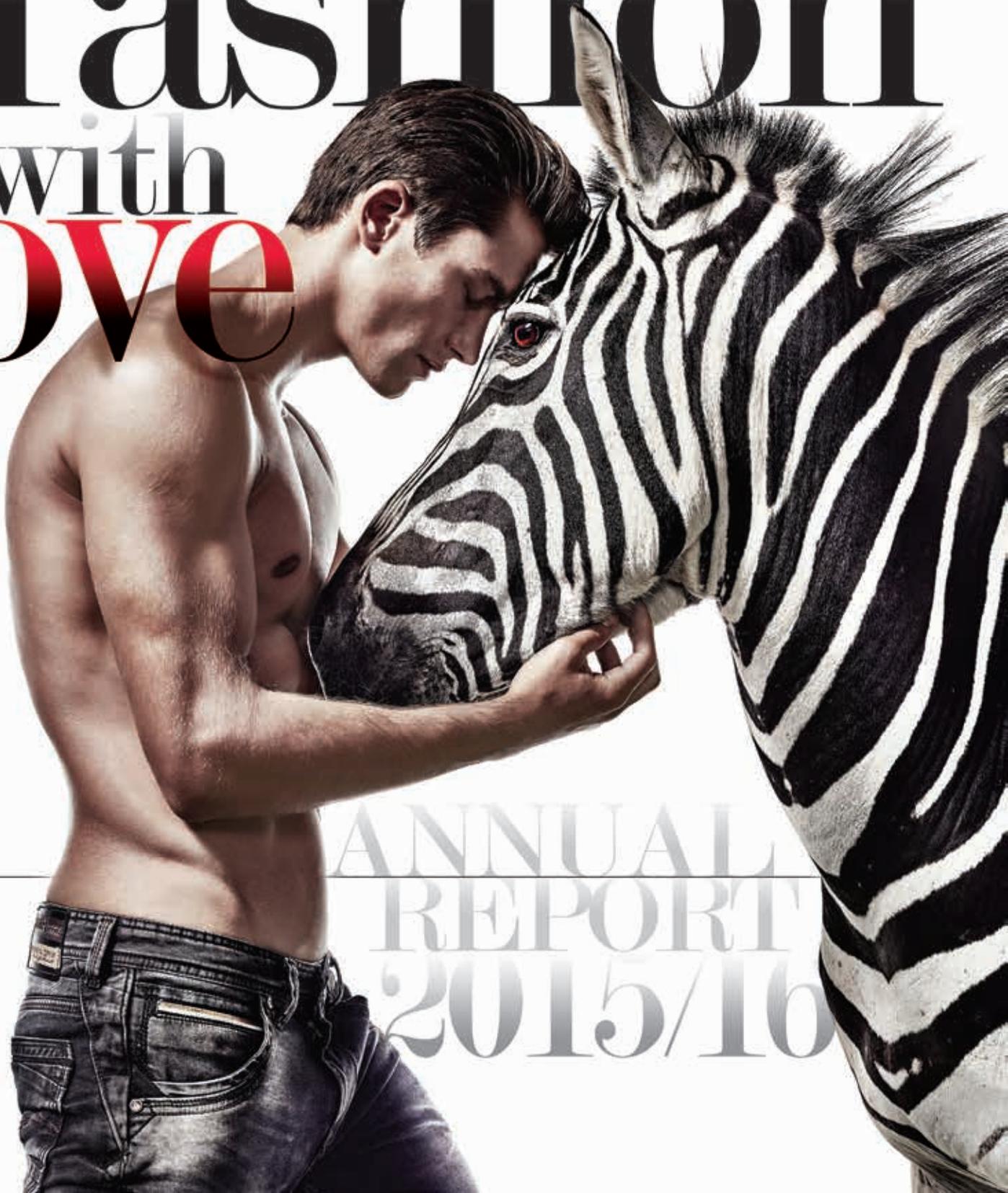


to fashion with **1** love



ANNUAL
REPORT
2015/16

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General Information





Dear Fashion,

You make the world go round. And yet, you make it flatter.

In a world separated by distances and time zones, you are the common thread.

In a world divided by ideology, religion, race among other things you are the unifying thread. Long before social media came onto the scene, it was you who was the benchmark of popularity. Hashtags owe you a debt of gratitude because what you stood for became a trend.

You have created style icons and divas that starry-eyed fans have strived to emulate. You have birthed an industry that is smaller than none. You are the source of inspiration and livelihoods for many.

You are timeless, yet fluid. You are a constant in our lives yet you change every day. You are omnipresent yet rare.

You are not about the way one looks. But about the way one feels.

That is the reason we have dedicated our business to you. Democratizing fashion, building a celebrated, cult indigenous brand, ensuring that our customers become more confident and self-assured as far as sartorial elegance goes, are just some of the ways in which we are paying you a tribute.

And it is not as if you haven't paid back. We have been able to create value for our stakeholders and build a sustainable business. We have been able to deliver consistent growth and a strong brand equity. We have diversified into multiple products, leveraging our goodwill and the strong opportunities.

None of this would have been possible without you inspiring us.

So we thought of taking this opportunity of showing you our love.

XOXO



*KKCL,
the company behind 'KILLER',
the celebrated indigenous cult denim
brand in India, is on the path to make the
country more fashionable and trendier.*

*We strongly believe that age barriers are diminishing and
being fashionable is no longer a prerogative of just the youth.
Fashion knows no boundaries. Every person, be it child, teen or an
adult, be it a common man or a celebrity, be it poor or rich aspires to
look good and feel confident.*

*At KKCL, we equally cater to the youth as well as the middle-aged
population in our endeavour to make our customers feel confident and
fashionable. Our diversified brand portfolio comprises of iconic brands
'KILLER', 'LAWMAN Pg3', 'EASIES' and 'INTEGRITI'. Our unique
product offerings help shape a durable relationship between
in-trend fashion and economic sustainability.*

*KKCL has emerged as one of India's largest fashion house,
while remaining true to our vision, mission and
values.*

Fashion is in our DNA...



vision

To be a world-class business organization which enables values, the best services and the enhancement of net worth to call the stakeholders.

values

ETHOS

We operate the business within our set framework of operating principles which exhibits our focus on ethical practices in our business operations.

RESPECT AND HUMILITY

Respect and humbleness are central to the way we communicate with our communities: stakeholders, employees, vendors, business partners, among others. We actively listen to and take suggestions from all members and make sure they play a crucial role in making key decisions and forming long-term goals.

PASSION AND LONG- TERM VISION

We strive hard with passion to meet and set industry benchmarks in our systems and processes to ensure insightful experiences for our stakeholders. Our aim is to cultivate a culture where every stakeholder has a long-term vision and each and every member of our Company works in a cohesive manner to achieve it.

GENEROUS THOUGHTS

We are accountable towards all our stakeholders. We are liberal and committed in giving back to the society. We always work together for the upliftment of the society as a whole.

mission

We will become a world-class business organization by:

- Driving excellence through our people, business partners and other stakeholders.
- Focusing on consumer satisfaction and executing a customer-centric business module.
- Focusing on core growth principles of Stability, Scalability and Sustainability.
- Adopting international standards and best practices across our operations.

— CORPORATE OVERVIEW —

Product & Brand Portfolio

KKCL offers a range of products under its 4 iconic brands i.e. Killer, Easies, LawmanPg3 and Integriti. We design, manufacture and market branded jeans, formals, semi-formal and casual wear for both men and women. We also offer an exciting and extensive range of branded lifestyle accessories.

K-Lounge and Addictions are our Exclusive Brand Outlets as well as retail formats which operate in many cities in India and the Middle East.



KILLER 

Our flagship brand, killer has changed the face of Indian denims. A brand with a powerful international feel and a unique style quotient, it is trendy, vibrant and dynamic – much like today's youth.



LAWMAN Pg³

Fashionable to the core, Lawman Pg3 delivers great designs that appeal to a diverse range of consumers.



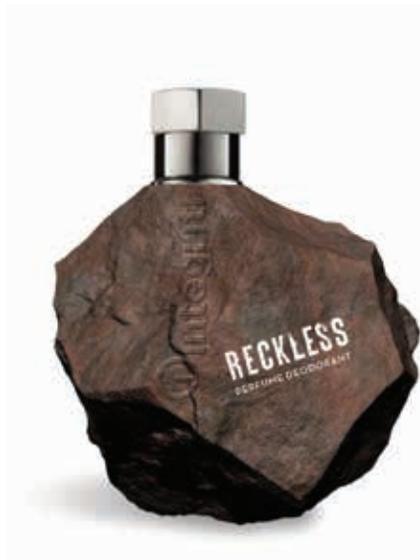
 **Integriti**

Stylish, superior quality, yet an affordable brand that offers casuals as well as formal wear for the masses.



easies

Easies is a fashionable yet functional brand, offering a semi-formal range for those who are young at heart.



ADDICTIONS

Addictions collections offer a wide range of accessories that caters to a diverse customer base.



K-LOUNGE

Our desirable stores offering direct-sales distribution channels of all brands under one roof enhance customer pull.

— CORPORATE OVERVIEW —

The Year Gone By

Growth for the Financial Year ended 31 March 2016 (₹ in Cr.)

REVENUE
457.35

up from 408.32 in FY 14-15

Operating EBITDA
104.08

up from 96.51 in FY 14-15

Profit After Tax
67.95

up from 66.24 in FY 14-15



brand

Killer continues to be Flagship Brand of the Company by contributing 52% of Brand Share

Killer, Integriti, Lawman & Easies have demonstrated growth of 8%, 16%, 18% & 50% respectively as compared to FY 14-15

Product

Jeans continue to be the largest selling product with 60% share in Sales, followed by Shirts 18%

Shirts and T-Shirts have shown growth of 25% & 55% respectively, as compared to FY 14-15

channel

MBO's continue to be leading Channel Partner with 52% share, followed by Retail 24%

E-Commerce contributed share of 3%; however, it has provided 70% growth

Retail, NCS and Overseas players provided growth of 12%, 19% and 30% respectively

region

East contributed 31% of Domestic Sale, followed by South 23% & West 22%

South region has provided unprecedented jump of 70% due to presence of E-Commerce player;

West region has provided growth of 16%, followed by Central & East of 13% & 11% respectively

Message from The Chairman



I am pleased to present to you the 25th Annual Report of the Company.

The year has been a milestone year for your Company on several counts. To begin with, EBITDA for the year surpassed ₹ 100 crores and your Company achieved its highest Sales and Profit after Tax in history. Your Company is now 25 years young and has completed 10 years of listing on the Indian stock markets. While we have progressed a long way since the listing date, we believe the journey has just begun as we continue our endeavours to climb higher. The equity shares of your Company were listed on the Stock Exchanges in April 2006 and since then their value has grown more than 7.5 times the IPO price of ₹ 260 per share, including dividend payout of more than ₹ 170 per share over the last decade. Our aim and ambition continues to build a robust organization with a strong foundation that can weather challenges and create value for its stakeholders over many more decades.

The evolution of the fashion industry in India has been rapid and considering the opportunities, several international players have entered India or are in process of establishing their presence in the country. However, the Indian markets differ considerably from developed international markets in terms of fashion concepts, affordability and growth. The per capita income in India is significantly lower compared to consumers in developed markets. While the aspiration for fashion apparel is high, it is sought at discounted prices. To build a successful brand and presence, sizeable investment is required that enables product innovation, superior quality, pan-India distribution and a world-class shopping experience delivered at an affordable price. A start-up today would require a large investment to begin and build a 'brand' and further, even larger and significant investments would be required to achieve a leading position across all states in India. The funding required is high in context of actual capital deployed by the organized players in the industry so far, however this scale of capital investment is essential to pursue superior growth and achieve leadership position in the industry.

The equity shares of your Company were listed on the Stock Exchanges in April 2006 and since then their value has grown more than 7.5 times the IPO price of ₹ 260 per share, including dividend payout of more than ₹ 170 per share over the last decade.

Within the branded apparel sector, Denim wear provides an attractive long-term growth opportunity driven by the timeless appeal of denim amongst the youth.

The largest section of the market is catered to by the unorganized sector and the transition to the organized and branded segment has lured many domestic and MNC players. However, many of them pursued strategies based on pricing without adequate capital backup. While the pricing created an initial impact the financial strain could not be sustained resulting in continued losses and eventual

withdrawal or demise of the brands. Many companies underestimate the funding requirement for running and growing a brand driven business in India. Companies need to set aside adequate and separate pool of equity capital for the on-going operations of the business and for expansion and growth initiatives respectively. A customer acquired through price is not loyal and is not driven by the brand. This has also been established in e-commerce, where boosted by liquidity infusion, e-commerce players resorted to year round discounting and promotions. This led to rapid rise in sales but with liquidity now drying up, the focus has turned towards cash flows and breakeven, resulting in subdued growth. Once the fancy of investors, e-commerce players focused on fashion apparel and accessories are now facing growth pangs and capital constraints.

With more than 2 decades of experience in the industry your Company has clearly established its business strategy and core values of pursuing stable, sustainable and scalable growth. Your Company continues to keep a watchful eye on the emerging opportunities but is fully aware of the financial implications and capital commitment required to tap into that opportunity. Notwithstanding the macro economic slowdown, your Company has continued to focus and build its brands, products, distribution and reach. Along with this your Company has over the years established high levels of governance and financial discipline. Your Company has enhanced dividend payouts, maintaining a prudent balance between retaining the capital required for business and sharing its profits. We continue to stay focused on pursuing profitable growth.

I would like to thank you for your continued support and faith in the Company.

With best wishes,

Kewalchand P. Jain
Chairman and Managing Director

— CORPORATE OVERVIEW —

Marketing Campaigns



together
as one

Killer's **#TogetherAsOne** campaign was launched and published in all major newspapers like Hindustan Times, Times of India, Dainik Bhaskar, DNA etc.



Lawman Pg3 is the proud sponsor of the **Gujarat Lions** Cricket team for the 2016 IPL season.

Integrity has continued to be the 'Channel Partner' for Viacom 18's high profile English General Entertainment Channel 'Colors Infinity' which was launched on 31st July, 2015

LawmanPg3 was the style partner for the TV show 'Sittare Mastii Mein' on the top rated Hindi music channel 'Mastii'



Killer continued to be the apparel partner of the heart-throbbing car racing event "Volkswagen Vento Cup - 2015" organized by Volkswagen Motorsport India.

