00516381

**Anil Biyani**
Director
DIN : 00005834

**Jagdish Prasad Dave**
Chief Financial Officer

**Gaurav K. Soni**
Company Secretary

# Notes to Financial Statements for the year ended March 31, 2018

**1. Corporate Information**

Kamadgiri Fashions Limited (KFL) ("the Company") is a public limited company, incorporated domiciled in India which mainly engaged in the business of manufacturing and job work in Textile Industry. The Company is listed on the Bombay Stock Exchange (BSE).

The registered office of the Company is located at B-104, "The Qube" M.V. Road, Marol, Andheri (East), Mumbai -400 059.

The financial statements for the year ended 31st March, 2018 were approved by the Board of Directors and authorised for issue on May 26, 2018.

**1.1 Significant Accounting Policies**

**Basis of Preparation of Financial Statements**

**i. Statement of Compliance with Indian Accounting Standards (Ind AS)**

These financial statements comply, in all material respects, with Ind AS notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 1956.

These financial statements are the Company's first Ind AS financial statements and are complied with Ind AS 101 'First Time Adoption of Indian Accounting Standards' (Ind AS 101). The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101.

The date of transition to Ind AS is 1st April, 2016. Refer Note no. 43 for an explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

**ii. Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

**a) Certain financial assets and liabilities that are measured at fair value**

**Functional and Presentation Currency**

These financial statements are presented in Indian Rupees, which is also the functional currency of the Company. All financial information presented in Indian Rupees has been rounded off to two decimals in lakhs.

**iii. Current and Non-current Classification**

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (Twelve months) and other criteria set out in Schedule III to the Act

**1.2 Summary of significant accounting policies**

**I. Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**II. Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of Property, plant and equipment are disclosed as “Capital advances” under Other Non-Current Assets and the cost of assets not ready to be put to use as at the balance sheet date are disclosed as ‘Capital work-in-progress’.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

**III. Investment property**

Investment property are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

The Company is following straight line method of depreciation in respect of residential flat. Depreciation on flat is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of flat is 60 years and estimated residual value is 5%.

**IV. Intangible assets and Amortisation**

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

**Amortisation methods and periods**

Intangible assets comprising of software is amortized on a straight-line basis over the useful life of three years which is estimated by the management.

**V. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**VI. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**(i) As a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(i) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**VII. Inventories**

- Raw Materials (Including goods in transit) are valued at lower of cost and Net Realisable Value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Stores and Spares are valued at cost.
- Work in process is valued at cost which includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- Finished Stocks are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads.
- Cost is ascertained on the FIFO basis as applicable.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**VIII. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company collects taxes such as sales tax/value added tax, service tax, etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

**The following are the specific revenue recognition criteria:**

I. Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer.

II. Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

**III. Interest income**

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

**IV. Dividend income**

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**IX. Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

**a) Amortised Cost**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Fair Value through other comprehensive income**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Fair Value through Profit or Loss**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**d) Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**e) Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**f) Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**g) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**h) Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Equity investment in subsidiaries, joint ventures and associates

The Company does not have investment in subsidiaries, joint ventures and associates.

**i) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**j) Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**k) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**l) Convertible financial instrument**

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**m) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data.

**X. Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:

a. defined benefit plans viz. gratuity,

b. defined contribution plans viz. provident fund.

**Defined benefit plans**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**iv. Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

**(XI) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**(XII)Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(XIII)Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**(XIV) Segment Reporting - Identification of Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

**(XV) Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants relating to an expense item are recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

**(XVI) Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(XVII) Current/non current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

**(XVIII) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

**(XIX) Cash Flow Statement**

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**(XX) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(XXI) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupee as per the requirement of Schedule III, unless otherwise stated.

**(XXII) Significant accounting judgements, estimates and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non-current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

**a) Impairment of financial assets**

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**b) Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

**c) Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**d) Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (i) above.

**e) Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**g) Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**(XXIII) Recent Accounting Developments**

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and the new standard Ind AS 115, 'Revenue from Contract with Customers'. These amendments are applicable to the Company from 1st April, 2018.

**Amendment to Ind AS 21:**

On 28th March, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing 'Appendix B to Ind AS 21: Foreign currency transactions and advance consideration' which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 1st April, 2018.

**Standard issued but not yet effective (Ind AS 115):**

On 28th March, 2018, the MCA notified the Ind AS 115, Revenue from Contracts with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The Company is in process of evaluating the impact due to above changes in accounting principles. However, based on preliminary assessment, there will not be any material impact on the financial position and performance of the Company.

## 2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Freehold Land | Buildings * | Plant and Equipments * | Electrical Installation | Furniture and Fixtures | Office Equipments | Computer | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying amount** | | | | | | | | | |
| As at April 1, 2016 | 49.91 | 366.60 | 2,255.82 | 61.68 | 91.66 | 31.14 | 35.21 | 23.30 | 2,915.32 |
| Additions | | 3.39 | 209.03 | 1.75 | 3.82 | 3.81 | 8.07 | 21.49 | 251.36 |
| Disposals | | | 18.52 | | | | | | 18.52 |
| **Balance at March 31, 2017** | **49.91** | **369.99** | **2,446.33** | **63.43** | **95.48** | **34.95** | **43.28** | **44.79** | **3,148.16** |
| Additions | - | 288.08 | 379.50 | 24.89 | 6.43 | 3.67 | 5.61 | 19.41 | 727.59 |
| Disposals | - | - | 123.81 | - | - | 0.41 | - | 9.66 | 133.88 |
| Reclassified as asset held for sale | - | - | - | - | - | | - | - | - |
| **Balance as at March 31, 2018** | **49.91** | **658.07** | **2,702.02** | **88.32** | **101.91** | **38.21** | **48.89** | **54.54** | **3,741.87** |
| **Accumulated Depreciation** | | | | | | | | | |
| As at April 1, 2016 | - | - | - | - | - | - | - | - | - |
| Depreciation charge for the year | - | 15.13 | 351.96 | 10.55 | 18.89 | 10.52 | 11.55 | 7.25 | 425.85 |
| Disposals | - | - | 1.78 | - | - | - | - | - | 1.78 |
| **Balance at March 31, 2017** | **-** | **15.13** | **350.18** | **10.55** | **18.89** | **10.52** | **11.55** | **7.25** | **424.07** |
| Depreciation charge for the year | | 15.80 | 363.45 | 7.92 | 9.11 | 7.53 | 11.36 | 17.59 | 432.75 |
| Disposals | | | 26.81 | - | | - | | 3.41 | 30.22 |
| **Balance at March 31, 2018** | **-** | **30.93** | **686.82** | **18.47** | **28.00** | **18.05** | **22.91** | **21.43** | **826.60** |
| **Net carrying amount** | | | | | | | | | |
| **As at March 31, 2018** | 49.91 | 627.14 | 2,015.20 | 69.85 | 73.91 | 20.16 | 25.98 | 33.11 | 2,915.27 |
| **As at March 31, 2017** | 49.91 | 354.86 | 2,096.15 | 52.88 | 76.59 | 24.43 | 31.73 | 37.54 | 2,724.09 |
| **As at April 1, 2016** | 49.91 | 366.60 | 2,255.82 | 61.68 | 91.66 | 31.14 | 35.21 | 23.30 | 2,915.32 |
| **Capital Work In Progress (Refer Note 52)** | | | | | | | | | |
| **As at March 31, 2018** | | | | | | | | | 6.23 |
| **As at March 31, 2017** | | | | | | | | | 35.61 |
| **As at April 1, 2016** | | | | | | | | | 3.66 |

* Charged against borrowing of the Company. (Refer Note No. 15 & 20)

## 2. INTANGIBLE ASSETS

(₹ in Lakhs)

| PARTICULARS | SOFTWARE |
|---|---|
| **Gross Carrying amount** | |
| As at April 1, 2016 | 18.84 |
| Additions | 4.85 |
| Disposals | - |
| **Balance at March 31, 2017** | **23.69** |
| Additions | 14.30 |
| Disposals | - |
| Reclassified as asset held for sale | - |
| **Balance as at March 31, 2018** | **37.99** |
| **Accumulated Depreciation** | |
| As at April 1, 2016 | - |
| Depreciation charge for the year | 8.11 |
| Disposals | - |
| **Balance at March 31, 2017** | **8.11** |
| Depreciation charge for the year | 8.81 |
| Disposals | - |
| **Balance at March 31, 2018** | **16.92** |
| **Net carrying amount** | |
| As at March 31, 2018 | 21.07 |
| As at March 31, 2017 | 15.58 |
| As at April 1, 2016 | 18.84 |

### 3. INVESTMENT PROPERTY

(₹ in Lakhs)

| PARTICULARS | RESIDENTIAL FLAT |
|---|---|
| **Gross Carrying amount** | |
| As at April 1, 2016 | 42.93 |
| Balance at March 31, 2017 | 42.93 |
| Balance as at March 31, 2018 | 42.93 |
| **Accumulated Depreciation** | |
| As at April 1, 2016 | - |
| Depreciation charge for the year | 0.78 |
| **Balance at March 31, 2017** | 0.78 |
| Depreciation charge for the year | 0.78 |
| **Balance at March 31, 2018** | 1.56 |
| **Net Carrying amount** | |
| As at March 31, 2018 | 41.37 |
| As at March 31, 2017 | 42.15 |
| As at April 1, 2016 | 42.93 |

### 4. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| **Unsecured, considered good** | | | |
| Deposit with others | 6.59 | 66.52 | 102.15 |
| Electricity deposits | 38.16 | 39.48 | 36.54 |
| Fixed Deposits with Bank | 8.77 | - | - |
| **TOTAL** | **53.52** | **106.00** | **138.69** |

### 5. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Deferred lease expense | - | 3.89 | 10.11 |
| Capital Advance | 23.59 | - | - |
| Prepaid Lease rent | 18.09 | 18.30 | 18.51 |
| **TOTAL** | **41.68** | **22.19** | **28.62** |

### CURRENT ASSETS

### 6. INVENTORIES

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| **(At Lower of Cost or Net Realisation Value)** | | | |
| Raw Materials and components | 904.00 | 1,033.96 | 1,363.63 |
| (includes goods in transit for 31st March, 2018 NIL, 31st March, 2017 ₹ 18.65 Lakhs, April 1st 2016 ₹ 60.55 Lakhs)) | - | - | - |
| Work-in-progress | 1,293.76 | 1,374.48 | 1,367.51 |
| Finished goods | 2,914.23 | 2,724.55 | 2,684.22 |
| Stores,Spares and Others | 136.16 | 217.25 | 212.19 |
| (Refer Note No. 1.2 Point No. VII) | | | |
| **TOTAL** | **5,248.15** | **5,350.24** | **5,627.55** |