Killer was the proud sponsor for Studio Bollywood Nights held on 21st August, 2015 at 'Hard Rock Café, Andheri'

LawmanPg3 was the 'powered by' sponsor for its flagship show 'Look Who's Talking with Niranajan - Season 2' which began on 23rd August, 2015

LawmanPg3 was the principal sponsor for the 'Rajasthan Royals' team for IPL 2015

All the four brands - Killer, LawmanPg3, Integrity & Easies sponsored the in-stadium branding and occupied the upper and middle tiers for the entire series between India & Bangladesh, 2015

LawmanPg3 was the title sponsor for Holi Reloaded 2016 which had the headlining act by Wolf Pack



LawmanPg3 was the star partner for the films Mastizaade, Kya Kool Hain Hum 3, One Night Stand & Azhar

LawmanPg3 was the main sponsor of BCL Team Chennai Swaggers owned by Sunny Leone



Integrity was the style partner for India's 1st English Singing Talent Hunt 'The Stage' on Colors Infinity

Killer was the Associate Sponsor for Hindustan Times Kala Ghoda Event

Integrity was the Presenting Sponsor for Sony LIV's 1st 26 Episode Web & Mobile Series 'Lovebytes'

Killer Presented the Premier of One Direction World Premier on AXN on 21st June, 2016

LawmanPg3 was the Associate Sponsor of BCL Season 2 on Colors

LawmanPg3 & Killer were the principal sponsors of Team UMumba for 2015 Pro Kabbadi Season

LawmanPg3 Presented Dexter & The Originals Season 2 on AXN

Integrity presented Music Mojo and achieved over 2 lakh views on youtube

— CORPORATE OVERVIEW —

Core Strengths

experience

The Company enjoys an experience of more than 2 decades in India's branded sector

diversified product base

The Company's diversified product base comprising its wide gamut of casual, formal and semi-formal product range, addresses the requirements of customers.

client focus

The Company periodically updates products to address emerging customer requirements. We exercise the highest levels of professionalism in our work and relationships and are committed to continuous improvement in our pursuit of excellence.

quality

We possess product quality and environmental certifications vindicating the value of our brand. The Company's products are benchmarked against high-class quality levels and all our manufacturing units are certified ISO 9001: 2008 and the Vapi unit is additionally certified ISO 14001: 2004.



manufacturing facilities

We use state-of-the-art technologies in jeans manufacturing process. Our core competence in the manufacturing processes driven by innovation helps us offer the best products to our customers.

strong distribution network

At KKCL, our wide network of distribution channels helps us remain in touch with our diverse and expanding customer base. This network also keeps us abreast of their changing requirements.

environment friendly

The Company invests in an environment- friendly manufacturing techniques to produce consumer friendly apparel.

Board of Directors



MR. KEWALCHAND P. JAIN
CHAIRMAN AND MANAGING
DIRECTOR

Spearheads the group's foray into the branded apparel business

- A keen student of finance and a hands-on manager, he heads the finance functions and is responsible for the overall management of the Company's affairs
- Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust



MR. HEMANT P. JAIN
WHOLE-TIME DIRECTOR

Leads the Company's marketing functions

- Was instrumental in launching the Company's new brands
- Being an avid traveller and field person, he keeps a keen eye on the latest trends in international fashion
- Responsible for marketing of Killer and Easies brands
- Looks after the Company's retail business
- Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust



MR. DINESH P. JAIN
WHOLE-TIME DIRECTOR



MR. VIKAS P. JAIN
WHOLE-TIME DIRECTOR

Heads the Company's manufacturing operations

- Joined the business in 1990
- Specialises in production and HR related issues
- Responsible for ensuring optimum utilisation of the Company's production facilities at its units at Dadar, Goregaon, Daman and Vapi
- Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust

Heads the Company's operations and distribution functions

- Joined the group in 1992
- Responsible for marketing of Lawman and Integriti brands
- Looks after the Company's retail business
- Spearheads the lifestyle accessories business under the brand 'Addictions'
- Travels extensively and scouts for new technologies in garment manufacturing
- Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust



DR. PRAKASH A. MODY
INDEPENDENT DIRECTOR

- Doctorate (Ph.D.) in Organic Chemistry from the University of Mumbai
- Pursued Marketing Management from Jammalal Bajaj Institute of Management Studies, University of Mumbai
- A Graduate Alumni of the Harvard Business School having undergone the Owner Presidents' Management Programme

EXPERIENCE

Rich experience in Marketing, Research and Production

OTHER POSTS

- Chairman and Managing Director of Unichem Laboratories Limited.
- Member of National Committee on Drugs & Pharmaceuticals of the Confederation of Indian Industry
- Ex-president of the Indian Pharmaceutical Alliance
- Ex-Member of Executive Committee of Indian Manufacturer Association(IMA)



MR. NIMISH G. PANDYA
INDEPENDENT DIRECTOR

- Bachelor's Degree in Law from the University of Mumbai
- Member of the Bar Council of Maharashtra and was appointed as a Notary Public by the Government of Maharashtra in 1993

EXPERIENCE

Specialises in Mergers and Acquisitions, Litigation and Arbitration, Trusts and Charities, Corporate, Commercial and Financial Planning and Execution, including Transaction Support and Contracts, Intellectual Property, Technology, Media and Communications, Competition and Trade, Conveyancing and Real Estates and Family and Personal Law

OTHER POSTS

- Founding Partner at Pandya Juris LLP, International Lawyers & Tax Consultants
- Proprietor at Pandya and Co. Advocates and Notary
- Trustee of Shree Sathya Sai Trust, Maharashtra
- All India President of Shree Satya Sai Seva Organisation, India



C.A. MR. YOGESH A. THAR
INDEPENDENT DIRECTOR



C.A. MS. DRUSHTI R. DESAI
INDEPENDENT DIRECTOR

- Member of the Institute of Chartered Accountants of India

EXPERIENCE

Over 29 years of experience in Business Mergers, Acquisitions and Restructuring, Business Valuations ,Corporate Taxation and Taxation of Non-resident Citizens and Foreign Companies

OTHER POSTS

- Senior Partner in Banshi S. Mehta & Co., a reputed Chartered Accountancy firm in Mumbai
- Member of the Direct Tax Committee of the Chamber of Tax Consultants
- Member of the Management Committee of Income Tax Tribunal Bar Association, Mumbai

- Member of the Institute of Chartered Accountants of India

EXPERIENCE

Over 17 years of experience in Valuation of Shares, Businesses and Intangibles, Advisory Services on Schemes relating to Mergers, Acquisitions, Spin-offs and other forms of Corporate Restructuring and Family Settlements, Financial and Management Advice, Corporate and Individual Taxation (Income-tax, Wealth-tax, Gift-tax)

OTHER POSTS

- Partner in Banshi S. Mehta & Co., a reputed Chartered Accountancy firm in Mumbai



love

labour

TOTAL INCOME DURING 2015-16

₹457.36 Cr.

REVENUE GROWTH IN 2015-16

10.72%

EBITDA GROWTH IN 2015-16

7.84%

It's better to have loved and lost than never to have loved at all, Hemingway said.

leadership.

Thankfully, at KKCL, we have managed to ensure that our consistent and untiring efforts result in positive outcomes for our brands, stakeholders, employees and communities.

Today, KKCL has leading, iconic brands such as Killer, Lawman Pg3, Easies and Integriti in its portfolio that validate our relentless pursuit of love and leadership. The love for fashion complements our ambition for scale and market leadership, and that is what we have delivered.

We have focused on strengthening our core brands across key segments. Together with this, we have been mindful of driving cost efficiencies. Our robust infrastructure ensures top notch product quality and deep distribution networks ensure higher reach.

Love is not about selling short. Therefore, we do not believe in underpricing our products to gain market share because we are confident of quality. Neither do we deploy discounting and invoicing strategies that enable us to show higher topline that may not be real. Therefore, we have consistently grown at 8-10 per cent over the years.

Through all this, we have maintained a strong financial position, aimed at driving sustainable, scalable and profitable growth. In 2015-16, we crossed the important milestone of ₹ 100 crore EBIDTA, demonstrating our ability to lead while maintaining profitably.

A COLLECTION CALLED



spreading the love.

spreading
the love.

At KKCL, our love for fashion is not limited to manufacturing garments. Of course we do that, and ensure that every thread, every stitch, every button reflects our passion in every piece of clothing we manufacture.

There is more to it. We are creating an ecosystem of fashion consciousness at a level where large parts of India can relate to it and participate in the fashion revolution.

We are helping our customers become more aware and more confident. We are spreading to the farthest corners

of India through multiple channels in order to ensure that there is greater fashion consciousness across the country.

We are investing in strengthening our retail portfolio through exclusive stores for each of our brands. Our asset-light model allows us to scale up rapidly and ensure that we are able to grow market presence without putting a strain on our balance sheet.

We have over 327 stores and are growing our geographical footprint aggressively. In 2015-16 alone, we added 45 new stores. Today, we are present across 199 towns and cities across 25 states in India.

At KKCL, we are taking the message of fashion far and wide and spreading the love.

Number of Stores

K-LOUNGE

179

KILLER

80

LAWMAN PG3

13

INTEGRITI

50

LAWMAN PG3 + INTEGRITI EBO

1

EASIES

1

FACTORY
OUTLET

3

far & wide.



what is
done
in love

is
done
well.

- Van Gogh





When we speak about fashion, we do not have a narrow vision. For us, fashion is not primarily a preserve of the youth, although they do make up a significant portion of our customer base. At KKCL, every age group is our target audience because we believe that all of us have a right to look our best and feel our best. Our products are customised to suit the specific needs of all age groups. We know that one size doesn't fit all, and therefore our gamut of offerings enable a wide choice.

We put in extensive research and development efforts to remain ahead of the curve. Our designers and brand managers are constantly keeping themselves abreast of emerging global trends, and adapting them to suit the needs of our customers and markets. It is a testimony to the fashion sense of our product development team that we have not had to withdraw any of our products after introduction, for poor response.

We invest in manufacturing technologies that allow us to extend our leadership by offering the most unique cuts, washes and fabric treatments. In addition, we straddle a large part of the fashion value-chain allowing customers to experience our brands across a variety of products. We are transforming from a Company that was known for denims to one that is fashion-forward in every way.

We are investing in creating a timeless appeal for our products and brands. We are extending our market presence with the expansion of exclusive brand stores, which will offer a one of a kind retail experience. Together with this, we are making our brand approachable by catering to a large segment and investing in wide distribution. Each of our nearly 1933 employees are dedicated to this cause.

That's called loving with all our heart.
And our mind.

real love goes virtual



At KKCL, we realise that love evolves over time. While the physical buying experience is important and crucial, we are cognisant of the fact that customers are dating products online. In our quest to reach fashion to wherever and whoever it is needed, we are strengthening our internet presence and augmenting our footprint online.

India is witnessing an internet revolution of sorts with smart phone penetration increasing dramatically and networks across the country being upgraded. The impending 4G wave is further expected to increase content consumption and transactions online. Consequently, e-commerce as a channel has seen rapid growth in recent years. With higher internet access and wider use of smart phones,

e-commerce has emerged as an effective channel to increase touch points and reach a larger customer base.

At KKCL, we are aiming to be available to our customers across all the relevant channels. We have capitalised on the e-commerce popularity without deep discounting or impacting our profitability.

We are partnering with all the leading platforms and are present wherever our customers look for us. The efforts are showing traction, with sales from the e-commerce channel growing to over ₹ 13.50 crores in 2015-16 from under ₹ 8 crores last year.

We believe in letting love happen, wherever, whenever.



— CORPORATE OVERVIEW —

Distribution Network





327 outlets

We are present in 25 states and more than 199 towns and cities in India through multiple channels that touch lakhs of customers.

People and Well-being in the Organization

We always strive towards
achieving the holistic
development of our human assets.

The pivotal focus is always on
practicing the best HR practices
of employment and adopting fair
approach in handling the entire
employee life cycle.

Accordingly, this results in
delivering better experience to all
our stakeholders.



People and Well-being in the Organization

PARADIGM SHIFT

Human Resource Management is now working more as a strategic business partner rather than merely being a functional support which not only influences the routine business decisions but also divulges in significant impact on the business growth. We are committed to build performance driven culture backed with reward recognition and career growth for talented employees.

STRATEGIC HR

The prime focus of our HR policies and procedures are on further improving the work culture and simplifying these existing HR system and processes which enables employees to perform at their best level. Our main objective is to build the future ready organization by undertaking sustained efforts towards skill development, competency mapping and succession planning.

DRIVING EMPLOYEE ENGAGEMENT

“Happy Employees makes Happy Customers” is our philosophy. Every year we always focus on arranging a series of employee engagement activities and welfare initiatives to enhance the “Happiness Quotient” among the employees.

We always organize contests and events on eve of festivals and international days to foster positive work culture. To name few we had organized “Har Ek Friend Jaruri Hota Hai” contest on friendship day, “Fun at Work” on international women day, “Foundation Day” on Dusshera and “Traditional Day” contest on Rakasha Bandhan, Diwali, etc.

We have also arranged Inter Departmental Cricket Tournament called as “Kewal Kiran Cricket League” which was truly appreciated among all the stakeholders as it has worked as a team building and stress buster activity.

We promote security and safety of women employees. Therefore International Women Day holds an importance in our event calendar. This year also we had organized special woman centric programs and self defense training.

“Eye Checkup Camp” in association with Rotary Club was organized at our Corporate Head Office and plants as employee welfare measure.



Celebrating Friendship Day with 'Har Ek Friend Zaroori Hota Hai' Contest



Eye Check Up Camp in association with Rotary Club at Synthofine (Mumbai) Plant



Winner & Runner-up teams of Kewal Kiran Cricket League 2015-16

BUILDING A HIGH PERFORMING ORGANIZATION

'Highly Motivated Employees are the driving force of any business'. We have introduced the policy of review and rewarding the performance. This year we have honoured our retail employees including backend and front-end staff for their valuable business contribution on occasion of "Retail Employees Day".

To build performance driven culture we believe in making the employees accountable for their assigned roles and aligning the individual goals to the organizational goal.

This year was featured by increasing focus on individual development and reinforcement of performance values.

CONCLUSION

HR department continues to support the business in order to enhance the organizational effectiveness through systematic learning & development initiatives and employee engagement programs. A significant step of talent management initiative has been planned to develop leadership as well as technical/functional capabilities to meet future talent requirements. Our next year agenda will be HR Transformation by promoting paper less working with aid of HRMS software and adoption of best HR practices.



Honouring Retail team on Retail Employees' Day

Financial Highlights

Five Year Financial Highlights

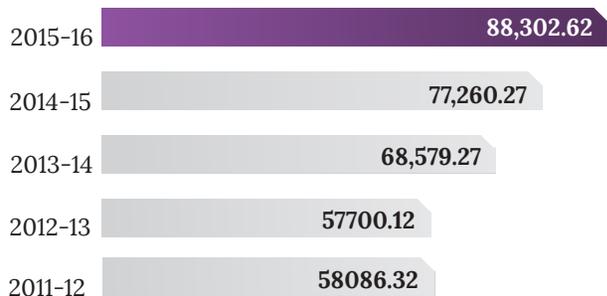
₹ in lakhs

	2011-12	2012-13	2013-14	2014-15	2015-16
MRP of Products Sold	58,086	57,700	68,579	77,260	88,303
Sales and Other Income	31,368	31,516	37,839	41,630	46,430
EBITDA	7,336	7,366	9,340	9,651	10,408
(PBIT) Profit Before Interest & Tax	7,891	7,989	10,008	10,075	10,686
(PBT) Profit Before Tax	7,632	7,727	9,712	9,809	10,353
(PAT) Profit After Tax	5,214	5,342	6,702	6,625	6,795
Cash Profit Profits After Current Tax + Depreciation + Amortisation	5,837	5,935	7,217	6,998	7,211
Net Fixed Assets	4,432	4,425	4,267	5,821	6,261
Investments	5,264	15,905	19,112	20,946	17,630
Net Current Assets	14,175	6,262	6,691	6,231	9,537
Deferred Tax Assets	173	203	178	118	50
Networth	22,555	25,386	29,060	31,981	30,096
Borrowed Funds	1,489	1,409	1,188	1,135	2,889
Total Capital Employed	24,044	26,795	30,248	33,116	32,985