**7. TRADE RECEIVABLES** (₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| **(Charged by way of hypothication against borrowings of the Company.)** | | | |
| Unsecured, considered good | 7,030.18 | 5,150.10 | 5,166.38 |
| Unsecured, considered doubtful | 64.35 | 11.13 | 24.43 |
| **TOTAL** | **7,094.53** | **5,161.23** | **5,190.81** |
| Less: allowance for bad and doubtful debts | (64.35) | (11.13) | (24.43) |
| **TOTAL** | **7,030.18** | **5,150.10** | **5,166.38** |

**8. CASH AND CASH EQUIVALENTS** (₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Balances with Banks | | | |
| On Current Accounts | 13.44 | 5.80 | 67.41 |
| Cash on Hand | 5.48 | 5.23 | 9.86 |
| **TOTAL** | **18.92** | **11.03** | **77.27** |

**9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** (₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Unclaimed Dividend account | 4.34 | 3.94 | 3.25 |
| Fixed deposits with original maturity for more than 3 months but less than 12 months | 77.79 | 47.25 | 41.91 |
| **TOTAL** | **82.13** | **51.19** | **45.16** |

**10. LOANS** (₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| **(Unsecured Considered good unless otherwise stated)** | | | |
| Advance to Staff | 13.08 | 11.41 | 3.35 |
| **TOTAL** | **13.08** | **11.41** | **3.35** |

**11. OTHER FINANCIAL ASSETS** (₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Interest Accured But Not Due | 3.47 | 10.51 | 7.78 |
| Interest Subsidy & Interest Receivable | 100.02 | 60.93 | 80.28 |
| Security Deposits and Other Advances* | 107.88 | 57.40 | 16.87 |
| **TOTAL** | **211.37** | **128.84** | **104.93** |

*** Includes from Related Party. (Refer Note no. 38)**

**12. OTHER CURRENT ASSETS** (₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Prepaid Expenses | 46.17 | 66.41 | 53.54 |
| Balances with Government Authorities | 127.25 | 42.36 | 55.36 |
| Other Advances | 45.67 | 74.76 | 72.27 |
| **TOTAL** | **219.09** | **183.53** | **181.17** |

## 13. EQUITY SHARE CAPITAL

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | | As at March 31, 2017 | | As at April 01, 2016 | |
|---|---|---|---|---|---|---|
| | Number of Shares | (₹ in Lakhs) | Number of Shares | (₹ in Lakhs) | Number of Shares | (₹ in Lakhs) |
| **Authorised** | | | | | | |
| 2,00,00,000 (Previous Year : 2,00,00,000) Equity Shares of ₹ 10/- each | 20,000,000 | 2,000 | 20,000,000 | 2,000 | 20,000,000 | 2,000 |
| **TOTAL** | **20,000,000** | **2,000** | **20,000,000** | **2,000** | **20,000,000** | **2,000** |
| **Issued, Subscribed and Fully Paid up** | | | | | | |
| 58,69,371 (Previous Year : 58,69,371 as at March 31st, 2017, 54,39,866 as at April 01, 2016) Equity Shares of ₹ 10/- each | 5,869,371 | 586.94 | 5,869,371 | 586.94 | 5,439,866 | 543.99 |
| **TOTAL** | **5,869,371** | **586.94** | **5,869,371** | **586.94** | **5,439,866** | **543.99** |

**(i) Reconciliation of Number of Equity Shares**

(₹ in Lakhs)

| PARTICULARS | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount |
|---|---|---|---|---|---|---|
| As at the beginning of the year | 5,869,371 | 586.94 | 5,439,866 | 543.99 | 5,064,866 | 506.49 |
| Add: CCDs converted to Equity Shares | - | - | 429,505 | 42.95 | | |
| Add:Issue of Equity Shares | - | - | - | - | 375,000 | 37.50 |
| As at end of the year | **5,869,371** | **586.94** | **5,869,371** | **586.94** | **5,439,866** | **543.99** |

**(ii) Terms/Rights Attached to Equity Shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

**(iii) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:**

| Name of Shareholder | As at March 31, 2018 | | As at March 31, 2017 | | As at April 01, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| **Equity Shares** | | | | | | |
| Ananddeep Cotsyn Pvt Ltd. | 436,800 | 7.44 | 436,800 | 7.44 | 436,800 | 8.03 |
| Suhani Trading & Investment Consultant Pvt Ltd (PIL Industries Ltd.) | 1,645,389 | 28.03 | 1,645,389 | 28.03 | 1,515,884 | 27.87 |
| Surplus Finvest Pvt Ltd | 569,000 | 9.69 | 569,000 | 9.69 | - | - |
| Tritoma Hotels Pvt. Ltd. | 325,000 | 5.54 | 325,000 | 5.54 | 325,000 | 5.97 |
| Pradip Kumar Goenka | 649,200 | 11.06 | 649,200 | 11.06 | 721,200 | 13.26 |
| Tilak Pradip Goenka | 496,102 | 8.45 | 496,102 | 8.45 | 424,102 | 7.80 |

**(v) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL (PY - NIL)**

## 14. OTHER EQUITY

(₹ in Lakhs)

| PARTICULARS | Other Equity | | | | Total Other Equity |
|---|---|---|---|---|---|
| | Securities premium reserve | Capital reserve | General reserve | Retained Earnings | |
| **As at April 1, 2016** | **731.66** | **37.00** | **670.02** | **1,310.36** | **2,749.04** |
| Profit for the year | - | - | - | 281.54 | 281.54 |
| Dividends on equity shares | - | - | - | (81.60) | (81.60) |
| Corporate dividend tax | - | - | - | (16.62) | (16.62) |
| Remeasurement of defined benefit obligation (net of tax) | - | - | - | (16.25) | (16.25) |
| **As at March 31, 2017** | **731.66** | **37.00** | **670.02** | **1,477.43** | **2,916.11** |
| Profit for the year | - | - | - | 651.31 | 651.31 |
| Dividends on equity shares | - | - | - | (88.04) | (88.04) |
| Corporate dividend tax | - | - | - | (17.95) | (17.95) |
| Remeasurement of defined benefit obligation (net of tax) | - | - | - | 7.74 | 7.74 |
| **As at March 31, 2018** | **731.66** | **37.00** | **670.02** | **2,030.49** | **3,469.17** |

## NON-CURRENT FINANCIAL LIABILITIES

## 15. BORROWINGS

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| **Secured** | | | |
| (a) From Bank | | | |
| Term Loans ( Refer Note 15.1) | 372.16 | 398.45 | 675.99 |
| Vehicle Loans (Refer Note 15.2) | 7.40 | 10.29 | 0.38 |
| **Unsecured** | | | |
| (a) From Body Corporates (Refer Note 38) | - | 81.91 | 72.73 |
| **TOTAL** | **379.56** | **490.65** | **749.10** |

15.1 Term Loan from bank amounting of ₹ 400 Lakhs sanctioned during the FY 2014-2015 and end on FY 2018-2019. The Same is repayable in 60 Monthly installments of ₹ 6.67 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

Term Loan from bank amounting of ₹ 375 Lakhs sanctioned during the FY 2015-2016 and end on FY 2020-2021. The Same is repayable in 60 Monthly installments of ₹ 6.25 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

Term Loan from bank amounting of ₹ 250 Lakhs sanctioned during the FY 2017-2018 and end on FY 2022-2023. The Same is repayable in 60 Monthly installments of ₹ 4.17 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

The rate of interest on the above mentioned Term Loans ranges between 11.00 % p.a to 12.00 % p.a.

15.2 Vehicle loans taken from Toyata Financial services india ltd was carried interest @ 9.50% . The loan is repayable in 49 instalments of ₹ 0.32 Lakh including the interest, from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.

## 16. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Deposits from Dealers & Agent | 464.40 | 345.52 | 355.48 |
| **TOTAL** | **464.40** | **345.52** | **355.48** |

## 17. PROVISIONS

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Provision for Employee Benefits | | | |
| Gratuity ( Refer Note 34) | 213.55 | 187.25 | 129.41 |
| Compensated Absence | 72.16 | 72.61 | 33.73 |
| **TOTAL** | **285.71** | **259.86** | **163.14** |

## 18. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| **Deferred Tax Liability** | | | |
| Related to Property, Plant and Equipment | 318.75 | 341.27 | 393.07 |
| Related to Other Financial Assets | | | |
| **Deferred Tax Assets** | | | |
| Disallowance under Income Tax Act, 1961 | 159.54 | 141.55 | 97.97 |
| Mat Credit Entitlement | - | 30.40 | 30.40 |
| **TOTAL** | **159.21** | **169.32** | **264.70** |

## 19. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Deferred Lease Expenses | 55.84 | 56.48 | 57.12 |
| **TOTAL** | **55.84** | **56.48** | **57.12** |

## CURRENT LIABLITIES

## 20. BORROWINGS

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| **Secured** | | | |
| **Loans repayable on demand** | | | |
| Cash credit from bank ( Refer Note 20.1 ) | 3,120.18 | 2,130.83 | 4,553.54 |
| Working Capital Demand Loan | 1,525.00 | - | - |
| Foreign Currency Demand Loan | - | 1,945.16 | - |
| **Unsecured** | | | |
| Compulsorily Convertible Debentures | - | - | 42.95 |
| **TOTAL** | **4,645.18** | **4,075.99** | **4,596.49** |

20.1 Cash credit from banks is secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable and carries interest @ 10.00% p.a to 12.00% p.a and the same is repayable on demand.

## 21. TRADE PAYABLES

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Due to Micro and Small Enterprises (Refer Note 21.1 ) | - | - | - |
| Due to others | 3,610.60 | 3,151.79 | 3,381.05 |
| **TOTAL** | **3,610.60** | **3,151.79** | **3,381.05** |

21.1 No Interest is paid / payable during the year to any enterprise registered under Micro Small and Medium Enterprises Development Act, 2006 ( MSMED). The above information has been determined to the extent such parties could be identified on the basis of the status of suppliers under MSMED.