Performance in Perspective

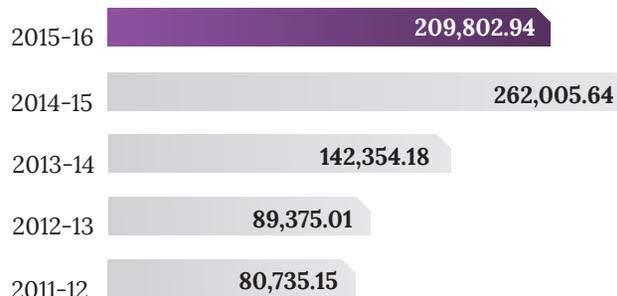
MRP of Products Sold

₹ in lakhs



Market Capitalization

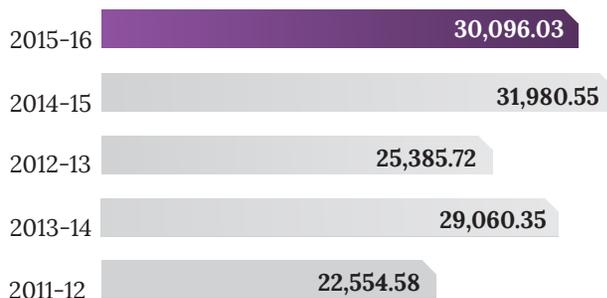
₹ in lakhs



Key Performance Report

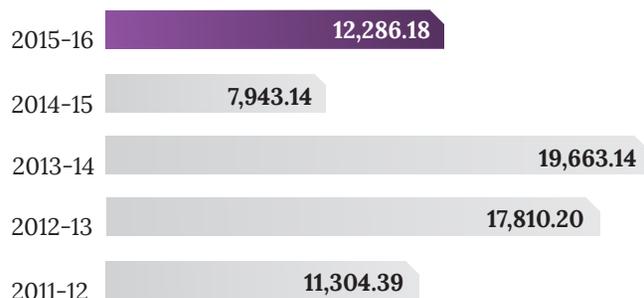
Net Worth

₹ in lakhs



Cash & Liquid Investments

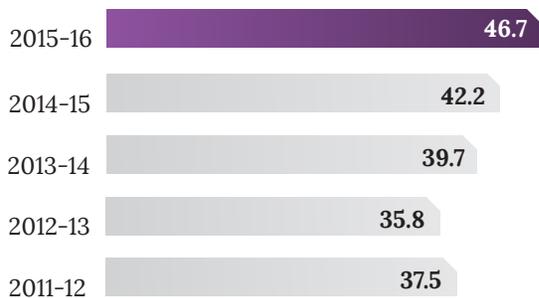
₹ in lakhs



Operational Highlights

Apparels Volume

lakhs



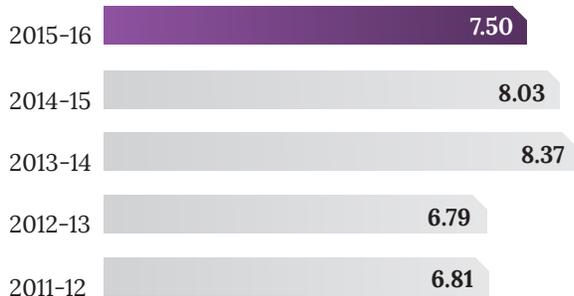
Realisation Per Garment

₹

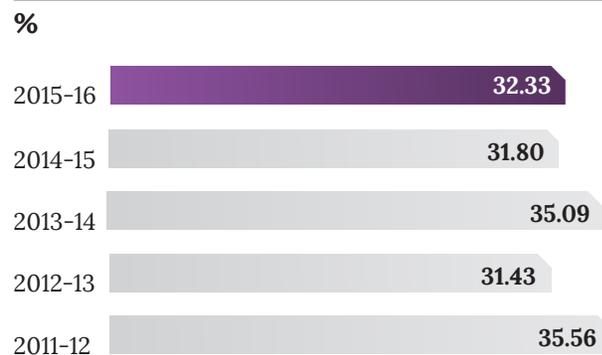


Key Ratios

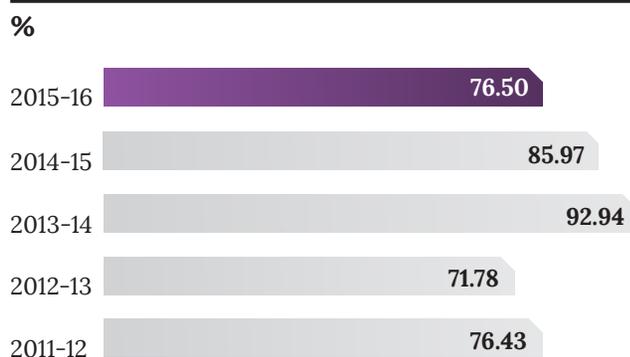
Fixed Assets Turnover Ratio



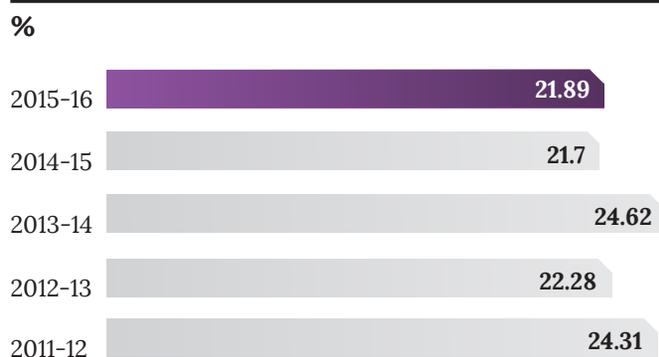
Return on Capital Employed



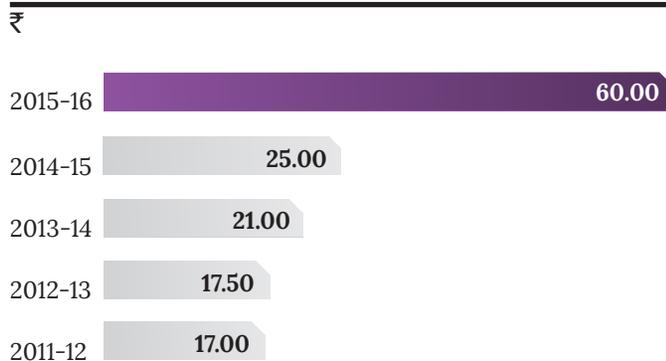
ROCE in Operations



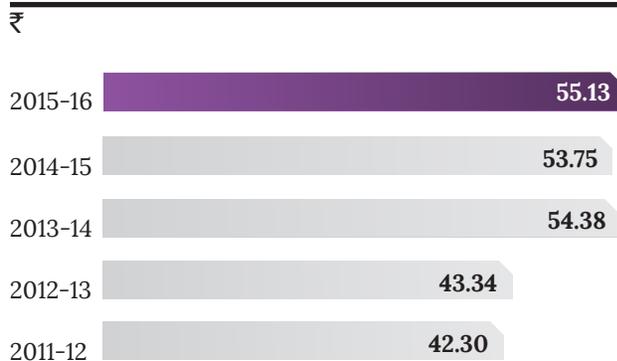
Return on Net Worth



Dividend per Share



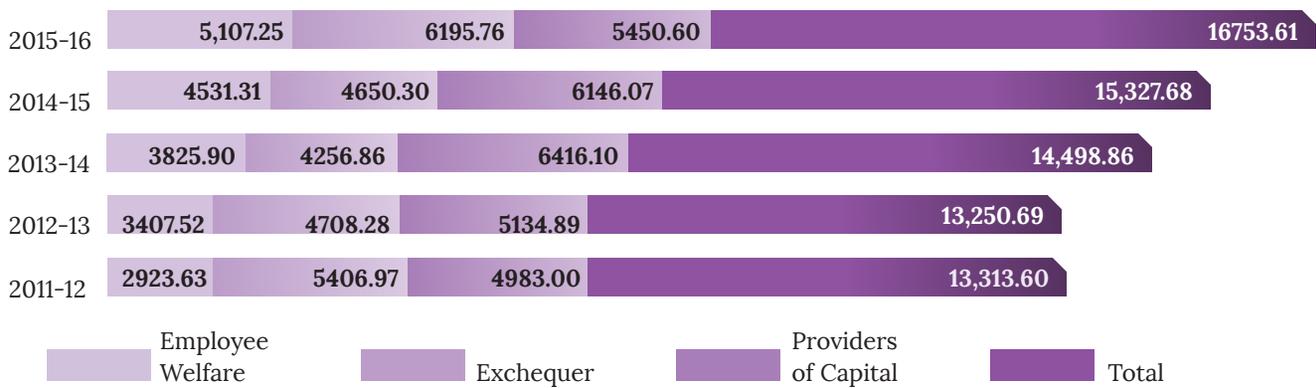
Earnings per Share



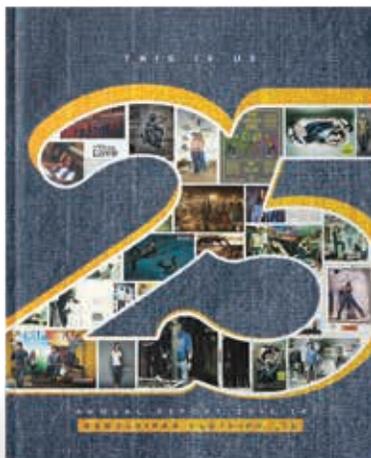


Distribution of Value Added

₹ in Lakhs

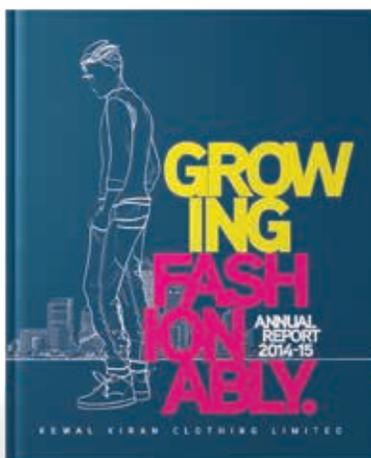


Awards



The South Asian Federation of Accountants awarded your Company Certificate of Merit for the best presented Annual Report for FY 2013-14.

The Institute of Chartered Accountants of India awarded your Company the “Silver Shield Award” for Excellence in Financial Reporting for FY 2014-15.





GIVE THE EXTRA

YOU'LL BE APPRECIATED

PLAYERS PLAY



INTRODUCING

LAWMAN

BE THE

STARS WIN.



DEODORANTS BY

LAMMAN Pg³

THE STAR

Management Discussion And Analysis



KEY PERFORMANCE INDICATORS

- Total income from operations increased from ₹ 408.32 crores to ₹ 457.36 crores, representing growth of 12.01% over the previous year
- EBITDA exceeded the ₹ 100 crores level and touched ₹ 104.08 crores representing an EBITDA margin of 22.76%
- Profit after Tax increased to ₹ 67.95 crores representing a PAT margin of 14.86%
- Other Income was lower by 13.03% from ₹ 7.98 crores to ₹ 6.94 crores; other income on investments in mutual funds with longer term horizon is deferred
- Total dividend payout of ₹ 60 per share (including interim and final dividend) compared to ₹ 25 per share in previous year; including special dividend of ₹ 35 per share
- Strong liquidity and cash position with ₹ 177.06 crores in mutual fund investments and cash and cash equivalents

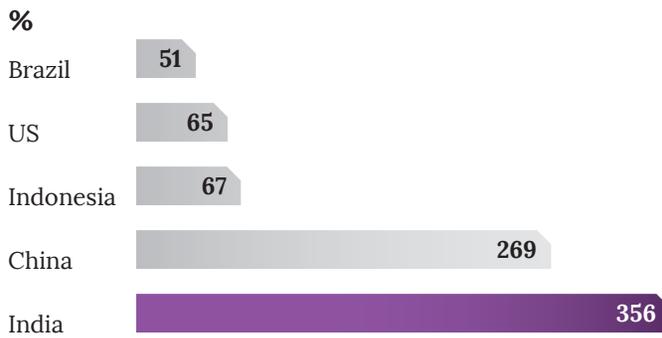
ECONOMY AND INDUSTRY OVERVIEW

Economy: The Indian economy showed signs of improvement in FY 2015-16 with the combined impact of government reforms and benign global commodity prices softening inflation thereby enabling the Reserve Bank of India (RBI) to gradually lower interest rates and improve liquidity conditions in the banking system. However, a shortfall in the monsoon with deficient rain in 40 percent of the geographical area and drought like conditions in key states overshadowed positive trends and led to rural distress. Political stalemate on key reforms also restricted the Government in implementing measures to boost the economy. Meanwhile, the global economic environment was impacted by the slowdown in China. The stock market in China witnessed panic selling and the Shanghai Stock Exchange (SSE) Composite Index, fell by 40% from its peak in June 2015 within a matter of months. Against this backdrop, the Indian economy has shown positive traction. Foreign direct investment (FDI) in India has increased by 29 per cent during October 2014-December 2015 period post the launch of Make in India campaign, compared to the 15-month period before the launch. According to the IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17.

Industry: India has the largest young population in the world with an estimated 356 million youth in the age group of 10 to 24 years, surpassing even China. This demographic along with increasing brand awareness and global lifestyle aspirations provides a sizeable, long-term growth opportunity for the branded apparel industry in India.

With the Government allowing 100% Foreign Direct Investment (FDI) in retail, several foreign brands and fashion retailers continue to enter India thereby enhancing the fashion culture and raising fashion consciousness in the country.

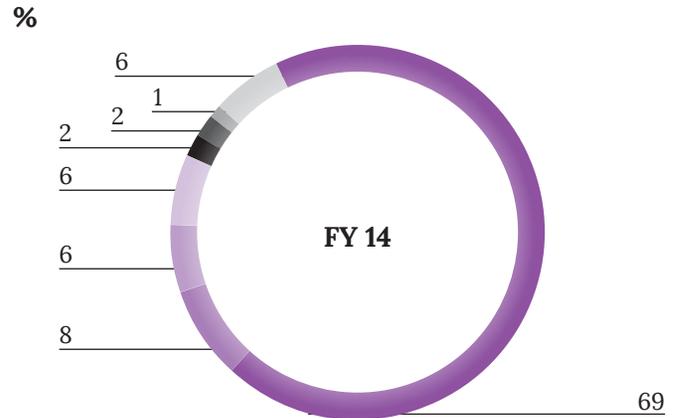
Youth Population Age 10 to 24 in million (2014-15)



Source: UN Report 'The Power of 1.8 billion'

The Indian retail industry is on a strong growth trajectory since the last decade. It is expected to grow to USD 1300 billion by 2020 from USD 600 billion in 2015 at a CAGR of 16.7%. Apparel has the second largest share in revenues from retail after food and grocery. It accounts for 8% of total retail sales in 2014. In terms of physical presence, apparels have become the largest retail segment accounting for 22% of total retail space. Organised Retail penetration is as low as 8% in India compared to more developed countries like the U.S. (85%). This indicates growth potential for organised retail in India and it is estimated that organised retail penetration share would reach 13% by 2019. [Source: www.ibef.org]

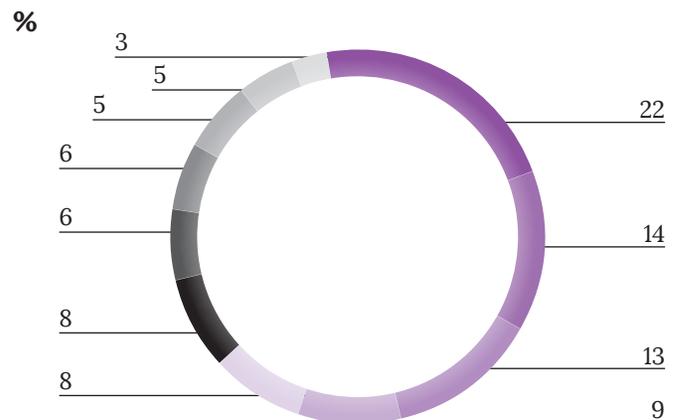
With the Government allowing 100% Foreign Direct Investment (FDI) in retail, several foreign brands and fashion retailers continue to enter India thereby enhancing the fashion culture and raising fashion consciousness in the country.