## 22. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Current Maturities of long term borrowings | 267.89 | 277.92 | 276.63 |
| Loan From Body Corporates (Refer Note 38) | 92.26 | - | - |
| Unclaimed dividend | 4.35 | 3.94 | 3.25 |
| Capital Creditors | 60.00 | 29.50 | |
| Employee Dues | 276.84 | 291.33 | 227.75 |
| Others Liabilities | 1,288.49 | 929.09 | 763.52 |
| **TOTAL** | **1,989.83** | **1,531.78** | **1,271.15** |

## 23. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Advance Received from Customers | 17.28 | 21.68 | 14.12 |
| Statutory Dues | 110.04 | 172.48 | 175.84 |
| Others | - | 1.13 | 1.30 |
| **TOTAL** | **127.32** | **195.29** | **191.26** |

## 24. PROVISION

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Provision for Employee Benefits | | | |
| Gratuity (Refer to Note No. 34) | 13.00 | 14.32 | 14.38 |
| Compensated Absence | 14.09 | 7.11 | 11.24 |
| **TOTAL** | **27.09** | **21.43** | **25.62** |

## 25. CURRENT INCOME TAX LIABILITIES (NET)

(₹ in Lakhs)

| PARTICULARS | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---|---|---|
| Provision for Income Tax [(Net of Advance tax of ₹ 1163.64 Lakhs (as at March 31st, 2017 ₹ 889.83 Lakh, as at April 01, 2016 ₹ 758.90 Lakhs)] | 101.21 | 30.80 | 5.73 |
| **TOTAL** | **101.21** | **30.80** | **5.73** |

## 26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Sale of Products | 32,615.24 | 30,041.27 |
| Sales of services (Job charges Received) | 423.46 | 351.73 |
| Other operating revenues | 113.82 | 89.91 |
| **TOTAL** | **33,152.52** | **30,482.91** |

## 27. OTHER INCOME

(₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Interest Income on - | - | - |
| Bank Deposits | 2.39 | 2.96 |
| Secutiry Deposits | 4.44 | 6.48 |
| Lease income | 0.82 | 0.64 |
| Foreign exchange fluctuations (gain) | - | 17.74 |
| Other non operating income | 17.83 | 17.82 |
| Profit on Sale of Property, Plant and Equipments | 122.91 | - |
| **TOTAL** | **148.39** | **45.64** |

**28. COST OF MATERIAL CONSUMED** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Inventory at the beginning of the year | 1,033.96 | 1,363.63 |
| Add: purchases | 15,121.93 | 14,288.07 |
| | **16,155.89** | 15,651.70 |
| Less : Inventory at the end of the year | 904.01 | 1,033.96 |
| **COST OF MATERIAL CONSUMED** | **15,251.88** | **14,617.74** |

**29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Opening Inventories** | | |
| Work-in-Progress | 1,374.48 | 1,367.51 |
| Finished goods | 2,724.55 | 2,684.22 |
| **TOTAL** | **4,099.03** | **4,051.73** |
| **Closing Inventories** | | |
| Work-in-Progress | 1,293.76 | 1,374.48 |
| Finished goods | 2,914.23 | 2,724.55 |
| **TOTAL** | **4,207.99** | **4,099.03** |
| | | |
| **TOTAL** | **(108.96)** | **(47.30)** |

**30. EMPLOYEE BENEFITS EXPENSE** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Salaries, Wages and Bonus | 3,310.18 | 3,069.92 |
| Contribution to Provident and Other Funds ( Refer Note 34.1) | 304.07 | 248.24 |
| Staff Welfare Expenses | 90.60 | 67.16 |
| **TOTAL** | **3,704.85** | **3,385.32** |

**31. FINANCE COSTS** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Interest | 543.00 | 782.27 |
| Other borrowing cost | 174.30 | 61.62 |
| **TOTAL** | **717.30** | **843.89** |

[Net of Subsidy of ₹ 18.71 Lakhs (Previous Year ₹ 9.37 Lakhs)]

**32. OTHER EXPENSES** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **MANUFACTURING EXPENSES** | | |
| Consumption of stores,spare parts and others | 363.27 | 342.55 |
| Consumption of Packing Materials | 462.11 | 418.88 |
| Power and fuel | 570.99 | 536.27 |
| Job Work Charges | 3,588.34 | 4,007.88 |
| Repairs and Maintenances-Buildings. | 37.50 | 43.91 |
| Repairs and Maintenances-Machinery. | 43.02 | 27.00 |
| Repairs and Maintenances-Others. | 99.75 | 126.39 |
| Excise duty | 54.47 | 360.47 |
| **SUB TOTAL** | **5,219.45** | **5,863.35** |

**32. OTHER EXPENSES (Contd.)** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **SELLING AND DISTRIBUTION EXPENSES** | | |
| Travelling and conveyance | 152.23 | 130.56 |
| Brokerage and commission | 348.30 | 378.65 |
| Advertisement and marketing expenses | 144.02 | 161.38 |
| Freight outward charges | 394.30 | 389.30 |
| **SUB TOTAL** | **1,038.85** | **1,059.89** |
| **ESTABLISHMENT EXPENSES** | | |
| Rent | 283.95 | 323.02 |
| Lease rent amortization | 0.21 | 0.21 |
| Legal and professional fees | 163.52 | 156.70 |
| Loss on Sale of Property, Plant and Equipments | 1.83 | 15.06 |
| Allowance for Bad and Doubtful Debts | 53.22 | (13.30) |
| Exchange Difference (net) | - | 2.55 |
| Bad Debts Written Off | 42.86 | 1.00 |
| Insurance | 30.11 | 24.82 |
| Rates and taxes, excluding, taxes on income. | 9.55 | 23.73 |
| Payment to the auditor ( Refer note 33) | 18.00 | 19.91 |
| Lease expenses | 3.89 | 6.22 |
| Miscellaneous expenses | 199.89 | 161.23 |
| **SUB TOTAL** | **807.03** | **721.15** |
| **TOTAL** | **7,065.33** | **7,644.39** |

**33. PAYMENT TO THE AUDITORS** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017* |
|---|---|---|
| **As Auditors** | | |
| Audit Fees | 8.25 | 9.49 |
| Tax Audit Fess | 1.75 | 2.01 |
| Limited Review | 6.00 | 5.75 |
| **In Other Capacity** | | |
| Company Law Matters | 1.00 | 1.15 |
| Certification Fees | 1.00 | 1.15 |
| Reimbursement of Expenses | - | 0.36 |
| **TOTAL** | **18.00** | **19.91** |

* Previous Year Figure are inclusive of Service Tax

**34. Disclosure in respect of Employee Benefits**

**(i) Defined contribution plans:**

The Company has recognized the following amounts in the statement of profit and loss:

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Employers' contribution to provident fund | 156.91 | 147.16 |

**(ii) Disclosure in respect of defined benefit plans (Gratuity) is as under**

The principal assumptions used for the purpose of actuarial valuation were as under:

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Discount rate per annum | 7.75% | 7.50% |
| Expected rate of salary increase | 5.00% | 5.00% |
| Mortality rate | "IALM (2006-08) ultimate, duly modified" | "IALM (2006-08) ultimate, duly modified" |

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Withdrawal rates: | | |
| - Upto 30 years | 1% | 1% |
| - 31 to 44 years | 1% | 1% |
| - above 44 years | 1% | 1% |
| - Retirement age | 58 Years | 58 Years |

**(a) Amount recognised in statement of profit and loss in respect of the defined benefit plan are as follows:** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Current Service Cost | 37.55 | 35.41 |
| Past Service Cost | 10.47 | - |
| **Total Service Cost** | **48.02** | 35.41 |
| Interest Expense on DBO | 14.16 | 10.99 |
| **Total Net Interest Cost** | **14.16** | 10.99 |
| **Defined Benefit Cost included in P & L** | **62.18** | 46.40 |
| Remeasurements - Due to Demographic Assumptions | - | (4.96) |
| Remeasurements - Due to Financial Assumptions | (7.64) | 8.84 |
| Remeasurements - Due to Experience Adjustments | (3.92) | 20.39 |
| **Total Remeasurements in OCI** | **(11.57)** | 24.28 |
| **Total Defined Benefit Cost recognized in P&L and OCI** | **50.61** | 70.68 |

The current service cost and the net interest expense for the year are included in the salaries,wages,bonus,gratuity etc. in note 30 "Employee Benefits expense". The actuarial(gain)/loss on remeasurement of the net defined benefit liability is included in other comprehensive income.

**(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

(₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Net Defined Benefit Liability / (Asset) at the beginning** | **201.57** | 143.79 |
| Defined Benefit Cost included in P & L | 62.18 | 46.40 |
| Total Remeasurements included in OCI | (11.57) | 24.28 |
| Employer Direct Benefit Payments | (25.63) | (12.90) |
| **Net Defined Benefit Liability / (Asset) at the end** | **226.55** | 201.57 |

**(c) Movements in the fair value of plan assets are as follows:** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| Opening fair value of plan assets | - | - |
| Expected return on plan assets | 25.63 | 12.90 |
| Employer contribution | - | - |
| Remeasurement gains/(losses): | - | - |
| - Return on plan assets (higher)/lower than discount rate | - | - |
| Benefits paid | (25.63) | (12.90) |
| Closing fair value of plan assets | - | - |

**(d) Movements in the present value of defined benefit obligations are as follows:** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Opening defined benefit obligation** | **201.57** | 143.79 |
| Current service cost | 37.55 | 35.41 |
| Past service cost | 10.47 | - |
| Interest cost | 14.16 | 10.99 |
| Remeasurement (gains)/losses: | | |
| - Actuarial (gain)/loss from changes in financial assumptions | (7.64) | 8.84 |
| - Actuarial (gain)/loss from changes in demographic assumptions | - | (4.96) |
| - Actuarial (gain)/loss arising from experience adjustments | (3.92) | 20.39 |
| Benefits paid by employer | (25.63) | (12.90) |
| Benefits paid from plan assets | - | - |
| **Closing defined benefit obligations** | **226.55** | 201.57 |

*The Gratuity Benefit Ceiling has now increased to Rs 20 Lakhs from Rs 10 Lakhs. Due to this change in Plan Benefits, the increase in Past Service Cost is calculated separately and shown here.