- Food & Grocery
- Apparel
- Jewellery
- Consumer durables and IT
- Pharmacy
- Furniture and furnishing
- Footware
- Others

Source: Technopak, Indian Retail Market January 2013, Deloitte, A Report on 'Changing trend: gems & jewellery industry' by Onicra, TechSci Research

Break-up of all space by format (FY 15)



- Apparels
- Departmental Store
- Food & Beverages
- Home & Lifestyle
- Entertainment
- Supermarket
- Electronics
- Watches & Jewellery
- Personel Care
- Others
- Footware

Source: Knightfrank, Technopak Advisors Pvt Ltd. Cushman & Wakefield Research, Euromonitor International

On the other hand e-commerce players have also focused on the fashion apparel and accessories vertical and driven sales through continuous price discounting, cash on delivery

and easy returns policies. In 2015 apparel category was the fastest growing category in online sales clocking a growth of 69.5% followed by electronics, baby care products, beauty & personal care products and home furnishings which grew by 62%, 53%, 52% and 49% respectively. [Source: www.assochem.org]. The high growth had led many to believe that e-commerce would severely impact offline retailers and branded apparel players. The unsustainable strategy of e-commerce players that was primarily driven by continuous funding is now witnessing a sharp course correction as the focus returns on managing cash flows, targeting break even and conserving funds amid falling valuations. The apparel category is especially characterized by unique dynamics of transaction size, price sensitivity, product returns, cost of delivery and reverse logistics and value loss which require due consideration. Considering the growth in smartphones and internet usage, the e-commerce channel will provide an additional distribution platform for branded apparel companies but is unlikely to threaten the existence and relevance of other established channels like MBOs, EBOs & large format stores. Recent trends indicate select e-commerce players being acquired by offline players in sectors like home décor and furniture, jewellery and apparel. Overall the entry of foreign labels and retailers, growth in online fashion retailing and expansion by existing retailers augurs well for the branded apparel industry.

The strategy of your Company of strengthening its core brands across key segments, driving cost efficiencies, building robust infrastructure, ensuring top notch product quality, deepening the distribution network and maintaining strong financial position is aimed towards achieving sustainable, scalable and profitable growth.

OVERVIEW

The Company continued to grow in FY 2015-16 and its total income from operations touched ₹ 457.36 crores achieving a 12% increase over the previous financial year. The sales value based on MRP would be ₹ 883 crores. The growth contributors were across all key brands, products, regions and distribution channels.

BRANDS

Each of the key brands of the Company - Killer, Lawman Pg3, Integriti and Easies reported positive growth.

KILLER – Killer, the flagship brand of the Company retained its share at 52% of sales and continues to be amongst the leading brands in the country. Killer embodies fashion and comfort and provides a compelling style statement to the fashion conscious with a rebellious streak to carve their own path. Killer recorded sales of ₹ 234.41 crores, an increase of



8% from the previous year, representing MRP value of more than ₹ 440 crores.

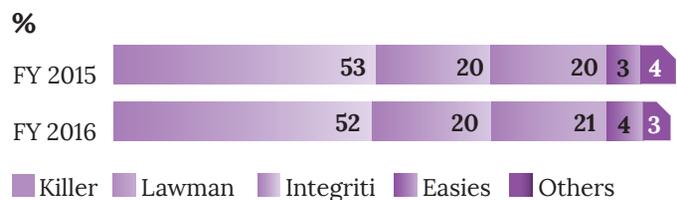
LAWMAN Pg3 – Lawman is a high fashion brand focusing on the ‘glamour’ aspect of clothing. It achieved sales of ₹ 92.95 Crores in FY 2015-16 against ₹ 79.97 Crores in FY 2014-15 thus growing by 16% and represented 20% of total sales. Lawman Pg3 is the proud sponsor of the “Gujarat Lions” IPL team for the 2016 season.

INTEGRITI – The youth brand - Integriti achieved sales of ₹ 93.78 crores and has continued its high growth trajectory by growing 18% in the year and contributing to 21% of total sales. The brand offers a wide range of products from denim to shirts, T-shirts, winter wear, formal wear and accessories.

EASIES – Easies is an everyday casual wear brand that has products ranging from jeans, trousers, chinos, capris, shirts and jackets. The brand achieved sales of ₹ 15.98 crores as against ₹ 10.64 crores in the previous year showing a high growth of 50% and increased its share to 4%.

ADDICTIONS – Addictions includes range of lifestyle accessories like deodorants, wallets, belts, inner wear, etc. Sales from the brand were at ₹ 15.90 crores in FY 2016 compared to ₹ 18.56 crores in the previous year.

Brand-wise Breakup of Sales:



PRODUCTS

Jeans – Jeans have been the Company's main product offering since inception. The unique and versatile experience of denim jeans has retained its timeless pull amongst the youth and jeans continue to be a staple for every youth's wardrobe. For the Company, Jeans are the largest contributor to sales and accounted for 60% of total sales in FY 2015-16. Jeans sales stood at ₹ 270.53 crores in FY 2015-16 as compared to ₹ 241.58 crores in FY 2014-15, registering a growth of 12%.

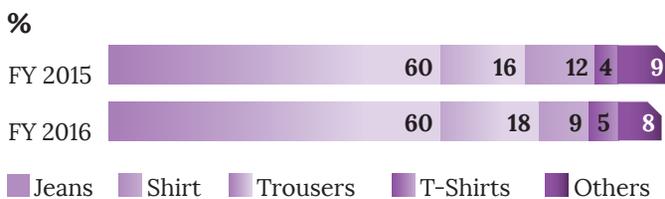
Trousers – Trousers achieved sales of ₹ 41.99 crores compared to ₹ 48.09 crores in the previous year, showing a decline of 13% and constituted 9% of total sales. Sales of Jeans and Trousers combined grew by 8%.

Shirts – Shirts was one of the fastest growing product category in FY 2015-16 with revenues of ₹ 80.19 crores compared to ₹ 64.13 crores in previous year, showing a growth of 25%. Shirts contributed 18% to total sales during the year.

T-Shirts – T-Shirts sales also showed strong growth with an increase of 55% with sales of ₹ 23.58 crores as compared to ₹ 15.19 crores in previous year. T-Shirts accounted for 5% of total sales.

Other products – Other products include jackets, shorts and other accessories. These grew by 2% from ₹ 36.15 crores to ₹ 36.73 crores and represented 8% of total sales.

Product wise Breakup of Sales:



SALES AND DISTRIBUTION CHANNELS

The Company has developed an optimum distribution model across different channels to enable wider reach and robust sales. The Company is today present in 25 states and more than 199 towns and cities in India through multiple channels that touch lakhs of customers. The Company leveraged its

strong position in each of the channels and achieved growth across all formats.

Multi Brand Outlets (MBOs) – MBO's have been the dominant channel of distribution for your Company. MBO's are an effective and efficient way to place the products to diverse markets. Sales from this channel were ₹ 236.79 crores in FY 2015-16 as compared to ₹ 222.59 crores in the previous year. This channel showed growth of 6% in the current year and contributed to 52% of total sales.

K-Lounges and Exclusive Brand Outlets (EBOs) – EBO's and K-Lounge outlets are an integral channel for your Company as they provide an exclusive and personalized shopping experience. K-Lounges are umbrella stores which house all of your Company's brands under one roof. There are over 179 K-lounges throughout the country located in prime areas. Sales from this channel grew by 12% to ₹ 107.83 crores in FY 2015-16 from ₹ 96.24 crores in the previous year and represented 24% of total sales.

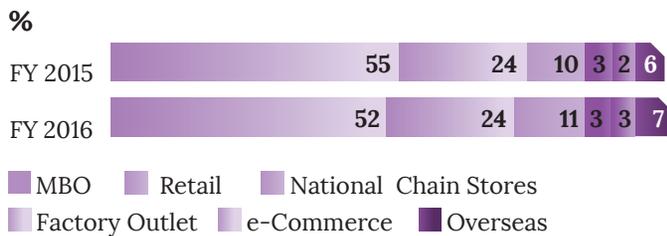
National Chain Stores (NCSs) – National Chain Stores are large format stores providing shoppers with multiple brand options. This channel achieved revenues of ₹ 49.57 crores in FY 2015-16 as compared to ₹ 41.55 crores in the previous year to show a growth of 19% and accounted for 11% of total sales.

E-Commerce – E-Commerce as a channel has seen rapid growth in recent years. With higher internet access and wider use of smart phones, e-commerce has emerged as an effective channel to increase touch points and reach out to wider areas across the country. The Company aims to be present before customers through all relevant channels and capitalize on e-commerce's growing popularity whilst ensuring that profitability is not negatively impacted. E-Commerce sales grew by 70% to ₹ 13.53 crores in FY 2015-16 from ₹ 7.98 crores in the previous year and accounted for 3% of total sales.

Overseas – The Company has also established its footprint in international markets and has a loyal following in these markets. Overseas sales grew by 30% to ₹ 29.84 crores in FY 2015-16 from ₹ 22.97 crores and accounted for 7% of total sales.

Factory outlets – Sales through Factory outlets grew by 12% from ₹ 13.81 crores to ₹ 15.46 crores in FY 2015-16 representing 3% of total sales.

Channel-wise Breakup of Sales:



EBO Store Roll-out:

The Company opened 45 new stores during the year and closed 34 existing stores taking the total operational stores count to 327 with presence in over 199 cities across 25 states in India. 26 further new stores were work-in-process as on March 31, 2016. Out of 327 stores, 316 stores are franchisee owned and franchisee operated stores.

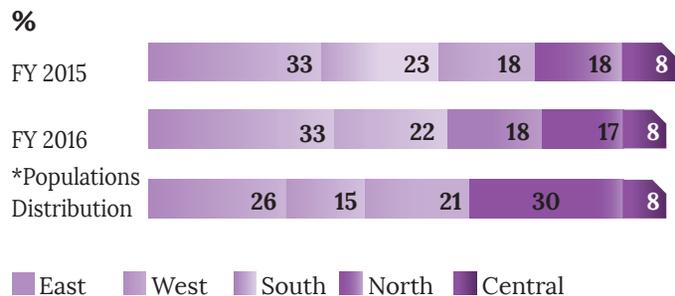
Store Type	Number of stores
K-Lounge	179
Killer EBO	80
Lawman Pg3 EBO	13
Integriti EBO	50
Lawman Pg3 + Integriti EBO	1
Easies EBO	1
Factory Outlet	3
Total	327

Regions:

The Company has a pan-India presence and its sales and distribution network through multiple channels enables the Company to reach out to customers across India and in overseas markets.

Eastern region constituted to 35% of total sales and registered a growth of 18% from ₹ 127.12 crores to ₹ 150.07 crores in FY 2015-16. Western region has the second largest share contributing 22% of total sales of ₹ 92.24 crores in FY 2015-16 as compared to ₹ 87.88 crores in the previous year. With sales of ₹ 69.56 crores and ₹ 77.57 crores, the Northern and Southern regions each accounted for share of 17% and 18% of total sales respectively. Central region sales increased by 17% from ₹ 28.82 crores to ₹ 33.74 crores in FY 2015-16 representing 8% of total sales. Sales from overseas markets were ₹ 29.84 crores in FY 2015-16 as compared to ₹ 22.97 crores showing a growth of 30%.

Region-wise Breakup of Sales:



* Based on comparable distribution data for 11-50 years age group (Source: Indian population census data - 2011 sales)

RESULTS OF OPERATIONS

Total Revenue:

The total income from operations stood at ₹ 457.36 crores in FY 2015-16 as compared to ₹ 408.32 crores in the previous year, thereby showing growth of 12%. Apparel sales increased by 13.07% to ₹ 437.11 crores driven by 10.57% growth in sales volume from 42.24 lakh units to 46.71 lakhs units and 2.27% increase in sales realization per unit from ₹ 915 per unit to ₹ 936 per unit.

Costs:

Cost of Goods Sold: The cost of goods sold decreased by 109 bps from 43.84% of total income to 42.75% at ₹ 195.53 crores. This was mainly due to a reduction in raw material prices.

Personnel cost: Personnel costs increased by 12.7% from ₹ 45.31 crores to ₹ 51.07 crores but remained stable at 11.2% of sales.

Manufacturing and operating expenses: Manufacturing expenses increased from ₹ 33.90 crores to ₹ 42.51 crores in FY 2015-16. These expenses stood at 9.29% of total income as compared to 8.30% in the previous year.

Selling and distribution expenses: Selling and distribution expenses stood at ₹ 38.89 crores as against ₹ 33.33 crores in the previous year and were maintained at 8.5% of total income.

Administrative and other expense: Administrative and other expenses stood at ₹ 25.28 crores as compared to ₹ 20.25 crores in the previous year and constituted 5.53% of total income.

Profitability:

EBITDA and EBITDA Margin: The EBITDA of the Company surpassed the ₹ 100 crore level to touch ₹ 104.08 crores representing a growth of 7.84% over the previous year. EBITDA Margin stood at 22.8% as compared to 23.6% in the previous year.

Profit before Tax (PBT): The PBT of the Company increased from ₹ 98.09 crores to ₹ 103.53 crores and PBT Margin stood at 22.64%.

Profit after Tax (PAT): The Net Profit of the Company increased from ₹ 66.24 crores in the previous year to ₹ 67.95 crores. This is despite of drop in other income of 13% from ₹ 7.98 crores to ₹ 6.94 crores. Other income was lower due to deferment of income on mutual funds considering their longer term of investment.

Earnings per Share: The EPS of the Company stood at ₹ 55.13 per share compared to ₹ 53.75 per share in the previous year.

Return on Capital Employed (ROCE): The Company achieved a ROCE of 30.23% and the ROCE from operations stood at 76.50%.

Return on Networth (RONW): The RONW of the Company was at 21.89% as compared to 21.47% in the previous year.

Financial Position and Cash flows:

With due consideration to our strong financial position, your Company has been regularly paying dividends and in FY 2015-16, your Company also made a Special Dividend payout of ₹ 35 per share utilizing the strong cash reserves of your Company. With continued cash generation, the total amount in mutual fund investments and cash and cash equivalents stood at Rs 182.70 crores providing your Company with strategic liquidity and continuing its net debt-free status. The liquidity position of your Company remains robust with current ratio at 3.27.

The Working Capital cycle has been steady with Debtors turnover at 70 days, Creditors turnover at 47 days and Inventory turnover at 38 days.

Business Progressive Fund:

The initiative of your Company of creating the Business Progressive Fund has been further augmented with an amount of ₹ 5 crores thus taking the aggregate amount to ₹ 30 crores. The said fund has been established for the purpose of maintaining normal growth in sluggish market conditions and long term superior growth. The fund would be utilized in such conditions for launching and promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business reinforce existing channels of sales, etc.

CREDIT RATING

CRISIL has re-affirmed Company's debt rating as AA-/stable (High degree of Safety) which shall enable superior credit terms from the financial market and banks.