**(e) Sensitivity analysis**

**Summary of Financial & Demographic Assumptions**

| Scenario | DBO | Percentage Change |
|---|---|---|
| Under Base Scenario | 226.55 | 0.00% |
| Salary Escalation - Up by 1% | 260.78 | 15.10% |
| Salary Escalation - Down by 1% | 198.07 | -12.60% |
| Withdrawal Rates - Up by 1% | 235.54 | 4.00% |
| Withdrawal Rates - Down by 1% | 215.79 | -4.70% |
| Discount Rates - Up by 1% | 199.67 | -11.90% |
| Discount Rates - Down by 1% | 259.74 | 14.70% |

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

**(f) Major categories of plan assets**

**(g) The average expected future working life of members of the defined benefit obligation as at March 31, 2018 is 22.00 years (as at March 31, 2017: 26.89 years)**

**(h) Best Estimate of Contribution during the next year**

The Best Estimate Contribution for the Company during the next year would be ₹ 113.28 Lakhs

**35. INCOME TAX EXPENSES** (₹ in Lakhs)

| PARTICULARS | For year Ended March 31, 2018 | For year Ended March 31, 2017 |
|---|---|---|
| **(a) Income tax Expenses** | | |
| Current tax | 417.00 | 220.00 |
| Deferred tax | (6.28) | (87.35) |
| **Total Tax Expeneses** | **410.72** | **132.65** |

**(b) Reconcilliation of tax Expenses and Accounting Profits** (₹ in Lakhs)

| PARTICULARS | For year Ended March 31, 2018 | For year Ended March 31, 2017 |
|---|---|---|
| **Profit for the year** | 1,062.03 | 414.19 |
| Tax Rates | 34.608% | 33.060% |
| Income tax expense calculated | 367.55 | 136.93 |
| (i) Tax Effects of | | |
| Disallowances under Sec 43B of Income Tax | 3.91 | 44.87 |
| Disallowances of provision for Doubt Debts | 11.12 | - |
| Profit/Loss on Sales of Fixed Assets | (42.54) | 4.98 |
| Difference on Depreciation in tax base and accounting base | 55.05 | 46.90 |
| (ii) Provision for MAT credit entitlement | 30.40 | - |
| (iii) Deductible temporary differences on which deferred tax is recongnised | (36.68) | (87.35) |
| (iv)Others | 21.91 | (13.68) |
| **Income tax Expense** | **410.72** | 132.65 |

**(c) Deferred Tax Movements** (₹ in Lakhs)

Major Components of Deferred tax Movements arising on account of timing difference are as follows

| Particulars | Provision for gratuity | Provision for Compensated absences | Property, Plant and Equipment | Others | Mat Credit Entitilement | Total |
|---|---|---|---|---|---|---|
| **As at April 1, 2016** | **47.54** | **14.87** | **(393.07)** | **35.56** | **30.40** | **(264.70)** |
| (Charged)/credited to: | - | - | - | - | - | - |
| Profit or loss | 11.07 | 11.49 | 51.80 | 12.99 | - | 87.35 |
| Other comprehensive income | 8.03 | - | - | - | - | 8.03 |
| **As at March 31, 2017** | **66.64** | **26.36** | **(341.27)** | **48.55** | **30.40** | **(169.32)** |
| (Charged)/credited to: | - | - | - | - | - | - |
| Profit or loss | 11.76 | 3.49 | 22.52 | (1.10) | (30.40) | 6.28 |
| Other comprehensive income | 3.83 | - | - | - | - | 3.83 |
| **As at March 31, 2018** | **82.23** | **29.85** | **(318.75)** | **47.45** | **-** | **(159.21)** |

**36. EARNINGS PER SHARE** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| (i) Profit after taxes as per statement of profit and loss attributed attributed to equity shareholders (₹ in Lakhs) | 651.31 | 281.54 |
| (ii) Weighted Average Number of equity shares used as denominator for calculation of EPS | 5,869,371 | 5,869,371 |
| Weighted Average Number of equity shares (including dilutive shares) used as denominator for calculation of DPS | 5,869,371 | 5,869,371 |
| (iii) Basic Earning per share | 11.10 | 4.80 |
| (iv) Diluted Earning per share | 11.10 | 4.80 |
| (v) Face value per equity share | 10.00 | 10.00 |

**37. CONTINGENT LIABILITIES AND OTHER COMMITMENTS** (₹ in Lakhs)

| PARTICULARS | Year Ended March 31, 2018 | Year Ended March 31, 2017 |
|---|---|---|
| **Contingent Liabilities** | | |
| a) Claims against the Company not acknowldged as debt | 153.37 | 153.37 |
| b) Gurantees | 35.60 | 35.90 |
| c) Bonus Payable (As Per Revised Bonus Act) | 23.64 | 23.64 |
| | **212.61** | 212.91 |
| **Commitments** | | |
| a) Other commitments - pending obligation under EPCG scheme | 324.47 | 319.85 |
| | **324.47** | 319.85 |
| TOTAL | **537.08** | 532.76 |

**38. Disclosure in respect of Related Party Disclosures as per Ind AS 24**

As Per Indian Accounting Standard (Ind AS 24 ), the disclosures of the transactions with the related parties as defined in the Accounting Standard are given below

**(i) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:**

| List of Related Parties | | Relationship |
|---|---|---|
| 1 | Suhani Trading & Investment Consultant Pvt Ltd (PIL Industries Ltd.) | Enterprises having significant influence in the Company |
| 2 | Jagruti Synthetics Limited | Other Related Parties(Enterprises-KMP having significant influence/Owned by Major Shareholders |
| 3 | Mr. Pradip Kumar Goenka (Chairman & Managing Director) | Key Management Personnel (KMP) |
| 4 | Mr. Abhay Kumat (CEO) | |
| 6 | Mr. Sanjeev Maheswari (Non-Executive Director) | |
| 7 | Mr. Rahul Mehta (Non-Executive Director) | |
| 8 | Mr. Anil Biyani (Non-Executive Director) | |
| 9 | Mrs. Bindu Shah (Non-Executive Director) | |
| 10 | Mr. Lalit Goenka (Non-Executive Director) | |
| 11 | Mr. Tilak Goenka | Relatives of the Key Management Personnel (KMP) |
| 12 | Mrs. Jyoti Kumat | |

**(ii) Related Party Transactions** (₹ in Lakhs)

| | Particulars | Transaction during the year 2017-18 | | Outstading Balance 31st March 2018 | | Outstading Balance 31st March 2017 | | Outstading Balance 01st April 2016 | |
|---|---|---|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | Receivable | Payable | Receivable | Payable | Receivable | Payable |
| a) | **Sales of Products** | | | | | | | | |
| | Jagruti Synthetics Limited | 8.30 | 0.62 | 2.77 | - | - | - | - | - |
| b) | **Purchase of Goods** | | | | | | | | |
| | Jagruti Synthetics Limited | 1,189.52 | 1,429.04 | - | 151.67 | - | 139.62 | - | - |
| c) | **Job Charges Paid** | | | | | | | | |
| | Jagruti Synthetics Limited | 378.07 | 236.98 | - | 17.22 | - | 12.82 | - | - |
| d) | **Rent Expenses** | | | | | | | | |
| | Suhani Trading & Investment Consultant Pvt Ltd (PIL Industries Ltd.) | 87.59 | 86.20 | - | 7.37 | - | - | - | 5.23 |
| | Jagruti Synthetics Limited | 59.52 | 58.35 | - | - | - | - | - | - |
| | Mrs. Jyoti Kumat | 5.64 | 5.64 | - | 0.51 | - | - | - | - |
| e) | **Electricity Expenses** | | | | | | | | |
| | Jagruti Synthetics Limited | - | 1.89 | - | - | - | - | - | - |
| f) | **Managerial Remuneration** | | | | | | | | |
| | Mr. Pradip Kumar Goenka | 54.00 | 54.00 | - | - | - | - | - | - |
| g) | **Salary** | | | | | | | | |
| | Mr. Abhay Kumat | 100.00 | 100.00 | - | - | - | - | - | - |
| | Mr. Tilak Goenka | 34.82 | 24.50 | - | - | - | - | - | - |
| h) | **Deposits Given** | | | | | | | | |
| | Jagruti Synthetics Limited | - | - | - | 40.00 | - | 40.00 | - | 40.00 |
| i) | **Loan Takan** | | | | | | | | |
| | Suhani Trading & Investment Consultant Pvt Ltd (PIL Industries Ltd.) | - | - | - | 92.26 | - | 81.91 | - | 72.73 |

**(iii) Directors Sitting Fees** (₹ in Lakhs)

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| Mr. Sanjeev Maheswari | 0.50 | 0.92 |
| Mr. Rahul Mehta | 1.00 | 0.54 |
| Mr. Anil Biyani | 0.48 | 0.36 |
| Mrs. Bindu Shah | 1.00 | 1.00 |
| Mr. Lalit Goenka | 0.40 | 0.30 |
| **Total** | **3.38** | **3.12** |

**39. Disclosure in respect of Operating Segments as per Ind AS 108**

The company is engaged in manufacturing (in house and outsourced) fabrics,ready to wear garments, considering the overall nature, the management is of the opinion that the entire operation of the company falls under one segment i.e.Textiles and as such there is no separate reportable segment for the purpose of disclosure as required under Indian Accounting Standards (Ins AS 108) - Operating Segments.

**40. Disclosure in respect of operating leases as per Ind AS 17 'Leases'**

The Company has not entered any non-cancellable lease during the year. Lease rental expenses aggregating to ₹ 283.95 lakh (Previous Year ₹ 323.02 Lakhs) Recognised to Statement of Profit & Loss.

**41. FAIR VALUE MEASUREMENTS**

**i. Categorywise classification of Financial Instruments** (₹ in Lakhs)

| PARTICULARS | Carrying Amount | | |
|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| **FINANCIAL ASSETS** | | | |
| **Amortised cost** | | | |
| Non Current | 53.52 | 106.00 | 138.69 |
| **Current** | | | |
| Trade Receivables | 7,030.18 | 5,150.10 | 5,166.38 |
| Cash and Cash Equivalents | 18.92 | 11.03 | 77.27 |
| Bank Balances other than above | 82.13 | 51.19 | 45.16 |
| Loans | 13.08 | 11.41 | 3.35 |
| Other Financial Assets | 211.37 | 128.84 | 104.93 |
| **Total** | **7,409.20** | **5,458.57** | **5,535.78** |

(₹ in Lakhs)

| | | | |
|---|---|---|---|
| **FINANCIAL LIABILITIES** | | | |
| **Amortised cost** | | | |
| **Non Current** | | | |
| Borrowings | 379.56 | 490.65 | 749.10 |
| Other Financial Liabilities | 464.40 | 345.52 | 355.48 |
| **Current** | | | |
| Borrowings | 4,645.18 | 4,075.99 | 4,596.49 |
| Trade Payables | 3,610.60 | 3,151.79 | 3,381.05 |
| Other financial liabilities | 1,989.83 | 1,531.78 | 1,271.15 |
| Other Current Liabilities | 127.32 | 195.29 | 191.26 |
| **Total** | **11,216.89** | **9,791.02** | **10,544.53** |

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

**ii. Fair Value Measurement**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Level 1 -** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2 -** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.\

**Level 3 -** If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

**iii. Valuation technique used to determine fair value**

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

**iv. Valuation processes**

The accouts and finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports direclty to the chief financial officer (CFO) and the audit committte. Discussions of valuation processes and results are held between the CFO, AC and the valuation team regulary in line with the company's reporting requirements.

**42. Financial Risk Management**

**Risk Management Framework**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

**42.1 Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

**42.1.1 Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

**Sensitivity**

Variable interest rate loans are exposed to Interest rate risk, the impact on profit or loss before tax may be as follows:

(₹ in Lakhs)

| Particulars | Impact on Profit berfore tax | |
|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 |
| Interest rate - increase by 100 basis points (100 bps)* | (6.41) | (6.83) |
| Interest rate - decrease by 100 basis points (100 bps)* | 6.41 | 6.83 |

* Holding all other variable constant

**42.1.2 Foreign Currency Risk**

The Company's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies. Foreign Currency Risk is risk that fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchanges rates. The Company entered into forward exchanges contract average maturity of 90-180 days to hedge against its foreign currency exposures relating to underlying liabilities firm commitments. The Company has not entered into any Derivatives instruments for trading and speculatives purposes.

**The following table analyzes foreign currency exposure from financial instruments as of:** (Figures in Lakhs)

| Foreign Currency Demand Loan | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| In US $ | - | $ 30.00 |
| In INR | - | 1,962.90 |
| Trade Receivables | - | - |
| Trade Payable | - | - |

**Foreign exchange risk sensitivity:**

1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2018 | | For the year ended 31st March 2017 | |
|---|---|---|---|---|
| | 1% strengthen | 1% weakening | 1% strengthen | 1% weakening |
| INR | - | - | (19.63) | 19.63 |

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**42.2 Credit Risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 7,030.18 lakhs and ₹ 5,150.10 lakhs as of March 31, 2018 and March 31, 2017 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

The average credit period on sale of goods is 90 to 180 days.

**Trade Receivables**

**a) Ageing**

(₹ in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| 0-180 days | 6,922.71 | 5,150.10 | 4,862.62 |
| More than 180 days | 107.47 | - | 303.76 |
| **Total** | **7,030.18** | 5,150.10 | 5,166.38 |

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

(₹ in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Balance at the beginning of the year | 11.13 | 24.43 | 11.70 |
| Add:- Additional provision made | 53.22 | - | 12.73 |
| Less:- Provision write off | - | - | - |
| Less:- Provision reversed | - | (13.30) | - |
| **Balance at the end of the year** | **64.35** | **11.13** | **24.43** |

**42.3 Liquidity Risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31st March 2018, The Company had a working capital of ₹ 2,325.54 lakhs including cash and cash equivalent of ₹ 18.92 Lakhs.

As of 31st March 2017, The Company had a working capital of ₹ 1,879.26 lakhs including cash and cash equivalent of ₹ 11.03 Lakhs.

### 42.3.1 Maturities of Financial Liablities

The table below anayse the Company's financial liablities into relevent maturity grouping based on their contractual maturities. The amount disclosed in the tables are contractual undisclosed cash flow.

(₹ in Lakhs)

| Particulars | Less than 1 year | Between 1 Year to 5 Year | Over 5 Year | Total |
|---|---|---|---|---|
| As 31 March 2018 | | | | |
| Borrowings | 267.89 | 379.56 | - | 647.45 |
| Trade Payables | 3,610.60 | - | - | 3,610.60 |
| Other Financial Liabilities | 1,721.94 | 464.40 | - | 2,186.34 |
| As 31 March 2017 | | | | |
| Borrowings | 277.92 | 490.65 | - | 768.57 |
| Trade Payables | 3,151.79 | - | - | 3,151.79 |
| Other Financial Liabilities | 1,253.86 | 345.52 | - | 1,599.38 |
| As 1 April 2016 | | | | |
| Borrowings | 276.63 | 749.10 | - | 1,025.73 |
| Trade Payables | 3,381.05 | - | - | 3,381.05 |
| Other Financial Liabilities | 994.52 | 355.48 | - | 1,350.00 |

### 42.4 Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debts (offset by cash and bank balances) and equity of the Company (Comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital.

(₹ in Lakhs)

| Particulars | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---|---|---|---|
| Total borrowings | 5,292.63 | 4,844.56 | 5,622.22 |
| Less : Cash and cash equivalents | (18.92) | (11.03) | (77.27) |
| **Adjusted net debt** | **5,273.71** | **4,833.53** | **5,544.95** |
| Total equity | 4,056.11 | 3,503.05 | 3,293.03 |
| **Adjusted equity** | **4,056.11** | **3,503.05** | **3,293.03** |
| **Adjusted net debt to adjusted equity ratio** | **1.30** | **1.38** | **1.68** |

### 43. Proposed Dividend

The Board of Directors, in its meeting held on May 26, 2018, have recommended a final dividend of ₹ 2 per equity share of ₹ 10/- each aggregating to ₹ 117.39 lakhs (excludings corporate dividend tax) for the financial year ended March 31, 2018. The recommendation is subject to the approval of shareholders at the Annual General Meeting to be held on September 15, 2018.

### 44. TRANSITION TO IND AS

As stated in Note no. 1(a)(i), the Company's financial statements for the year ended 31st March, 2018 are the first annual financial statements prepared in compliance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2016 as the transition date. Ind AS 101 requires that all Ind AS that are effective for the first Ind AS Financial Statements for the year ended 31st March, 2017, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous Generally Accepted Accounting Principles (the Previous GAAP) as of the transition date have been recognised directly in equity at the transition date

In preparing these standalone financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

**A. Mandatory Exceptions**

**i. Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in with the Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with the Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the transition date as these were not required under the Previous GAAP:

Impairment of financial assets based on Expected Credit Loss (ECL) Model

**ii. Classification and Measurement of Financial Assets**

As per Ind AS 101, the Company has assessed classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**iii. Impairment of Financial Assets**

The Company has recognised loss allowance on trade receivables at the date of transition to Ind AS, based on ECL Model, considering significant increase in credit risk since the initial recognition of those receivables

**B. Optional Exemptions from Retrospective Application**

**Deemed Cost**

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1st April, 2016 , measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

**C. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**i. Effect on IND AS adoption on the Balance Sheet as at March 31, 2017** (₹ in Lakhs)

| Particulars | Opening Balance Sheet as at April 1, 2016 | | | Balance Sheet as at March 31, 2017 | | |
|---|---|---|---|---|---|---|
| | Previous GAAP | Effect on Transaction on IND AS | Ind AS | Previous GAAP | Effect on Transaction on IND AS | Ind AS |
| **ASSETS** | | | | | | |
| **1. Non-Current Assets** | | | | | | |
| Property, Plant and Equipment | 2,976.74 | (61.42) | 2,915.32 | 2,784.54 | (60.45) | 2,724.09 |
| Capital work-in-progress | 3.66 | - | 3.66 | 35.61 | - | 35.61 |
| Intangible Assets | 18.84 | - | 18.84 | 15.58 | - | 15.58 |
| Investment Property | - | 42.93 | 42.93 | - | 42.15 | 42.15 |
| Financial Assets | 180.02 | (41.33) | 138.69 | 182.64 | (76.64) | 106.00 |
| Other Non Current Assets | - | 28.62 | 28.62 | - | 22.19 | 22.19 |
| **Total Non-Current Assets** | 3,179.26 | (31.20) | 3,148.06 | 3,018.37 | (72.75) | 2,945.62 |
| | | | | | | |
| **2. Current Assets** | | | | | | |
| Inventories | 5,627.55 | - | 5,627.55 | 5,350.24 | - | 5,350.24 |
| Financial Assets | | | | | | |
| Trade Receivables | 5,179.12 | (12.74) | 5,166.38 | 5,161.23 | (11.13) | 5,150.10 |
| Cash and Cash Equivalents | 77.27 | - | 77.27 | 11.03 | - | 11.03 |
| Other balances with bank | 45.16 | | 45.16 | 51.19 | - | 51.19 |
| Loans | - | 3.35 | 3.35 | 11.41 | - | 11.41 |
| Others financial assets | - | 104.93 | 104.93 | 48.44 | 80.40 | 128.84 |
| Other Current Assets | 285.95 | (104.78) | 181.17 | 223.92 | (40.39) | 183.53 |
| **Total Current Assets** | 11,215.05 | (9.24) | 11,205.81 | 10,857.46 | 28.88 | 10,886.34 |
| **Total Assets** | 14,394.31 | (40.44) | 14,353.87 | 13,875.83 | (43.87) | 13,831.96 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| Equity Share Capital | 543.99 | - | 543.99 | 586.94 | - | 586.94 |
| Other Equity | 2,612.14 | 136.90 | 2,749.04 | 2,861.40 | 54.71 | 2,916.11 |
| **Total Equity** | 3,156.13 | 136.90 | 3,293.03 | 3,448.34 | 54.71 | 3,503.05 |
| **Liabilities** | | | | | | |
| **1. Non-Current Liabilities** | | | | | | |
| **Financial Liabilities** | | | | | | |
| Borrowings | 783.44 | (34.34) | 749.10 | 518.39 | (27.74) | 490.65 |
| Other financial liabilities | 418.48 | (63.00) | 355.48 | 408.52 | (63.00) | 345.52 |
| Provisions | 163.14 | 0.01 | 163.14 | 267.82 | (7.96) | 259.86 |
| Deferred tax liabilities | 307.11 | (42.41) | 264.70 | 210.43 | (41.11) | 169.32 |
| Other non current liabilities | - | 57.11 | 57.11 | - | 56.48 | 56.48 |
| **Total Non-Current Liabilities** | 1,672.17 | (82.63) | 1,589.54 | 1,405.16 | (83.33) | 1,321.83 |
| **2. Current Liabilities** | | | | | | |
| **Financial Liabilities** | | | | | | |
| Borrowings | 4,596.49 | - | 4,596.49 | 4,093.73 | (17.74) | 4,075.99 |
| Trade Payables | 3,381.05 | - | 3,381.05 | 3,181.29 | (29.50) | 3,151.79 |
| Other Financial Liabilities | - | 1,271.15 | 1,271.15 | - | 1,531.78 | 1,531.78 |
| Other Current Liabilities | 1,462.41 | (1,271.15) | 191.26 | 1,701.26 | (1,505.97) | 195.29 |
| Provisions | 126.06 | (100.44) | 25.62 | 46.05 | (24.62) | 21.43 |
| Current Income tax liabilities (Net) | - | 5.73 | 5.73 | - | 30.80 | 30.80 |
| **Total Current Liabilities** | 9,566.01 | (94.71) | 9,471.31 | 9,022.33 | (15.25) | 9,007.08 |
| **Total Equity and Liabilities** | 14,394.31 | (40.44) | 14,353.87 | 13,875.83 | (43.87) | 13,831.96 |

### ii. Effect of IND AS adoption on Statement of Profit & Loss for year ended March 31, 2017

| Particulars | Statement of Profit & Loss For year ended March 31, 2017 | | |
|---|---|---|---|
| | Previous GAAP | Effect on Transaction on IND AS | Ind AS |
| **INCOME** | | | |
| Revenue From Operations | 30,994.15 | (511.24) | 30,482.91 |
| Other Income | 20.78 | 24.86 | 45.64 |
| **Total Income** | 31,014.93 | (486.38) | 30,528.55 |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 14,617.74 | - | 14,617.74 |
| Purchases of Stock-in-Trade | 3,235.59 | - | 3,235.59 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | (47.30) | - | (47.30) |
| Employee Benefits Expense | 3,409.60 | (24.28) | 3,385.32 |
| Finance Costs | 837.29 | 6.60 | 843.89 |
| Depreciation and Amortization Expense | 434.94 | (0.20) | 434.74 |
| Other Expenses | 8,154.48 | (510.10) | 7,644.38 |
| **Total Expenses** | 30,642.34 | (527.98) | 30,114.36 |
| **Profit Before Tax** | 372.59 | 41.60 | 414.19 |
| **Tax Expense** | | | |
| (1) Current Tax | 220.00 | - | 220.00 |
| Less: MAT credit entitlement | - | - | - |
| (2) Deferred Tax | (96.68) | 9.33 | (87.35) |
| (3) Taxation adjustment of earlier years | - | - | - |
| | 123.32 | 9.33 | 132.65 |
| **Profit For The Year** | 249.27 | 32.27 | 281.54 |
| **Other Comprehensive Income For The Year** | | | |
| **Items that would not be classified subsequently to Profit and Loss** | | | |
| Remeasurement of Defined benefit plans- OCI | - | (24.28) | (24.28) |
| Income tax relating to items that will not be reclassified to profit or loss | | 8.03 | 8.03 |
| **Total Comprehensive Income For The Year** | 249.27 | 7.99 | 265.29 |