Advertising and Branding Initiatives:

Brand building is a key focus area for the Company and the following initiatives were taken during the year:

- Lawman Pg3 is the proud sponsor of the "Gujarat Lions" IPL team for the 2016 season
- Integriti has continued to be the 'Channel Partner' for Viacom 18's high profile English General Entertainment Channel "Colors Infinity" which was launched on 31st July ,2015
- Killer's "Together as One" campaign was launched and published in all major newspapers like Hindustan Times, Times of India, Dainik Bhaskar, DNA, etc.
- Killer continued to be the Apparel Partner of the heart-throbbing car racing event "Volkswagen Vento Cup - 2015" organized by Volkswagen Motorsport India
- LawmanPg3 was the style partner for the TV show "Sitaare Mastii Mein" on the top rated Hindi music channel "Mastii"
- Killer was the proud sponsor for Studio Bollywood Nights held on 21st August, 2015 at "Hard Rock Café, Andheri"
- LawmanPg3 was the "powered by" sponsor for its flagship show "Look Who's Talking with Niranjana - Season 2" which began on 23rd August, 2015



- LawmanPg3 was the principal sponsor for the “**Rajasthan Royals**” team for IPL 2015
- All the four brands - Killer, LawmanPg3, Integriti & Easies sponsored the in-stadium branding and occupied the upper and middle tiers for the entire series between **India & Bangladesh, 2015**
- Integriti presented **Music Mojo** and achieved over 2 lakh views on youtube
- LawmanPg3 was the star partner for the films Mastizaade, Kya Kool Hain Hum 3, One Night Stand & Azhar
- LawmanPg3 was the title sponsor for Holi Reloaded 2016 which had with the headlining act by Wolf Pack
- LawmanPg3 was the main sponsor of BCL Team Chennai Swaggers owned by Sunny Leone
- LawmanPg3 was the Associate Sponsor of BCL Season 2 on Colors
- LawmanPg3 & Killer were the Principal Sponsors of Team UMumba for Pro Kabbadi 2015 Season
- LawmanPg3 Presented Dexter & The Originals Season 2 on AXN
- Integriti was the style partner for India’s 1st English Singing Talent Hunt “The Stage” on Colors Infinity
- Integriti was the Presenting Sponsor for Sony LIV’s 1st 26 Episode Web & Mobile Series “Lovebytes”
- Killer Presented the Premier of One Direction World Premier on AXN on June 21, 2016
- Killer was the Associate Sponsor for Hindustan Times Kala Ghoda Event.

Awards:

The Institute of Chartered Accountants of India awarded your Company the “Silver Shield Award” for Excellence in Financial Reporting for FY 2014-15.

The South Asian Federation of Accountants awarded your Company Certificate of Merit for the best presented Annual Report for FY 2013-14.

Internal Control System and Their Adequacy:

Your Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedure and competent personnel. In addition to statutory audit, the financial controls of your Company

at various locations are reviewed by the internal auditors, who report their findings to the audit committee of the board. The audit committee is headed by an independent director and this ensures independence of functions and transparency of the process of supervision. The committee meets on a regular basis to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of follow-up action required. Your Company conducts its business with integrity and high standards of ethical behaviour and in compliance with laws and regulations that govern its business.

Opportunities and Threats:

With a young demographic profile, the branded apparel industry in India offers a sizeable long-term growth opportunity and this is validated by the steady stream of foreign labels and fashion retailers entering India. Organized retail is increasing its footprint thus providing suitable environment for consumers to experience branded apparel and accessories. Starting, building and growing a successful brand requires heavy investments across the entire chain - right from designing and innovation, manufacturing and sourcing high quality products, brand building and finally providing a world class shopping experience to consumers. For a healthy industry and sustainable growth, each component of this chain has to be profitable, which would have to be priced into the final product. However, the purchasing power of the Indian consumer is not at par with global standards and a large section of the market is price sensitive. Achieving growth without adequate capital and offering products at an affordable price have led to financial stress and exit of several domestic and international brands. This is a significant challenge for the growth of industry and can be addressed through cost control, prudent inventory management and enhancing equity capital in the business.

Risks:

Distribution Risk

Your Company is engaged in the manufacturing and distribution of apparels and accessories. These are sold through various channels such as distributors, NCSs, MBOs, EBOs, e-commerce, etc. Therefore, selection of the distribution channel in terms of combination of your Company’s own stores and other outlets, location of your Company’s own stores, etc. becomes all the more important. Further, any change in channel mix or reduction in channel partners may impact the success of your Company’s business.

Your Company endeavors to optimize retail locations by opening up retail stores across various locations in the country and have judicious mix of various channels to reach out to the final customer.

Competition Risk

The market currently is very fragmented with presence

of both organized and unorganized players with the later representing a significant market share. The presence of many Indian and International brands in the market makes it all the more competitive. Any aggressive marketing strategy by any competitor or by any channel partner for any other brand may lead Company to adapt similar strategy to protect its market share.

However your Company has built a diversified portfolio of brands over a period of time, giving the customers ample options to choose from. Also the sales are well diversified across the country with limited geographical concentration. Your Company has a wide range of products amongst other denim brands in the country and has also introduced a range of accessories for customers to choose from.

Non-availability of Raw Materials

Your Company is dependent on external suppliers for its raw material requirements. Any delay in supply or non conformance to quality requirements by the suppliers or fluctuations in the prices of the same can impact your Company's ability to meet customer requirements and thus impact profitability.

Your Company has developed and evolved a robust supply chain management system to mitigate this risk.

Inventory Obsolescence Risk

Your Company is in the business of fashion and therefore face the risk of changing consumer preferences due to which stock of unsold goods may not remain saleable.

Your Company has strong in-house designing team that develops products in line with international fashion trends that meet the discerning needs of the customers. Your Company also runs various promotional schemes for products to minimize the incidence of obsolete or slow moving products.

Regulatory Risk

Government policies with respect to the textile sector, materials and labour policy may impact your Company's input and other associated compliance cost. Any significant change in government policy towards ready-made garment and its associated sector may impact your Company's performance and its margin. Further, any regulatory changes towards its export policy of ready-made garments may also impact Company performance.

Your Company is poised to face the regulatory changes and the consequent impact on the cost on account of prudent provisioning in its financials. Your Company is also equipped with process and systems and adheres to stringent internal controls to enable cater to any such impact.

Outlook:

Despite sluggish market conditions, your Company achieved a double-digit growth rate in FY 2015-16. As a pan India player your Company's growth is linked to overall economic activity, inflation trends and disposable income. While the economic growth rate is improving, macro issues like stressed assets in the infrastructure sector continue to restrain capital investment and spending. A favorable monsoon can improve ground level consumer sentiment and spending pattern, which impact the immediate growth scenario. Your Company is focused on growing its business across all brands, products, regions and formats and will continue to pursue its strategy of targeting growth while maintaining financial discipline and not compromising on profitability.

Human Resources and Industrial Relations:

The success of any business is a function of its human capital. Your Company has always fostered a performance driven environment that allows for creative output while maintaining highest levels of professionalism. Your Company believes in grooming future leaders and provides on-ground exposure to develop skill sets borne out of experience in managing real business situations.

Your Company continued to have cordial relations with all its employees at the manufacturing facilities and has adopted welfare measures in the best interests of its employees. The Board wishes to place on record its appreciation to all the employees in the Company for their sustained efforts and immense contribution to the high level of performance and growth of the business during the year.

As on 31st March 2016, the Company had 1,933 employees.

Cautionary statement:

This discussion contains certain forward-looking statements within the meaning of applicable securities laws. Readers are cautioned not to place undue reliance on these forward looking statements, which reflects management's analysis describing our objectives and expectations based on certain information and assumptions. Our operations are dependent on various internal and external factors within and outside the control of the management.

We assume no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events. Actual results may differ from those expressed or implied herein.



Remember
THE
old adage,
Where there's a
- wheel, -



THERE'S A
Way
of

Directors' Report



To the Members Your Board of Directors are pleased to present the 25th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2016.

FINANCIAL RESULTS (STANDALONE)

(Amount in Rupees)

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
1	Net Sales/Income from operations	4,573,590,901	4,083,239,005
2	Other Income	69,447,269	79,760,219
3	Total Expenditure	3,532,820,821	3,118,140,766
4	Gross profit (Before deducting any of the following)	1,110,217,349	1,044,858,459
a.	Finance charges	33,345,946	26,606,758
b.	Provision for depreciation	41,606,686	37,396,776
c.	Tax provision	355,785,736	318,408,985
5	Net profit for the year	679,478,981	662,445,941
i	Prior Period Expenses (Net of Tax)	Nil	Nil
ii	Closing Balance of profit/loss	2,277,269,262	2,130,878,028
6	Appropriation of profit	1,008,129,753	533,087,747
i	Bonus shares issued during the year	Nil	Nil
ii	Proposed Dividend (Including Dividend Tax)	22,251,178	22,251,178
iii	Transfer to General Reserve	67,947,898	66,244,594
7	Dividend (in ₹) per ordinary share	60	25
8	Paid up Equity capital	123,250,370	123,250,370
9	Reserves except revaluation reserve	1,594,962,728	1,477,014,830
10	Surplus c/f	1,269,139,510	1,597,790,281

OVERALL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The Company achieved total income of ₹ 464.30 crores registering a growth of 11.53% over the previous year. The growth in income from operations was driven by volume growth as well as increase in the sales realization per unit. The EBITDA for the year crossed ₹ 100 crore and Profit after Tax touched ₹ 67.95 crores resulting in an EPS of ₹ 55.13 per share. After going through a prolonged phase of economic slowdown, high inflation and rising deficit in the past few years, FY 2015-16 witnessed a gradual turnaround. Low crude prices, falling inflation, lowering of interest rates and an uptick in the GDP growth have created expectations of a sustainable recovery, however two consecutive weak monsoons and hurdles in implementing key policy actions led to dampening of the overall demand and consumer sentiment. The branded apparel continued to attract international players with several fashion brands and retailers setting up or planning to enter the domestic market. E-commerce players, which were considered a severe threat, due to their rapid growth driven by aggressive promotions and heavy year round discounting, are now starting to focus on cash flows, rationalizing costs and achieving break even. The Company leveraged the growing popularity of this channel and increased its presence through e-commerce platforms. The Company continues to focus on its core brands and has achieved balanced growth across key brands, geographies and products. The philosophy of maintaining financial discipline and prudence ensured that the Company continues to be debt free with healthy cash reserves.

DIVIDEND

The total dividend for the year ended March 31, 2016 (including interim and final dividends) stood at ₹ 60 per share as compared to ₹ 25 per share in the previous year.

The Board of Directors had in their meeting held on June 16, 2015 declared the special first interim dividend of ₹ 35/- (350%) per equity share absorbing a sum of ₹ 519,194,364/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was June 26, 2015 and the said interim dividend was paid in July 2015.

The Board of Directors had in their meeting held on November 6, 2015 declared the second interim dividend of ₹ 8.5/- (85%) per equity share absorbing a sum of ₹ 126,090,060/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was November 20, 2015 and the said interim dividend was paid in November 2015.

The Board of Directors had in their meeting held on February 6, 2016 declared the third interim dividend



of ₹ 8/- (80%) per equity share absorbing a sum of ₹ 118,672,995/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was February 17, 2016 and the said interim dividend was paid in February 2016.

The Board of Directors had in their meeting held on March 9, 2016 declared the fourth interim dividend of ₹ 7/- (70%) per equity share absorbing a sum of ₹ 103,838,872/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was March 19, 2016 and the said interim dividend was paid in March 2016.

Your directors are pleased to recommend a final dividend of ₹ 1.5/- (15%) per equity share of ₹ 10/- each for the year ended March 31, 2016.

The dividend once approved by the members in the ensuing Annual General Meeting will be paid out of the profits of your Company for the year and will sum up to a total of ₹ 22,251,178/- including dividend distribution tax

The EBITDA for the year crossed ₹ 100 crore and Profit after Tax touched ₹ 67.95 crores resulting in an EPS of ₹ 55.13 per share



TRANSFER TO RESERVES

During the year under review an amount of ₹ 67,947,898/- was transferred to the reserves

MATERIAL CHANGES AND COMMITMENT, IF ANY

There are no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report. There is no change in the nature of business of the Company.

OUTLOOK

There are signs of turnaround in the economy due to improvement in macro factors and expectations of a favorable monsoon. There is a clear transition in the industry from unbranded to branded apparel and from unorganized to organized retailing. Accompanied with a young demographic, this provides a sizeable growth opportunity. However, for the transition to be accelerated it requires large capital investment as branding and retailing, especially in a large and diverse country like India, are capital heavy activities. Without this, the growth strategy would have to be judicious, balancing the growth spend with spend on ongoing operations and maintaining financial reserves to tide over periods of volatility and subdued growth that the industry has faced over varying business and economic cycles. The Company is well positioned to take advantage of a strengthening economy and growing industry by leveraging its pan India presence, brands targeting key categories, robust manufacturing and sourcing capabilities, continued focus on innovation and quality and strong financial position.

FINANCIAL STATEMENTS

The Company has prepared the Consolidated Financial Statement in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with the Auditor's Report form part of the Annual Report.

Pursuant to section 129(3) of the Companies Act, 2013 a statement containing the salient features of the financial statements of the Joint Venture is attached to the Financial Statements in Form AOC-1.

The Financial Statements of the Company, Consolidated Financial Statements along with relevant documents are available on the website of the Company www.kewalkiran.com.

SUBSIDIARIES AND JOINT VENTURE

White Knitwears Private Limited is a joint venture of the Company. There were no other companies, which have become or ceased to be its subsidiaries, joint ventures or associate companies during the financial year 2015-16.

INVESTMENT IN WHITE KNITWEAR PRIVATE LIMITED

The Company had invested in aggregate ₹ 34,550,000 (P.Y. ₹ 34,550,000) in Joint Venture "White Knitwear Private Limited" (WKPL). WKPL had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of knitwear apparels for exports. However due to slowdown in International market, SEZ could not take off and most of the members of SEZ shelved their projects and approached to Gujarat Industrial Development Corporation (GIDC) and state and central government for de-notification of SEZ. Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/Distribution/Policy /13/05 dated 14.03.2015 has de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfillment of conditions stated therein. WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of Land and undertaken to complete the formal procedure for the same.

Post de-notification joint venture partners shall dispose of the Company/land and building and realize the proceeds to return it to joint venture partners. No provision for diminution in the value of investment is considered necessary for the year ended March 31, 2016 in view of the value of underlying assets base of joint venture. However, the Company had made a provision for its share of loss in joint venture of ₹ 1,300,000.

(P.Y. ₹ 4,900,000) and provision is grouped under 'Other long term provisions'.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS, IF ANY.

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

CASH FLOW STATEMENT

In conformity with the provisions of Regulation 34(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated and Standalone Cash Flow Statements for the year ended 31st March 2016 forms a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) read with Section 134 (5) of the Companies Act, 2013 with respect to Director's Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the accounts for the financial year ended March 31, 2016 on a 'going concern' basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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.

- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPANY'S POLICY ON NOMINATION, REMUNERATION AND BOARD EVALUATION

In terms of the applicable provision of the Companies Act, 2013 read with rules made thereunder, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had approved the Nomination and Remuneration Policy and Evaluation Policy as recommended by Nomination and Remuneration committee, in the Board Meeting held on October 10, 2014. The Nomination and Remuneration Committee has incorporated the criteria for determining qualifications, positive attribute and independence of Director in the Nomination and Remuneration and Evaluation Policy in terms of provision of



Section 178 (3) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said policy envisages the criteria for selection and appointment of Board Members like determining qualification, positive attributes and independence of director, etc. It also lays down the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The detail of the remuneration policy of the Company is given in the Corporate Governance report, which forms part of this Annual Report. The said policy also lays down the criterion for payment of remuneration to Non Executive Directors and the web-link of the same is <http://kewalkiran.com/wp-content/uploads/2016/news/criteria-for-payment-to-non-executive-directors.pdf>.

ANNUAL BOARD EVALUATION

The Board has adopted a formal mechanism for evaluating its performance and as well as that of its committee and individual directors, including the chairman of the Board.

The criteria for performance evaluation of the Board include aspects like Board composition and structure, effectiveness of Board processes, information and functioning, experience, competencies etc. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Individual Directors including the Board Chairman who was evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, etc.



The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during Financial Year 2015-16.

AUDIT COMMITTEE

In accordance with Section 177 of the Companies Act, 2013 and rules made thereunder, Listing Agreement and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2016 the Audit Committee consisted of three Non-Executive Independent Directors of the Company viz. Mr. Yogesh A. Thar (Chairman of Audit Committee), Mr. Nimish G. Pandya and Ms. Drushti R. Desai as members.