**iii. Reconciliation of the Statement of Cash Flows for the year ended 31st March, 2017** (₹ in Lakhs)

| Particulars | Previous GAAP * | Ind AS Adjustments | Ind AS |
|---|---|---|---|
| Net Cash from operating activities | 1,879.08 | (1.60) | 1,877.48 |
| Net Cash (used in) investing activities | (286.25) | 19.36 | (266.89) |
| Net Cash generated from (used in) financing activities | (1,659.08) | (17.75) | (1,676.83) |
| Net Increase (Decrease) in cash and cash equivalents | (66.24) | - | (66.24) |
| Cash and cash equivalents at the beginning of the year | 77.27 | - | 77.27 |
| Cash and cash equivalents at the end of the year | 11.03 | - | 11.03 |

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**iv. Reconciliation of total equity as at March 31, 2017 and April 1, 2016** (₹ in Lakhs)

| Particulars | March 31, 2017 | April 1, 2016 |
|---|---|---|
| Total equity (shareholder's funds) as per previous GAAP | 3,448.34 | 3,156.13 |
| **Adjustments:** | | |
| Impact of fair valuation of Loans | 27.74 | 34.34 |
| Impact of fair valuation of security deposits | 5.96 | 5.07 |
| Impact of ECL on financial assets | (7.44) | (12.73) |
| Impact of amoritzation of finance lease | (0.21) | - |
| Impact of fair valuation of foreign currency loan | 17.74 | - |
| Impact of Proposed Dividend | - | 98.21 |
| Impact of deferred tax | 10.92 | 12.01 |
| **Total adjustments** | 54.71 | 136.90 |
| **Total equity as per Ind AS** | 3,503.05 | 3,293.03 |

**v. Reconciliation of total comprehensive income for the year ended March 31, 2017**

| Particulars | Year ended March 31, 2017 |
|---|---|
| | |
| **Profit after tax as per previous GAAP** | 249.27 |
| Adjustments: | |
| Impact of fair valuation of Loans | (6.60) |
| Impact of fair valuation of security deposits | 0.89 |
| Impact of ECL on financial assets | 5.29 |
| Impact of amoritzation of finance lease | (0.21) |
| Impact of fair valuation of foreign currency loan | 17.74 |
| Impact of deferred tax | (9.12) |
| Impact of remeasurement of defined benefits plans classified in OCI | 24.28 |
| **Total adjustments** | 32.27 |
| | |
| **Profit after tax as per Ind AS** | **281.54** |
| **Other comprehensive income** | |
| Remeasurement of Defined benefit plans- OCI | (24.28) |
| Income tax relating to items that will not be reclassified to profit or loss | 8.03 |
| **Total comprehensive income as per Ind AS** | **265.29** |

**vi. Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017**

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

**D. Notes to first-time adoption:**

**Note 1: Security deposits**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

**Note 2: Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense/ income by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

**Note 3: Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**Note 4: Investment property**

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

**Note 5: Proposed dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including DDT was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

**Note 6: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**Note 7: Retained earnings**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 8: Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

**45** Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year's figure.

As per our Report of even date.
**For Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W/W100048

**Sumant Sakhardande**
Partner
Membership No. 034828

**Date : May 26, 2018**
**Place : Mumbai**

**For and on behalf of the Board**

**Pradip Kumar Goenka**
Chairman & Managing Director
DIN : 00516381

**Anil Biyani**
Director
DIN : 00005834

**Jagdish Prasad Dave**
Chief Financial Officer

**Gaurav K. Soni**
Company Secretary

# NOTES

# NOTES

# NOTES


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**Kamadgiri Fashion Limited**

**Registered Office:**
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Marol, Andheri (E), Mumbai - 400059.
Tel: (+91 22) 71613131
Website: www.kflindia.com

Printed by: DJ Mediaprint & Logistics Ltd. 9323185444 / sales@djcorp.in

# KAMADGIRI FASHION LIMITED

**Registered Office:** B-104, 'The Qube', Off M.V. Road, Marol, Andheri (East), Mumbai – 400059.
**Tel. No.:** (+91 22) 7161 3131 **|** Fax No.: (+91 22) 7161 3199
**CIN:** L17120MH1987PLC042424
**Website:** www.kflindia.com **| E-mail:** cs@kflindia.com


## NOTICE

**NOTICE** is hereby given that the Thirty First Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Tuesday, September 25, 2018 at 10:00 AM at Hotel Mirage International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of Directors and Auditors thereon.
2. To declare a Dividend on equity shares.
3. To appoint a Director in place of Mr. Pradip Kumar Goenka (DIN: 00516381), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. **Appointment of Mr. Tilak Goenka as a Director**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Tilak Goenka (holding Director Identification Number 00516464), who was appointed as an Additional Director by the Board of Directors with effect from August 14, 2018 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **Appointment of Mr. Tilak Goenka as Whole-time Director designated as an 'Executive Director'**

   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 196, 197 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder read with Schedule V to the said Act (Including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval be and is hereby given to the appointment of Mr. Tilak Goenka (holding Director Identification Number 00516464) as Whole-time Director designated as 'Executive Director' of the Company for a period of 5 (five) years with effect from August 14, 2018 and that Mr. Tilak Goenka be paid remuneration of ₹ 40,00,000/- p.a. (Rupees Forty Lakhs per annum) in the pay scale of ₹ 35,00,000 – ₹ 80,00,000 subject to the compliance with the applicable provisions of the Act read with Schedule V of the said Act and on such terms and conditions as may be made applicable pursuant to the terms of appointment given in the appointment letter.

   **RESOLVED FURTHER THAT** the Board of Directors (which term shall be deemed to include the Nomination and Remuneration Committee thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase as the case may be within the pay scale limits and within overall limits specified in Schedule V and the relevant provisions of the Act."

6. **Re-appointment of Mr. Pradip Kumar Goenka as Chairman and Managing Director**

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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ('the Act') and Rules made thereunder read with Schedule V to the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval be and is hereby given to the re-appointment of Mr. Pradip Kumar Goenka (holding Director Identification Number 00516381) as Chairman and Managing Director of the Company for a further period of 5 (five) years with effect from August 26, 2018 on a remuneration of ₹ 54,00,000/- per annum (Rupees Fifty-Four Lakhs only) and on such terms and conditions as may be made applicable pursuant to the terms of appointment given in the appointment letter and as may be entrusted by the Board from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall be deemed to include the Nomination and Remuneration Committee thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase as the case may be within the overall limits specified in Schedule V and the relevant provisions of the Companies Act, 2013."

7. **Ratification of Remuneration payable to Cost Auditors for the financial year ending March 31, 2019**

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors, Ms. Ketki D. Visariya, Cost Accountant, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textiles products for the financial year ending March 31, 2019, on a remuneration of ₹ 0.90 Lakh plus Goods and Service Tax and out of pocket expenses, be and is hereby ratified.

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

**By Order of the Board**
For **Kamadgiri Fashion Limited**

**Place:** Mumbai
**Date:** August 14, 2018

**Gaurav K. Soni**
**Company Secretary**

**Registered Office:**
B-104, 'The Qube',
M.V. Road, Marol, Andheri (East),
Mumbai – 400059.

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. The Corporate Members intending to send their authorised representative(s) to attend the 31st (Thirty First) Annual General Meeting (‘AGM’) are requested to send a certified copy of the Board Resolution authorising their representative to attend/vote on their behalf at the AGM.

2. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.

3. Proxies in the prescribed Form No. MGT - 11 as enclosed herewith, in order to be effective should be deposited with the Company not less than 48 (forty-eight) hours before the time fixed for the commencement of the meeting.

4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (‘the Act’), in respect of the Special Business to be transacted in the Meeting, is annexed hereto.

5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, will be available for inspection by the members at the AGM.

6. The Record date for the purpose of payment of Dividend for the financial year 2017-18 is fixed at September 18, 2018.

7. Subject to the provisions of the Act, Dividend as recommended by the Board of Directors for the financial year 2017-18, if declared at the AGM, will be paid within a period of 30 (thirty) days from the date of declaration, to those Members whose names appear on the Company’s Register of Members and in list of the beneficial owners as furnished by the Depositories as on September 18, 2018.

8. Pursuant to the provision of Section 205A(5) of the Companies Act, 1956 (corresponding to Section 124 of the Act) Dividend for the financial year 2010-11 and thereafter, which remain unpaid or unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF). Due dates for the same are as follows:

| Financial Year | Date of declaration of Dividend | Due date for transfer to IEPF |
|---|---|---|
| 2010-2011 (Final) | 23/08/2011 | 28/09/2018 |
| 2011-2012 (Final) | 18/09/2012 | 24/10/2019 |
| 2012-2013 (Final) | 24/09/2013 | 30/10/2020 |
| 2013-2014 (Final) | 26/09/2014 | 01/11/2021 |
| 2014-2015 (Final) | 25/09/2015 | 31/10/2022 |
| 2015-2016 (Final) | 19/09/2016 | 25/10/2023 |
| 2016-2017 (Final) | 19/09/2017 | 25/10/2024 |

   Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/ its Registrar, for obtaining payments thereof, before they are due for transfer to the said fund.

9. Members are being informed that once the unclaimed/unpaid dividend is transferred to the account of IEPF and Shares are transferred to the Demat Account of IEPF Authority, no claim shall lie against the Company in respect of such dividend/shares. The eligible members are entitled to claim such unclaimed/unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Registered Office of the Company for verification of their claim.

10. Information as required to be provided pursuant to the requirements of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Secretarial Standards on General Meetings (SS-2) with regards to the Directors seeking re-appointment at this AGM is given as an Annexure to this Notice.

11. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Income Tax Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents (R&STA).

12. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form (except in case of transmission and transposition of shares which can be carried out in physical form) from December 05, 2018. In view of the same and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

13. Electronic copy of Annual Report for the financial year 2017-18 and Notice calling the AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2017-18 and Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

14. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's RTA. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

15. Members may also note that, the Notice of the AGM and the Annual Report for the financial year 2017-18 will also be available on the Company's website, i.e. www.kflindia.com for their download.

16. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.

17. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.

18. Members desirous of having any information regarding accounts are requested to write to the Company at least 7 (seven) days in advance of the date of AGM so as to enable the management to keep the information ready.

19. Members who are holding shares in identical order or names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.

20. Members are requested to dematerialise their shares in order to facilitate easy and faster trading in equity shares. The ISIN of the Company's equity shares is INE535C01013.

21. Members whose shareholding is in the electronic mode are requested to write change of address, if any and updation of bank account details to their respective Depository Participants.

22. Members are requested to provide and register their e-mail id with the Company and/or R&STA to enable the Company/R&STA to send communications such as notices and Annual Report, etc. through e-mail.

23. Members are encouraged to utilize the National Automated Clearing House ('NACH') System for receiving dividend.

24. Voting through electronic means.

I. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of Listing Regulations, the Company is providing members the electronic voting ('e-voting') facility to exercise their right to vote at the 31st AGM. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM will be provided by Central Depository Services Limited ('CDSL').

   The instructions for members for voting electronically are as under:

   In case of members receiving e-mail:

(i) Log on to the e-voting website, i.e. www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now Enter your User ID:

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) 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.

(vi) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN* | • Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant(s) are requested to use the first two letters of their name and the last 8 (eight) digits of the demat account/folio number in the PAN field.<br>• In case the folio number is less than 8 (eight) digits enter the applicable number of 0's before the number after the first 2 (two) characters of the name in CAPITAL letters. Example: If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB | • Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | • 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.<br>• Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.<br>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in the instructions above. |

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting 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.

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

(x) Click on the EVSN for the relevant Company Name, i.e. **Kamadgiri Fashion Limited** on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xiii) 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.

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

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

(xvi) If a 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.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com 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 of members receiving the physical copy:**

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

II. The voting period begins on September 22, 2018 at 10.00 AM and ends on September 24, 2018 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ('record date') of September 18, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

III. 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 e-mail to helpdesk.evoting@cdslindia.com.

IV. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the record date.

V. Mr. Hemant Shetye, Partner, M/s. HS Associates, Practising Company Secretaries (FCS no. 2827 and COP no. 1483) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

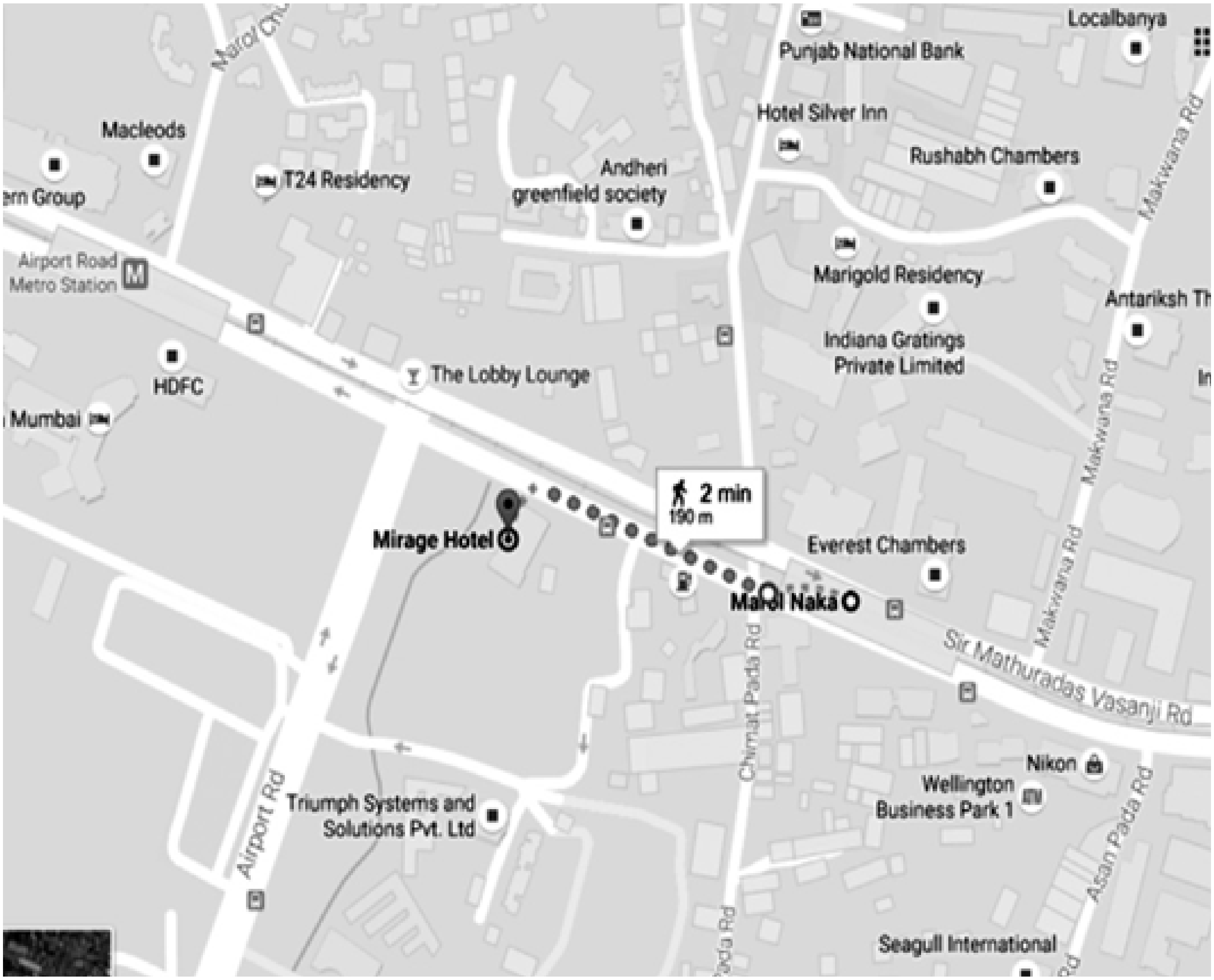
VI. The Scrutiniser shall within a period of 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast 2 (two) witnesses not in employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VII. The results shall be declared on or after the AGM. The results declared along with the Scrutiniser's Report shall be placed on the Company's website, i.e. www.kflindia.com and on the website of CDSL within 2 (two) days of passing of the resolutions at the AGM and communicated to the BSE Limited.

25. All documents referred to in the accompanying Notice and Statement under Section 102 of the Act shall be open for inspection at the Registered Office of the Company during normal business hours between 11.00 AM and 4.00 PM on all working days (except Saturday, Sunday and Holiday) upto the date of AGM.

26. The route map of the venue of the AGM is given herein. The prominent landmark near the venue is Marol Naka Metro Station, Mumbai.

**Route map of the venue of the AGM**



**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanied Notice:

**Item No. 4 & 5**

Mr. Tilak Goenka (holding Director Identification Number 00516464) was appointed by the Board of Directors of the Company as an Additional & Whole-time Director designated as 'Executive Director' with effect from August 14, 2018. He holds office upto the date of the ensuing Annual General Meeting.

Mr. Tilak Goenka is 32 years of age. He has completed Post Graduate Diploma in Family Managed Business from S P Jain institute of Management Studies, Mumbai and has graduated in management studies from H R College of Commerce and Economics, Mumbai.

Mr. Tilak Goenka is having more than 10 years of experience in textile, yarn and readymade business. He is associated with Company in different roles for past 7 years. He conceptualised and heads the finished fabrics division of the Company. With his experience in the business, it would be desirable to approve his appointment as a Whole-time Director designated as 'Executive Director'.

The remuneration payable to Mr. Tilak Goenka, Executive Director was duly approved by the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on August 14, 2018. The approval of the shareholders is sought for appointment of Mr. Tilak Goenka as Executive Director of the Company with effect from August 14, 2018 for a period of 5 (five) years on the terms and conditions as per agreement between the Company and Mr. Tilak Goenka.

Since, there is inadequate profit, it is proposed to pay remuneration on the basis of effective capital under clause (B) of section II of part II of Schedule V to the Companies Act, 2013 read together with section 197 of the Act. Information as required under Schedule V of the Companies Act, 2013 in relation to the appointment and approval of remuneration is given hereunder.

**I. General Information:**

1. Nature of Industry – The Company belongs to the textile industry and carries on the business of manufacturing and trading of fabrics and garments.
2. Date or expected date of commercial production - Commercial production has already commenced with effect from year 1992.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not applicable.
4. Financial performance based on given indicators:

**(₹ in Lakhs)**

| Particulars | Financial Year ended March 31, 2018 | Financial Year ended March 31, 2017 |
|---|---:|---:|
| Income | 33,300.91 | 30,528.55 |
| Profit before tax | 1,062.03 | 414.91 |
| Profit after tax | 651.31 | 281.54 |

5. Foreign investments or collaborations – The Company is concentrating on domestic market and it is not into exporting. There is no foreign exchange collaboration.

**II. Information about the Appointee**

1. Background details – Mr. Tilak Goenka has been working in the Company in different roles for past 7 years. He has more than 10 years of experience in textile industry. He conceptualised and is heading finished fabrics division of the Company.
2. Past Remuneration – Mr. Tilak Goenka has not drawn any managerial remuneration in the past. However, he was drawing ₹ 29,48,000 plus performance based variables in his role as the Business Development manager in the Company.
3. Recognition and Awards – Nil

4. Job profile and his suitability – Mr. Tilak Goenka is entrusted with leading the finished fabrics division. The job profile includes following responsibilities:

   a. Business Development;

   b. Guiding through strategic directions towards achieving business goals;

   c. Monitoring and guiding on product development and design innovation;

   d. Development of IT infrastructure, system and administration.

   Considering his experience in the textile industry, role played by him in developing business of the Company and his matching management qualities, he is very much suitable for the above job profile.

5. Remuneration proposed – Remuneration payable will be ₹ 40,00,000 Lakhs p.a.

| Particulars | Amount in ₹ (per annum) |
|---|---|
| Basic Salary | 12,00,000 |
| House Rent Allowance | 6,00,000 |
| Adhoc Allowances | 18,00,000 |
| Performance linked variable | 4,00,000 |
| **TOTAL** | **40,00,000** |

6. Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) – Salary proposed to the Executive Director is very less as per the industry standards.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any –

   Mr. Tilak Goenka is related to Mr. Pradip Kumar Goenka, Chairman and managing Director of the Company.

   Mr. Tilak Goenka has direct/indirect pecuniary relationship with Jagruti Synthetics Limited, other than his remuneration as a Executive Director:

   Jagruti Synthetics Limited, a company wherein managerial personnel has interest, and the Company has the relationship of lessor and lessee for leasing of plant at 42/1, Ganga Devi Road, Umbergaon – 396171 and also, the Company deals with Jagruti Synthetics Limited in the ordinary course of business.