WHISTLE BLOWER/ VIGIL MECHANISM POLICY

Fraud free and corruption free work culture has been core of your Company. In view of the potential risk of fraud and corruption due to rapid growth and geographic spread of operation, your Company has put an even greater emphasis to address this risk.

To meet this objective your Company has adopted a Whistle Blower Policy establishing Vigil Mechanism to provide a formal mechanism to the Directors and employees to report their concern about unethical behavior, actual or suspect fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employee who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Policy on whistle blower/ vigil mechanism may be accessed on the Company website at http://kewalkiran.com/wp-content/uploads/2015/09/news/Whistleblower_Policy.pdf.

EXTRACT OF ANNUAL REPORT

The details forming part of the extract of the Annual Return in form no. MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Rule 12 of Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure I**.

NUMBER OF BOARD MEETINGS HELD

During the year under review 7 (Seven) meetings of the Board of Directors were held. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Your Company has not given any loans or guarantee. The acquisitions of securities of any other body corporate are within the limit specified u/s 186 of the Companies Act, 2013. The details of the same are given in the notes to financial statements.

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

The details of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given as/in **Annexure II**.

RELATED PARTY TRANSACTIONS

Suitable disclosure as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is given in **Annexure - III**.



There were no material related party transactions during the year under review with Promoters, Directors or Key Managerial Personnel which may have potential conflict of interest with the Company at large. The Company has developed a Related Party transactions framework through standard operating procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee. A statement of all Related Party Transactions is placed before Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for approval. The policy on Related Party transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the Related Party Policy is http://kewalkiran.com/wp-content/uploads/2015/09/news/Related_party_policy.pdf.

DIRECTORS

Re-appointment

In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of your Company, Mr. Vikas P. Jain (DIN: 00029901), Director of your Company would retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under Sub Section (6) of Section 149 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



KEY MANAGERIAL PERSONNEL

Mr. Shantilal Kothari stepped down as Chief Financial Officer and Key Managerial Personnel of the Company with effect from October 10, 2015. The Board of Directors in its meeting held on February 06, 2016 has approved the appointment of Mr. Bhavin Sheth as Chief Financial Officer and Key Managerial Personnel of the Company with effect from February 06, 2016.

The Company has recognized the following persons as Key Managerial Personnel in accordance with the Companies Act, 2013

1. Mr. Kewalchand P. Jain – Chairman and Managing Director
2. Mr. Hemant P. Jain – Whole-time Director
3. Mr. Dinesh P. Jain – Whole-time Director
4. Mr. Vikas P. Jain – Whole-time Director
5. Mr. Abhijit Warange – Vice President – Legal & Company Secretary
6. Mr. Shantilal Kothari – Chief Financial Officer (ceased to be KMP and Chief Financial Officer w.e.f. October 10, 2015).
7. Mr. Bhavin Sheth - Chief Financial Officer (w.e.f. February 6, 2016)

AUDITORS AND AUDIT REPORT

Your Company's auditors M/s. Jain & Trivedi, Chartered Accountants and the joint auditors M/s. N. A. Shah Associates

LLP (formerly known as M/s. N. A. Shah Associates), Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Auditors Report on financial statements forming part of this Annual Report is self explanatory and do not call for any further comments.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR UNDER SECTION 143 (12) OF COMPANIES ACT, 2013

During the year under review, there were no frauds reported by auditor under Section 143(12) of Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Ummedmal P. Jain, proprietor of M/s U. P. Jain & Co (C.P. No. 2235) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as **Annexure IV** and forms an integral part of this report.

There was no Qualification, Reservation and Adverse Remark in the Secretarial Audit report which required any explanation from the Board of Directors.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Your Company has an Internal Control system, commensurate with the size, scale and complexity of its operations. The Internal Audit team monitors and evaluates the efficacy and adequacy of the Internal Control System in the Company, its compliance with operating systems, accounting procedures and policies at all the Company locations. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control System and suggests improvements to strengthen the same.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the Internal Audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Your Board has also reviewed the Internal Processes, System and the Internal Financial Control and the Directors' Responsibility Statement contain a confirmation as regards adequacy of the Internal Financial Controls.

Details of Internal Financial Controls and its adequacy are included in the Management Discussion and Analysis Report ("MDAR") which forms part of this Report.

RISK MANAGEMENT

Your Company has a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Committee has adopted a Risk Management Policy in accordance with Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 which has been approved by Board of Directors.



Your Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together governs how the Group conducts the business of the Company and manages associated risks.

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy of the Company indicating the activities to be undertaken by the Company which has been approved by the Board. The CSR Policy may be accessed on the Company's website at <http://kewalkiran.com/PDF's/CSR%20policy.pdf>.

The report on Corporate Social Responsibility initiatives as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given as **Annexure-V**.

ENVIRONMENT AND SAFETY

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances with environmental regulations and preservation of natural resources. The Company provides a safe and healthy workplace focussing on creating right safety culture across the organisation and aims to achieve ultimate goal of zero injuries to all its employees and all stakeholders associated with the Company's operations.

PREVENTION OF SEXUAL HARASSMENT

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

During the year under review, there were no complaints reported to the ICC.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. Your Company has also implemented several best Corporate Governance practices as prevalent globally.

The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of the Annual Report.

The requisite certificate from the Auditors, M/s. N. A. Shah Associates LLP, Chartered Accountants and M/s. Jain and Trivedi, Chartered Accountants confirming the compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of Industry Structure and Developments, Internal Control System, Risk and Concern, operations, performance and future outlook of the Company is given separately under the head Management Discussion and Analysis Report as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of this Annual Report.

COMPLIANCE WITH THE CODE OF CONDUCT

Your Company has put in place a Code of Conduct effective January 14, 2006, for its Board Members and Senior Management Personnel. Declaration of compliance with the Code of Conduct has been received from all the Board Members and Senior Management Personnel as stipulated under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A certificate to this effect from, Chairman & Managing Director forms a part of this Report.

COMPLIANCE WITH THE CODE OF INDEPENDENT DIRECTORS

Your Company has put in place a Code of Independent Director approved in the Board Meeting held on May 10, 2014, for its Independent Directors. Declaration of compliance with the code has been received from all the Independent Directors of your Company as required under Section 134(3) (d) of Companies Act, 2013 and SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015. A certificate to this effect from Chairman and Managing Director forms a part of this Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including Sweat Equity Shares) to employees of the Company under any scheme and ESOS.
3. Issue of shares pursuant to of SEBI (Employees Stock Option scheme) Regulations and SEBI (Share Based Employee Benefit) Regulation, 2014.
4. Issue of share on Preferences basis pursuant to Section 62 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PENDING SHARES UPLOAD

Your Company has opened a demat suspense account with the Edelweiss Securities Limited and credited all the shares issued pursuant to the Initial Public Offer(IPO), which remain unclaimed despite the best efforts of the Company and Registrar to issue.

- i) Number of Shareholders outstanding at the beginning of the year: 7
Outstanding shares in the demat suspense account at the beginning of the year: 190
- ii) Number of shareholders who approached the Company for transfer of shares from suspense account during the year: Nil
- iii) Number of shareholders to whom shares were transferred from suspense account during the year : Nil
- iv) Aggregate number of shareholders outstanding at the end of the year: 7
Outstanding shares in the suspense account lying at the end of the year: 190
- v) The voting rights on these shares are frozen till the rightful owner of such shares claims the shares.

The below mentioned is the information relating to outstanding dividend accounts and the due dates for claiming dividends.

Financial year	Date of allotment/ declaration	Last date for claiming dividend
Final Dividend 2008-09	August 3, 2009	September 9, 2016
Final Dividend 2009-10	August 5, 2010	September 11, 2017
1st Interim Dividend 2010-11	October 27, 2010	December 2, 2017
2nd Interim Dividend 2010-11	April 2, 2011	May 9, 2018
Final Dividend 2010-11	September 6, 2011	October 12, 2018
1st Interim Dividend 2011-12	October 20, 2011	November 26, 2018
2nd Interim Dividend 2011-12	March 2, 2012	April 8, 2019
Final Dividend 2011-12	August 3, 2012	September 8, 2019
1st Interim Dividend 2012-13	November 7, 2012	December 14, 2019
2nd Interim Dividend 2012-13	February 13, 2013	March 22, 2020
3rd Interim Dividend 2012-13	May 11, 2013	June 17, 2020
Final Dividend 2012-13	August 22, 2013	September 28, 2020
1st Interim Dividend 2013-14	October 19, 2013	November 25, 2020
2nd Interim Dividend 2013-14	January 24, 2014	March 1, 2021
3rd Interim Dividend 2013-14	May 10, 2014	June 16, 2021
Final Dividend 2013-14	August 28, 2014	October 4, 2021
1st Interim Dividend 2014-15	September 10, 2014	October 17, 2021
2nd Interim Dividend 2014-15	October 17, 2014	November 24, 2021
3rd Interim Dividend 2014-15	January 31, 2015	March 9, 2022
4th Interim Dividend 2014-15	May 14, 2015	June 22, 2022
Final Dividend 2014-15	August 31, 2015	October 8, 2022
1st Interim Dividend 2015-16	June 16, 2015	July 24, 2022
2nd Interim Dividend 2015-16	November 6, 2015	December 14, 2022
3rd Interim Dividend 2015-16	February 6, 2016	March 14, 2023
4th Interim Dividend 2015-16	March 9, 2016	April 16, 2023

Your Company had declared Final Dividend for the financial year ended 2007-08 in the Annual General Meeting held on August 4, 2008. The unencashed dividend amount lying unclaimed to the credit of the said Final Dividend Account 2007-08 became due for transfer to the Investor Education and Protection Fund on September 10, 2015. The Company has accordingly transferred an amount of ₹ 15,166/- (Rupees Fifteen Thousand One Hundred Sixty Six Only) being the unencashed dividend amount remaining unclaimed and due for transfer to the Investor Education and Protection Fund.

PARTICULARS OF EMPLOYEES:

The information required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' report for the year ended March 31, 2016 and the prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 are attached as 'Annexure-VI' and forms part of this report.

Save and except the relation between the Executive Directors inter se (the executive directors are brothers) and the relation between the Executive Directors and Mr. Pankaj

K. Jain (Mr. Pankaj K. Jain is the son of Mr. Kewalchand P. Jain and the nephew of Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain) none of the employees listed in the said annexure is a relative of any Director of the Company. None of the employees (save and except the Executive Directors) hold (by himself or along with his/her spouse and dependent children) more than two percent of the equity shares of the Company.

ACKNOWLEDGEMENTS

The Board would like to place on record its sincere appreciation for the wholehearted support and contribution made by its customers, its shareholders, and all its employees across the country, as well as the various Government Departments, Banks, Distributors, Suppliers and other business associates towards the conduct of efficient and effective operations of your Company.

For and on behalf of the Board

Kewalchand P. Jain

Chairman & Managing Director

DIN: - 00029730

Dated: August 3, 2016

Place: Mumbai

Form No. MGT 9

Extract of Annual Return

As on financial year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

1. CIN	L18101MH1992PLC065136
2. Registration Date	30th January, 1992
3. Name of the Company	Kewal Kiran Clothing Limited
4. Category/Sub-category of the Company	Public Company Limited by shares / Indian Non- Government Company
5. Address of the Registered office & contact details	460/7, Kewal Kiran Estate, I. B. Patel Road, Goregaon(East), Mumbai - 400063 Tel. no. - 2681 4400 Website- www.kewalkiran.com E-mail-grievanceredressal@kewalkiran.com
6. Whether listed Company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13 Pannalal Silk Mills Compound LBS Marg, Bhandup (West) Mumbai - 400078. Tel. no. - 2594 6970-77 Fax no. - 2596 2691 Email ID - mumbai@linkintime.co.in Website- www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Apparels	141 - Manufacturing of wearing apparels, except fur apparels	95.57

III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	White Knitwears Private Limited 460/7, Kewal Kiran Estate, I. B. Patel Road, Goregaon(East), Mumbai - 400063	U18101MH2005PTC157994	Joint Venture	Equity: 33.33 Preference: 50	Section 2(6)

IV. SHARE HOLDING PATTERN:

A. (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April -2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER S									
1. Indian									
a) Individual/ HUF	9,144,178	0	9,144,178	74.19	9,144,178	0	9,144,178	74.19	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2,295	0	2,295	0.02	2,295	0	2,295	0.02	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	9,146,473	0	9,146,473	74.21	9,146,473	0	9,146,473	74.21	0
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	1,148,234	0	1,148,234	9.32	1,049,753	0	1,049,753	8.52	(0.8)
b) Banks / FI	581	0	581	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs/FPI	1,424,341	0	1,424,341	11.56	1,573,178	0	1,573,178	12.76	1.2
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	2,573,156	0	2,573,156	20.88	2,622,931	0	2,622,931	21.28	0.4
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	146,581	0	146,581	1.19	118,988	0	118,988	0.96	(0.23)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	353,066	5	353,071	2.86	308,877	54	308,931	2.51	(0.35)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	83,199	0	83,199	0.68	83,199	0	83,199	0.68	0
c) Others (specify)									
Non Resident Indians	15,724	0	15,724	0.12	16,041	0	16,041	0.13	0.01
Clearing Members	2,293	0	2,293	0.02	3,130	0	3,130	0.02	0
Office Bearer	3,454	0	3,454	0.03	630	0	630	0.01	(0.02)
Independent Director	336	0	336	0	336	0	336	0	0
Hindi Undivided Family	0	0	0	0	24,378	0	24,378	0.2	0.2
Trust	750	0	750	0.01	0	0	0	0	(0.01)
Sub-total (B)(2):-	605,403	5	605,408	4.91	555,579	54	555,633	4.51	(0.4)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3,178,559	5	3,178,564	25.79	3,178,510	54	3,178,564	25.79	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12,325,032	5	12,325,037	100	12,324,983	54	12,325,037	100	0

B. Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
1	Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain	6,153,000	49.92	0	6,153,000	49.92	0	0
2	Kewalchand P. Jain	690,111	5.60	0	690,111	5.60	0	0
3	Hemant P. Jain	690,915	5.61	0	690,915	5.61	0	0
4	Dinesh P. Jain	728,831	5.91	0	728,831	5.91	0	0
5	Vikas P. Jain	721,321	5.85	0	721,321	5.85	0	0
6	Kewalchand P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
7	Hemant P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
8	Dinesh P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
9	Vikas P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
10	Veena K. Jain	16,000	0.13	0	16,000	0.13	0	0
11	Lata H. Jain	16,000	0.13	0	16,000	0.13	0	0
12	Sangeeta D. Jan	16,000	0.13	0	16,000	0.13	0	0
13	Kesar V. Jain	16,000	0.13	0	16,000	0.13	0	0
14	Pankaj Jain	16,000	0.13	0	16,000	0.13	0	0
15	Hitendra Jain	16,000	0.13	0	16,000	0.13	0	0
16	Kewal Kiran Finance Private Limited	2,295	0.02	0	2,295	0.02	0	0
TOTAL		9,146,473	74.21	0	9,146,473	74.21	0	0

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

Sr. No.	Particulars	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
	At the beginning of the year	9146473	74.21	9146473	74.21
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	9,146,473	74.21	9,146,473	74.21