**III. Other information:**

1. Reasons of loss or inadequate profits – The Company is operating in a business which is very competitive, fast changing and has very thin operating margins.

2. Steps taken or proposed to be taken for improvement – The Company has initiated steps to control costs, better utilisation of available manufacturing facilities and investing on product innovations. The Company expects the continued focus on said measures, would help the Company to improve its profitability in the coming years.

3. Expected increase in productivity and profits in measurable terms – The Company is continuously working on increasing the productivity. However, it is very difficult to predict the profitability in prevailing scenario such as high and volatile raw material prices and inflation.

**IV. Disclosures:**

1. The remuneration package of the managerial person is given above.

2. Other information as required to be disclosed are given in corporate governance report in Annual Report.

   Except for Mr. Tilak Goenka, Mr. Pradip Kumar Goenka, Directors of Company who are related to each other, and their relatives, none of the Directors / Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in this resolution.

   Copy of the resolution of Nomination and Remuneration Committee approving appointment of Mr.Tilak Goenka and also copy of resolution of Board of Directors appointing and designating him as Executive Director, Agreement executed with Mr. Tilak Goenka and all other relevant documents would be available for inspection between 11:00 AM to 04:00 PM on all working days till the date of Annual General Meeting.

   The Board of Directors recommends the resolutions set out at Item nos. 4 & 5 for the approval by the shareholders of the Company.

**Item No. 6**

Mr. Pradip Kumar Goenka is the Chairman and Managing Director of the Company. His present tenure in the office ends on August 26, 2018. He is presently drawing remuneration of ₹ 54,00,000 Lakhs p.a. (Rupees Fifty-Four Lakh per annum). Subject to approval of members, the Board of Directors at their meeting held on May 26, 2018, re-appointed Mr. Pradip Kumar Goenka as Chairman and Managing Director of the Company for a further period of 5 years with effect from August 26, 2018 and also approved remuneration payable to him as ₹ 54,00,000 Lakhs p.a. (Rupees Fifty-Four Lakh per annum).

Mr. Pradip Kumar Goenka is having more than 35 years of experience in textile and yarn business. With his vast experience in the business, it would be desirable to approve his re-appointment as Chairman and Managing Director.

The remuneration payable to the Chairman and Managing Director was duly approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee at their respective meetings held on May 26, 2018. The approval of the shareholders is sought for re-appointment of Mr. Pradip Kumar Goenka as Chairman and Managing Director of the Company with effect from August 26, 2018 for a further period of 5 (five) years on the terms and conditions as per agreement between the Company and Mr. Pradip Kumar Goenka.

Since there is an inadequate profit, it is proposed to pay remuneration on the basis of effective capital under clause (B) of section II of part II of Schedule V to the Companies Act, 2013 read together with section 197 of the Act. Information as required under Schedule V of the Companies Act, 2013 in relation to the appointment and approval of remuneration is given hereunder.

**I. General Information:**

1. Nature of Industry – The Company belongs to the textile industry and carries on the business of manufacturing and trading of fabrics and garments.

2. Date or expected date of commercial production - Commercial production has already commenced with effect from year 1992.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not applicable.

4. Financial performance based on given indicators:

**(₹ in Lakhs)**

| Particulars | Financial Year ended March 31, 2018 | Financial Year ended March 31, 2017 |
|---|---|---|
| Income | 33,300.91 | 30,528.55 |
| Profit before tax | 1,062.03 | 414.91 |
| Profit after tax | 651.31 | 281.54 |

5. Foreign investments or collaborations - The Company is concentrating on domestic market and it is not into exporting. There is no foreign exchange collaboration.

**II. Information about the Appointee**

1. Background details – Mr. Pradip Kumar Goenka has been Director of the Company since its inception. He has more than 35 years of experience in textile and yarn business. He is overseeing manufacturing operations of the Company.

2. Past Remuneration – Details of past remuneration paid to the appointee is given below:

| Particulars | Amount in ₹ (per annum) revised from February 13, 2015 |
|---|---|
| Basic Salary | 21,60,000 |
| House Rent Allowance | 13,20,000 |
| Adhoc Allowances | 18,65,400 |
| Perquisite per car | 39,600 |
| Medical Reimbursement | 15,000 |
| **TOTAL** | **54,00,000** |

and in addition to the above, appointee is entitled for following perquisites, which shall not be part of the ceiling of remuneration:

a) Contribution to provident fund, superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.

b) Gratuity: as per the rules of the Company, payable in accordance with the approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.

c) Encashment of leave at the end of the tenure.

d) Other terms and conditions:

- Remuneration is payable monthly and subject policy of the Company; and
- Other terms and conditions as per the policy of the Company.

3. Recognition and Awards – Nil

4. Job profile and his suitability – Mr. Pradip Kumar Goenka is entrusted with substantial power of management subject to the supervision of the Board. The job profile includes following responsibilities:

   a. Guiding through strategic directions towards achieving business goals;

   b. Monitoring and guiding on product development and design innovation;

   c. Working on better utilisation of capacity;

   d. Reduction of wastages and controlling of costs.

   With his vast experience in the production, trading, procurement, business development and his matching management qualities, he is very much suitable for the above job profile.

5. Remuneration proposed – There is change no change in remuneration payable to him and he will continue to draw the remuneration of ₹ 54,00,000 Lakhs p.a. (as detailed in sr. no. II (2) above).

6. Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) – Salary proposed to the Managing Director is very less as per the industry standards. However, looking at the Company's future business opportunities, growth, profitability and affordability, it is proposed to continue the same remuneration. Accordingly, remuneration proposed for the Managing Director is justified.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any –

   Mr. Pradip Kumar Goenka is related to Mr. Tilak Goenka, Additional & Whole-Time Director of the Company.

   Mr. Pradip Kumar Goenka has direct/indirect pecuniary relationship with Jagruti Synthetics Limited, other than his remuneration as a Chairman and Managing Director:

   Jagruti Synthetics Limited, a company wherein managerial personnel has interest, and the Company has the relationship of lessor and lessee for leasing of plant at 42/1, Ganga Devi Road, Umbergaon – 396171 and also, the Company deals with Jagruti Synthetics Limited in the ordinary course of business.

**III. Other information:**

1. Reasons of loss or inadequate profits – The Company is operating in a business which is very competitive, fast changing and has now very thin operating margins.

2. Steps taken or proposed to be taken for improvement – The Company has initiated steps to control costs, better utilisation of available manufacturing facilities and investing on product innovations. The Company expects the continued focus on said measures, would help the Company to improve its profitability in the coming years.

3. Expected increase in productivity and profits in measurable terms – The Company is continuously working on increasing the productivity. However, it is very difficult to predict the profitability in prevailing scenario such as high and volatile raw material prices and inflation.

**IV. Disclosures:**

1. The remuneration package of the managerial person is given above.

2. Other information as required to be disclosed are given in corporate governance report in Annual Report.

   Except for Mr. Pradip Kumar Goenka, Mr. Tilak Goenka, Directors of Company who are related to each other, and their relatives, none of the Directors/Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in this resolution.

Copy of the resolution of Nomination and Remuneration Committee approving re-appointment of Mr. Pradip Kumar Goenka and also copy of resolution of Board of Directors re-appointing and designating him as Chairman and Managing Director, Agreement executed with Mr. Pradip Kumar Goenka and all other relevant documents would be available for inspection between 11:00 AM to 04:00 PM on all working days till the date of Annual General Meeting.

The Board of Directors recommends the resolution set out at Item no. 6 for the approval by the shareholders of the Company.

**Item No. 7**

The Board on the recommendation of the Audit Committee has approved the appointment of Ms. Ketki D. Visariya, Cost Accountant, Mumbai as Cost Auditor for the financial year ending March 31, 2018 at a remuneration of ₹ 0.90 lakh plus Goods and Service Tax and out of pocket expenses.

The Company has received the certificate from Cost Auditor stating that she is independent and eligible for appointment as Cost Auditor. Pursuant to provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor required to be ratified by the shareholders. Accordingly, the consent of the shareholders is sought for passing a resolution as set out at Item no. 7 for ratification of remuneration payable to the Cost Auditor.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

The Board recommends the resolution set out at Item no. 7 for the approval by the shareholders of the Company.

**By Order of the Board**
For **Kamadgiri Fashion Limited**

**Place:** Mumbai
**Date:** August 14, 2018

**Gaurav K. Soni**
**Company Secretary**

**Registered Office:**
B-104, 'The Qube',
M.V. Road, Marol, Andheri (East),
Mumbai – 400059.

# KAMADGIRI FASHION LIMITED

**CIN:** L17120MH1987PLC042424

**Regd. Office:** B-104, 'The Qube', Off M.V. Road, Marol, Andheri (East), Mumbai – 400059.
**Tel:** (+91 22) 7161 3131 I **Fax:** (+91 22) 7161 3199
**Website:** www.kflindia.com I **E-mail:** cs@kflindia.com

## PROXY FORM

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

Name of the member(s): ____________________________________________
Address: ____________________________________________________________________________________________________
____________________________________________________________________________________________________________
E-mail Id: _____________________________________________
Folio No./ DP Id: _________________________________________ Client Id: ___________________________________________

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

(1) Name:………………………………………………………………......................
Address:……………………………………………………………………………………………………………………………………………
……………………………………………………………………………………………………………………………………………………
E-mail id:……………………........................................................…………… Signature……………………………. or failing him/her;

(2) Name:………………………………….............................................................…
Address:……………………………………………………………………………………………………………………………………………
……………………………………………………………………………………………………………………………………………………
E-mail id:…………………………………..........................................................… Signature……………………………. or failing him/her;

(3) Name:………………………………….............................................................…
Address:……………………………………………………………………………………………………………………………………………
……………………………………………………………………………………………………………………………………………………
E-mail id:…………………………………..........................................................… Signature……………………………. or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty-First Annual General Meeting of the Company, to be held at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 on Tuesday, September 25, 2018 at 10:00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

| Sr. No. | Resolutions | For | Against | Abstain |
|---|---|---|---|---|
| 1. | Adoption of the audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of Directors and Auditors thereon; | | | |
| 2. | Declaration of Dividend on Equity shares; | | | |
| 3. | Appoint a Director in place of Mr. Pardip Kumar Goenka (DIN: 00516381), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment; | | | |
| 4. | Appointment of Mr. Tilak Goenka as a Director; | | | |
| 5. | Appointment of Mr. Tilak Goenka as an Executive Director; | | | |
| 6. | Re-appointment of Mr. Pradip Kumar Goenka as Chairman and Managing Director; | | | |
| 7. | Ratification of remuneration payable to Cost Auditor of the Company for the financial year ending March 31, 2019. | | | |

Signed this____________day of_____________2018.

Affix
Revenue
Stamp

_________________

Signature of shareholder

______________________ ______________________ ______________________

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

** This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Note:**

1. 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.
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.