D. 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	Date	Increase/Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1.	Nalanda India Fund Limited	1,200,000	9.74	01-4-2015	0	Nil		
				31-3-2015		Movement	1,200,000	9.74
2.	SBI Mutual Fund	395,442	3.21	01-04-2015				
				26-06-2015	(44)	Sale	395,398	3.21
				17-07-2015	5,020	Purchase	400,418	3.25
				04-09-2015	20,000	Purchase	420,418	3.41
				25-09-2015	7	Purchase	420,425	3.41
				23-10-2015	(38,922)	Sale	381,503	3.10
				01-01-2016	(4,984)	Sale	376,519	3.05
				08-01-2016	(53)	Sale	376,466	3.05
				15-01-2016	(1,200)	Sale	375,266	3.04
				26-02-2016	(7,387)	Sale	367,879	2.98
				04-03-2016	(21,000)	Sale	346,879	2.81
				11-03-2016	(19,230)	Sale	327,649	2.66
				31-03-2016			327,649	3.66
3.	Birla Sunlife Trustee Company Private Limited	318,386	2.58	01-04-2015				
				10-04-2015	3,900	Purchase	322,286	2.61
				08-05-2015	7,200	Purchase	329,486	2.67
				12-06-2015	(15,492)	Sale	313,994	2.55
				10-07-2015	(1,900)	Sale	312,094	2.53
				17-07-2015	1,900	Purchase	313,994	2.55
				14-08-2015	(8,706)	Sale	305,288	2.48
				28-08-2015	(21,600)	Sale	283,688	2.30
				04-09-2015	(20,000)	Sale	263,688	2.14
				16-10-2015	(3,270)	Sale	260,418	2.11
				08-01-2016	2,900	Purchase	263,318	2.14
				15-01-2016	4,000	Purchase	267,318	2.17
				19-02-2016	500	Purchase	267,818	2.17
31-03-2016			267,818	2.17				
4.	Malabar India Fund Limited	203,361	1.65	01-04-2015				
				10-04-2015	(2,842)	Sale	200,519	1.63
				08-05-2015	(4,974)	Sale	195,545	1.59
				15-05-2015	(2,184)	Sale	193,361	1.57
				24-07-2015	(150)	Sale	193,211	1.57
				31-03-2016			193,211	1.57

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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	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company	
5.	Matthews India Fund	159,939	1.30	01-04-2015					
				15-05-2015	2,240	Purchase	162,179	1.32	
				05-06-2015	116	Purchase	162,295	1.32	
				12-06-2015	13,557	Purchase	175,852	1.43	
				17-07-2015	15,000	Purchase	190,852	1.55	
				21-08-2015	8,400	Purchase	199,252	1.62	
				28-08-2015	21,600	Purchase	220,852	1.79	
				11-09-2015	1,410	Purchase	222,262	1.80	
				09-10-2015	2,500	Purchase	224,762	1.82	
				16-10-2015	3,270	Purchase	228,032	1.85	
				23-10-2015	38,749	Purchase	266,781	2.16	
				31-03-2016			266,781	2.16	
				6.	Kotak Mutual Fund	99,244	0.81	01-04-2015	
10-04-2015	(101)	Sale	99,143					0.80	
17-04-2015	2,049	Purchase	101,192					0.82	
24-04-2015	2,252	Purchase	103,444					0.84	
01-05-2015	668	Purchase	104,112					0.84	
08-05-2015	(1,145)	Sale	102,967					0.84	
15-05-2015	(138)	Sale	102,829					0.83	
22-05-2015	(143)	Sale	102,686					0.83	
12-06-2015	(1)	Sale	102,685					0.83	
19-06-2015	(15)	Sale	102,670					0.83	
26-06-2015	(6,573)	Sale	96,097					0.78	
17-07-2015	(66)	Sale	96,031					0.78	
24-07-2015	(172)	Sale	95,859					0.78	
31-07-2015	5,910	Purchase	101,769					0.83	
07-08-2015	1,492	Purchase	103,261					0.84	
14-08-2015	1,928	Purchase	105,189					0.85	
21-08-2015	1,110	Purchase	106,299					0.86	
28-08-2015	1,801	Purchase	108,100					0.88	
04-09-2015	187	Purchase	108,287					0.88	
11-09-2015	2190	Purchase	110,477					0.90	
18-09-2015	190	Purchase	110,667	0.90					
25-09-2015	840	Purchase	111,507	0.90					
30-09-2015	292	Purchase	111,799	0.91					
09-10-2015	218	Purchase	112,017	0.91					
30-10-2015	1,982	Purchase	113,999	0.92					

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	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
				06-11-2015	475	Purchase	114,474	0.93
				20-11-2015	2,675	Purchase	117,149	0.95
				27-11-2015	1,434	Purchase	118,583	0.96
				04-12-2015	2,988	Purchase	121,571	0.99
				11-12-2015	890	Purchase	122,461	0.99
				18-12-2015	770	Purchase	123,231	1.00
				25-12-2015	282	Purchase	123,513	1.00
				31-12-2015	1,351	Purchase	124,864	1.01
				01-01-2016	20	Purchase	124,884	1.01
				08-01-2016	253	Purchase	125,137	1.02
				15-01-2016	3,727	Purchase	128,864	1.05
				22-01-2016	2,687	Purchase	131,551	1.07
				29-01-2016	163	Purchase	131,714	1.07
				31-03-2016	250	Purchase	131,964	1.07
				31-03-2016			131,964	1.07
7.	DSP Blackrock Micro Cap Fund	97,253	0.79	01-04-2015		No Movement		
				31-03-2016			97,253	0.79
8.	Eicher Goodearth Private Limited	56,914		01-04-2015		No Movement		
				31-03-2016			56,914	0.46
9.	N. S. Raghavan	42,270	0.34	01-04-2015				
				25-09-2015	42,270	Purchase	84,540	0.69
				30-09-2015	(42,270)	Sale	42,270	0.34
				31-03-2016			42,270	0.34
10.	Matthews Asia Funds- India Fund	5,499	0.04	01-04-2015				
				12-06-2015	3,213	Purchase	8,712	0.07
				26-02-2016	7,387	Purchase	16,099	0.13
				04-03-2016	20,497	Purchase	36,596	0.30
				11-03-2016	18,452	Purchase	55,048	0.45
				31-03-2016			55,048	0.45

E) Shareholding of Directors

1	Shareholding of Kewalchand P. Jain, Chairman and Managing Director	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
	At the beginning of the year	690,111	5.60	690,111	5.60
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	690,111	5.60	690,111	5.60

2	Shareholding of Hemant P. Jain, Wholetime Executive Director	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
	At the beginning of the year	690,915	5.61	690,915	5.61
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	690,915	5.61	690,915	5.61

3	Shareholding of Dinesh P. Jain, Wholetime Executive Director	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
	At the beginning of the year	728,831	5.91	728,831	5.91
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	728,831	5.91	728,831	5.91

4	Shareholding of Vikas P. Jain, Wholetime Executive Director	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
	At the beginning of the year	721,321	5.85	721,321	5.85
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
	At the end of the year	721,321	5.85	721,321	5.85

5	Shareholding of Yogesh Thar, Non-Executive Independent Director	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
	At the beginning of the year	NIL	0.00	NIL	0.00
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	NIL	0.00	NIL	0.00

6	Shareholding of Nimish Pandya, Non-Executive Independent Director	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
	At the beginning of the year	NIL	0.00	NIL	0.00
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	NIL	0.00	NIL	0.00

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7	Shareholding of Prakash Mody, Non-Executive Independent Director	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
	At the beginning of the year	336	0.00	336	0.00
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	336	0.00	336	0.00

8	Shareholding of Drushti Desai, Non-Executive Independent Director	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
	At the beginning of the year	NIL	0.00	NIL	0.00
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	NIL	0.00	NIL	0.00

Shareholding of Key Managerial Personnel:

9	Shareholding of Abhijit Warange, Company Secretary	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
	At the beginning of the year	NIL	0.00	NIL	0.00
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	NIL	0.00	NIL	0.00

10	*Shareholding of Shantilal Kothari, Chief Financial Officer	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
	At the beginning of the year	2,274	0.02	2,274	0.02
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	Upto October 10, 2015*	2,274	0.02	2,274	0.02

*Mr. Shantilal Kothari has stepped down as Chief Financial Officer and Key Managerial Personnel of the Company with effect from October 10, 2015.

11	*Shareholding of Bhavin Sheth, Chief Financial Officer	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
	*From February 6, 2016	NIL	0	NIL	0
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	NIL	0	NIL	0

*Mr. Bhavin Sheth was appointed as Chief Financial Officer and Key Managerial Personnel of the Company by Board of Directors with effect from February 6, 2016.

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	113,530,352	0	0	11,3530,352
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	113,530,352	0	0	11,3530,352
Change in Indebtedness during the financial year				
* Addition	160,345,843	15,000,000	0	175,345,843
* Reduction	0	0	0	0
Net Change	160,345,843	15,000,000	0	175,345,843
Indebtedness at the end of the financial year				
i) Principal Amount	273,876,195	0	0	273,876,195
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	11,926	0	0	11,926
Total (i+ii+iii)	273,888,121	15,000,000	0	288,888,121

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Kewalchand P. Jain(CMD)	Hemant P. Jain (WTD)	Dinesh P. Jain (WTD)	Vikas P. Jain (WTD)	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,950,000	7,950,000	7,950,000	79,50,000	31,800,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600	39,600	39,600	158,400
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	7,989,600	7,989,600	7,989,600	7,989,600	31,958,400
	Ceiling as per the Companies Act 2013	106,542,312				

B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Nimish Pandya	Prakash Mody	Yogesh Thar	Drushti Desai	
1	Independent Directors					
	Fee for attending board/ committee meetings	840,000	300,000	780,000	780,000	2,700,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	840,000	300,000	780,000	780,000	2,700,000
	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
2	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	840,000	300,000	780,000	780,000	2,700,000
	Total Managerial Remuneration (A+B)					34,658,400
	Ceiling as per the Companies Act 2013	117,196,543				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3,031,383	5,784,200	8,815,583
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option	Not Applicable	-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	others, specify...		-	-	-
5	Others, please specify		-	-	-
	Total		3,031,383	5,784,200	8,815,583

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

A. CONSERVATION OF ENERGY

Your Company took up energy conservation activities, guided by a professional firm with 40 years experience, M/s. Econ Engineers, on several fronts, from the Head office and other offices, to all manufacturing units.

The major steps taken at various locations were as under:

1. Energy Conservation Teams were formed at all large facilities and were provided with all relevant monitoring instruments.
2. Energy Efficiency of Air Conditioning Systems and equipment was improved:
 - i. At the Offices since air conditioning was the major load, your Company set up regular monitoring of all the air conditioning equipment, assessing the three major energy efficiency parameters of temperature difference between supply and return air, flow rate and the power used, for all the air conditioning equipment, including Ductables, Cassette, Split and Window Air conditioners. Wherever short falls were detected, corrective action was immediately taken to restore the equipment to rated parameters.
 - ii. The practice of monitoring of the air conditioning equipment was adopted at all the factories also. Regular monitoring resulted in both improved performance and energy saving.
 - iii. At a number of locations, wherever the air conditioners were very old, or working for long periods, they were replaced by the modern energy efficient 5 Star Split air conditioners. This added to the energy savings.
3. Lighting Energy Conservation:
 - i. Illumination levels were checked at all locations; excess lights were removed and lights were switched on only when required;
 - ii. Energy efficient lights were adopted, including the use of LEDs
4. Improving Power Factor:

The power factor was being controlled mostly by Automatic Power Factor Controllers. However, these were studied to optimize the maintenance of P.F. above 0.98; the monthly bonuses earned in the electricity bills will offset the investments in short periods.
5. Improving Efficiency of Boilers at the Factories
 - i. Regular Monitoring of the various parameters important for maintaining high efficiency in Boilers yielded ways to improve their efficiency. This was diligently taken up; maintenance was improved and done regularly resulting in useful fuel savings.
 - ii. Systems were installed to monitor the distribution of steam, including at pressure reducing stations and at steam traps, to ensure that the required steam quality and pressure was available at the various equipment using steam, e.g. Tumble driers, Washers, steam irons, etc. This enabled high productivity of the equipment.
6. Improving Efficiency of Driers, Washers, Steam Irons, etc at the Factories:
 - i. Regular Monitoring of the various parameters important for maintaining high efficiency in the driers and washers, etc., ensured that the cycles were completed not only within rated times but also often ahead of time.
 - ii. In Washers steam usage was restricted to those cycles where temperature required was 90° C.

For all other cycles the recovered hot water was used. This yielded useful savings in the use of steam, electricity and operation period.
7. Regular monitoring of all important parameters relating to improved maintenance were adopted in a dedicated way, to improve plant & equipment availability.
8. Leakages of steam and compressed air were minimized and plant productivity improved.

Utilising Alternate Sources of Energy

The Company already has a 600 KW Wind Generator in Gujarat which provides most of the electricity at your Company's Vapi Factory.

Serious efforts are on to explore the feasibility of Roof Top Solar Power Generation.

The Central Govt. has offered to provide the necessary impetus and funds, and the State Governments are gearing up to accept all the surplus energy generated allowing direct feeding into their Grid. Hence we expect this will soon be viable and we will consider their use at our factories.

The capital investment on energy conservation equipments is estimated as approx. ₹ 12, 45,000/-

B. TECHNOLOGY ABSORPTION

Your Company continues to use the latest technologies for improving the productivity and quality of its products. The Company's operations do not require significant import of technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Total Foreign Exchange used and earned:

FOB Value earned ₹ 298,001,414/-

Total Foreign Exchange outgo ₹ 6,355,877/-

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the companies act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

Professional fees paid to Mrs. Kamla Pandya, Spouse of Mr. Nimish G. Pandya, Non-Executive Independent Director

- (a) Name(s) of the related party and nature of relationship: Mrs. Kamla Pandya, Spouse of Mr. Nimish G. Pandya, Non-Executive Independent Director
- (b) Nature of contracts/ arrangements/ transactions - Legal advice
- (c) Duration of the contracts/ arrangements/ transactions - Payment of ₹ 10,00,000/-
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any - Professional fees paid to Mrs. Kamla Pandya for an amount of ₹ 10,00,000/- in respect of the professional advice in the transaction pertaining to acquiring of the property being land and galas situated at Gautam Chemical Compound, I.B. Patel Road, Goregaon (E), Mumbai: 400 063.
- (e) Justification for entering into such contracts or arrangements or transactions - Mrs. Kamla Pandya is a qualified lawyer and has an extensive experience in real estate sector.
- (f) Date(s) of approval by the Board - January 31, 2015
- (g) Amount paid as advance, if any - No
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - NA

Professional fees paid to Banshi S Mehta & Co.

- (a) Name(s) of the related party and nature of relationship: Mr. Yogesh Thar and Ms. Drushti Desai, Non-Executive Independent Directors are partners in Banshi S. Mehta & Co.
 - (b) Nature of contracts/ arrangements/ transactions - Professional advice
 - (c) Duration of the contracts/ arrangements/ transactions - Payment of ₹ 107,070/-
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any - Professional fees paid to Banshi S. Mehta & Co. for an amount of ₹ 107,070/- in respect of the professional advice availed by the Company pertaining to appeal before the Income Tax Appellate Tribunal, Mumbai in relation to certain disputed demands under Income Tax Act, 1961 for A.Y. 2005-06 and A.Y. 2010-11
 - (e) Justification for entering into such contracts or arrangements or transactions - M/s. Banshi S. Mehta & Co. are one of the leading firm of Chartered Accountants specializing in tax matters.
 - (f) Date(s) of approval by the Board - January 31, 2015
 - (g) Amount paid as advance, if any - No
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - NA
2. Details of material contracts or arrangement or transactions at arm's length basis - Not applicable

ANNEXURE IV

Secretarial Audit Report

For the Financial Year Ended 31st March, 2016

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

To,
The Members,
Kewal Kiran Clothing Limited
Kewal Kiran Estate, 460/7, I. B. Patel Road,
Near Western Express Highway, Goregaon (East),
Mumbai – 400063

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KEWAL KIRAN CLOTHING LIMITED [CIN: L18101MH1992PLC065136] (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

- I. We have examined the Secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, as shown to us during our audit, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- II. We have also examined compliance with the applicable clauses of the erstwhile Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited and regulations of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1st December, 2015.
- III. We further report that the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India, effective from 1st July, 2015.
- IV. During the year under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.
- V. We have relied on the representation made by the Company and its officers, and state that there are no other laws, rules / regulations specifically applicable to the industry under which the Company operates.
- VI. The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 were, in our opinion, not attracted during the financial year under report:

STATUTORY REPORTS

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- VII. The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder in relation to Overseas Direct Investment and External Commercial Borrowings were not attracted during the financial year under report.
- VIII. We further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors / Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

- IX. We have relied on the representation made by the Company and its officers for the compliance of various applicable laws, rules, regulations and guidelines and after examining the system and mechanism followed by the Company for compliances we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure the compliance of applicable laws, rules, regulations and guidelines.
- X. We further report that during the audit period, there has not been any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For **U. P. Jain & Co.**
Company Secretaries

Ummedmal P. Jain
Proprietor
FCS-3735, CP-2235

Dated: August 3, 2016
Place: Mumbai

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

Annexure A

(To the Secretarial Audit Report of KEWAL KIRAN CLOTHING LIMITED
for the financial year ended March 31, 2016)

To,
The Members,
KEWAL KIRAN CLOTHING LIMITED
Kewal Kiran Estate, 460/7, I. B. Patel Road,
Near Western Express Highway, Goregaon (East)
Mumbai - 400063

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 the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. In respect of the filing of forms /returns by the Company, related to the period under audit, we have not observed any material non-compliance, which can have material bearing on the financial of the Company and hence have not reported in our audit report.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **U. P. Jain & Co.**
Company Secretaries

Ummedmal P. Jain
Proprietor
FCS-3735, CP-2235

Dated: August 3, 2016
Place: Mumbai

Corporate Social Responsibility Report

1. Corporate Social Responsibility policy

Social and Environmental responsibility has always been at the forefront of the Kewal Kiran Clothing Limited's operating philosophy and as a result the Company consistently contributes to socially responsible activities. Corporate Social Responsibility (CSR) at Kewal Kiran Clothing Limited portrays the deep symbiotic relationship that the group enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates.

We are of the opinion that CSR underlines the objective

of bringing about a difference and adding value to our stakeholders' lives. Kewal Kiran Clothing Limited's Corporate Social Responsibility Policy is rooted in the Company's core values of quality, reliability and trust guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business.

Pursuant to Section 135 of the Companies Act, 2013 and rules made there under the Company had approved the Corporate Social Responsibility policy, as recommended by Corporate Social Responsibility Committee, in the Board Meeting held on January 31, 2015. The Company incurred a CSR spend of an amount of ₹ 1,84,46,000/- during the financial year 2015-16. The details of the donations made during the year ended March 31, 2016 are detailed below:

Sr. No.	Name of the Party	Amount (₹)	Purpose
1.	Lord Gautam Charitable Foundation	1,500,000	Eradicating hunger, poverty and malnutrition and Promoting Health care including Preventive Health care
2.	Rotary Club of Worli Bombay Trust	2,401,000	Education for needy people
3.	Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	12,300,000	Promoting Health care including Preventive Health care
4.	People for Animals	1,000,000	Rehabilitate sick and needy animals
5.	Prabhodan Prakshan	145,000	Education for needy people
6.	Kasegaon Education Society	1,100,000	Education for needy people

The web-link to the CSR policy is <http://kewalkiran.com/wp-content/uploads/2015/09/news/CSR%20policy.pdf>.

2. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 the Board of Directors have in the Board Meeting held on May 10, 2015 constituted Corporate Social Responsibility Committee under the chairmanship of Mr. Nimish Pandya and comprising of Mr. Kewalchand Jain and Mr. Hemant Jain as members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

3. Average net profit of the Company for last three years: ₹ 918,073,811

4. Prescribed CSR Expenditure : (2% of the amount as in item no. 3): 18,361,476/-

5. Details of CSR spent during the financial year: 2015-2016

a. Total amount to be spent for the financial year – ₹ 18,400,000/-

b. Amount unspent, if any – Nil

c. Manner in which the amount spent during the financial year is detailed below –

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. State & district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the programs or projects 1. District expenditure on programs or projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Contribution towards blood donation camps, water distribution programme, free medicare and hospitalisation, providing food to the underprivileged	Eradicating hunger, poverty and malnutrition and Promoting Health care including Preventive Health care	Pan India	1,500,000/-	1,500,000/-	1,500,000/-	Implementing Agency - Lord Gautam Charitable Foundation
2	Contribution towards Cause Cyclothon, supporting the cause of education for underprivileged children	Education for needy People	Pan India	2,401,000/-	2,401,000/-	2,401,000/-	Implementing Agency - Rotary Club of Worli Bombay Trust
3	Contribution towards operating hospital	Promoting Health care including Preventive Health care	Sadri, Rajasthan	12,300,000	12,300,000	12,300,000	Implementing Agency - Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust
4	Contribution towards maintenance of animal hospitals or shelters, purchase of medicine, feed, ambulances and running of animal awareness programmes.	Rehabilitate sick and needy animals	Network of 200 units, 36 hospitals and 60 mobile units across India	1,000,000	1,000,000	1,000,000	Implementing Agency - People for Animals
5	Contribution towards promotion of education including digital education	Education for needy People	Mumbai, Maharashtra	145,000	1,45,000	145,000	Implementing Agency - Prabodhan Prakashan
6	Contribution towards construction of Ascend International School	Promotion of education	Mumbai, Maharashtra	1,100,000	1,100,000	1,100,000	Implementing Agency - Kasegaon Education Society

6. Reason for failure to spend two per cent of the average net profit of the last three financial years or any part thereof – Not applicable

7. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.

Signature

Mr. Kewalchand P. Jain

(Chairman and Managing Director)

DIN: 00029730

Signature

Mr. Nimish G. Pandya

(Chairman CSR Committee)

DIN: 00326966

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16 are as under:-

Sr. No	Name of Director/ KMP and Designation	Remuneration of the Director/ KMP for the financial year 2015-16 (In Rupees)	% increase in remuneration in the financial year 2015-16	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Kewalchand P. Jain, Chairman & Managing Director	7,989,600	Nil	42:1
2.	Mr. Hemant P. Jain, Whole Time Director	7,989,600	Nil	42:1
3.	Mr. Dinesh P. Jain, Whole Time Director	7,989,600	Nil	42:1
4.	Mr. Vikas P. Jain, Whole Time Director	7,989,600	Nil	42:1
5.	Mr. Yogesh A. Thar, Independent Director	780,000	Nil	4:1
6.	Dr. Prakash A. Mody, Independent Director	300,000	Nil	2:1
7.	Mr. Nimish G. Pandya, Independent Director	840,000	Nil	4:1
8.	Ms. Drushti R. Desai, Independent Director	780,000	Nil	4:1
9.	a) Mr. Shantilal Kothari, Chief Financial Officer Till the period October 10, 2015	4,869,000	9	24:1
	b) Mr. Bhavin Sheth, Chief Financial Officer From the period January 15, 2016	915,000	N.A.	
10.	Mr. Abhijit Warange, Vice President-Legal & Company Secretary	3,031,000	25	16:1

- (ii) The Median remuneration of employees of the company during the financial year was ₹ 2.01 Lakhs.
- (iii) In the financial year, there was increase of 21.37% in the median remuneration of the employees (Excluding wages).
- (iv) There were 1933 permanent employees including Piece rate employees on the rolls of company as on March 31 , 2016.
- (v) Average percentage increase made in the salaries (Excluding wages) of the employees other than Key Managerial Personnel(s) in the last financial year 2015-16 was 12.02% whereas, the pro rata increase /decrease in Key Managerial remuneration was -3.80% and the same was in accordance with performance of the employees, financial results of the Company and market trend.
- (vi) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel(s) and other employees.
- (vii) Mr. Bhavin Sheth, Chief Financial Officer joined the Company on January 15, 2016 and was designated as the Chief Financial Officer and Key Managerial Personnel w.e.f. February 6, 2016.

COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

A. Name of top 10 employees in terms of remuneration drawn:

Sr. No.	Name	Designation	Nature of employment whether contractual or otherwise	Nature of Duties of the employee	Qualification	Age in years	Date of Commencement of employment	Total Experience in years	Gross Remuneration (₹)	Previous Employment/ Designation
1	Kewalchand P. Jain	Chairman & Managing Director	Permanent	Finance & overall control of the Company affairs	Under Graduate	54	January 30, 1992	33	7,950,000	Kewal Kiran & Co/Partner
2	Hemant P. Jain	Wholetime Director	Permanent	Marketing - Killer & Easies	Under Graduate	52	January 30, 1992	31	7,950,000	Kewal Kiran & Co/Partner
3	Dinesh P. Jain	Wholetime Director	Permanent	Production	Under Graduate	47	October 2, 1997	26	7,950,000	Kewal Kiran & Co/Partner
4	Vikas P. Jain	Wholetime Director	Permanent	Marketing Lawman & Integrity K-Lounge Stores	B.Com	45	October 2, 1997	23	7,950,000	N.A
5	Bhavin Sheth	Chief Financial Officer	Permanent	Financial Operations & Control	1. B.Com 2.C.A. 3.D.I.S.A.	40	January 15, 2016	17	4,400,000	GTL Limited - Joint CFO
6	Dr. Sanjeev Kumar Chauhan	Head - HR	Permanent	Human Resource Operations including OD interventions	1. B.A. 2.PHD Law, 3.M.B.A. 4.L.L.M.	49	May 08,2014	30	4,200,000	GMR Energy Ltd - Head & GM- HR Head & Gitanjali Gems Ltd. - Head - HR
7	Abhijit Warange	Vice President - Legal and Company Secretary	Permanent	Legal and Secretarial Work	1.B.com 2.C.S. 3.L.L.B	38	November 01, 2009	14	3,031,000	Zodiac Clothing - Assistant Manager - Secretarial
8	Nimesh Anandpara	Deputy General Manager	Permanent	Financial Operations	1.B.com 2.C.A.	34	January 07, 2008	13	2,800,000	Shruti Shah & Co - Audit and Taxation Manager
9	Ashish Barodia	Head Operations - Easies	Permanent	End to End operations of Easies brand	1. Diploma in Mechanical Engineering 2. M.B.A. -Marketing	43	April 01, 2014	23	2,700,000	K.G. Denim- General Manager - Apparel Division
10	Pankaj Jain	President - Retail	Permanent	Operations of K-lounge stores	1.B.com 2. C.A. 3. Diploma in Family Managed Business Administration	31	October 19, 2008	7	25,00,000	N.A.

Note : -

- Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain are brothers.
- Mr. Pankaj K. Jain is the son of Mr. Kewalchand P. Jain and the nephew of Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain.





Corporate Governance Report



I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Kewal Kiran Clothing Limited is committed to good Corporate Governance in order to enhance stakeholders' value. Your Company believes that Corporate Governance is not an end in itself but a catalyst in the process towards maximization of stakeholder value. Your Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with its stakeholders. It is your Company's belief that good ethics make good business sense and our business practices are in keeping with the spirit of maintaining the highest level of ethical standards.

The Securities and Exchange Board of India (SEBI) introduced SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from December 1, 2015 to bring in additional Corporate Governance norms for listed entities. These norms provide for stricter disclosure and protection of investor rights. The amended norms are aligned

with the provisions of the Companies Act, 2013 and are aimed to encourage companies to adapt best practices on Corporate Governance. Our Corporate Governance frame work has helped us be aligned with the Companies Act, 2013, Listing Agreement with the Stock Exchange(s) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We believe that an active, well informed and independent Board is necessary to ensure the highest standard of Corporate Governance. The Board of Directors of your Company is at the core of our Corporate Governance practices. The Board thus oversees your Company's management functions and protects the long term interest of our stakeholders.

In so far as compliance of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is concerned, your Company has complied in all material respects with the requirements of Corporate Governance specified in the Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company continues to undertake the Audit of its secretarial records by Practicing Company Secretary in respect of compliance with the applicable provision of Companies Act, 2013, Listing Agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable regulations and guidelines issued by Securities and Exchange Board of India. A copy of the Secretarial Audit Report for the period under review is a part of the Annual Report.

II. BOARD OF DIRECTORS

Composition of the Board: –

The Board of Directors along with its Committees provides leadership and guidance to your Company's management as also direct, supervise and control the performance of the Company.

The Board of Directors of your Company has an optimum combination of Executive and Non Executive Directors. As at March 31, 2016 the Board of Directors comprise of 8 Directors of which 4 are Independent Non Executive Directors including 1 Women Director. The

Executive Directors of your Company have more than two decades of hands on experience in manufacturing and retailing of branded apparels. The Non Executive Independent Directors are eminent professionals with wide range of knowledge and experience in various spheres of business and industry, finance and law.

None of the Director on the Company's Board is a Member of more than ten (10) Committees and Chairman of more than five (5) Committees (Committees being Audit Committee and Stakeholder Relationship Committee) across all the public limited companies in which he/she is a Director. All the Director have made necessary disclosures regarding Committee position held by them in other Companies and do not hold the office of Director in more than twenty (20) companies, including ten (10) public companies. None of the Non-Executive Independent Director is acting as an Independent Director in more than seven (7) listed entities. None of the Non-Executive Independent Director who is serving as a Whole time Director in a listed entity is acting as an Independent Director in more than three (3) listed entities.

The composition of the Board and other relevant details relating to Directors as on March 31, 2016 are given below:

Name of the Director	Designation	Category of Directorship	No. of other Directorship	No. of Committee Chairmanship/ Membership
Mr. Kewalchand P. Jain (DIN - 00029730)	Chairman & Managing Director	Promoter & Executive	7	1
Mr. Hemant P. Jain (DIN - 00029822)	Whole-time Director	Promoter & Executive	7	1
Mr. Dinesh P. Jain (DIN - 00327277)	Whole-time Director	Promoter & Executive	7	0
Mr. Vikas P. Jain (DIN - 00029901)	Whole-time Director	Promoter & Executive	6	0
Mr. Yogesh A. Thar (DIN - 02687466)	Director	Independent- Non Executive	0	1
Dr. Prakash A. Mody (DIN - 00001285)	Director	Independent- Non Executive	3	1
Mr. Nimish G. Pandya (DIN - 00326966)	Director	Independent -Non Executive	0	2
Ms. Drushti R. Desai (DIN - 00294249)	Director	Independent- Non Executive	6	6

Note:

Details of other directorships (excluding directorship in Kewal Kiran Clothing Ltd.)/Committee memberships (including committee chairmanship/membership in Kewal Kiran Clothing Limited) of all the Directors are given by way of a separate Annexure.

The Committee chairmanship/membership of the Directors is restricted to the chairmanship/membership of Audit Committee and Stakeholders Relationship and Shareholder/Investor Grievance Committee.

Excludes Chairmanship/ Membership in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Number of Board Meetings held and attended by Directors:-

(i) The meetings of the Board of Directors are scheduled well in advance. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings. During the year under review seven (7) meetings of the Board of Directors were held on the following dates: -

May 14, 2015, June 16, 2015, July 23, 2015, October 24, 2015, November 6, 2015, February 6, 2016 and March 9, 2016 .The Maximum time gap between any two consecutive meetings did not exceed 120 days.

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended on March 31, 2016 and during the last Annual General Meeting is as under: -

Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Kewalchand P. Jain	7 of 7	Present
Mr. Hemant P. Jain	7 of 7	Present
Mr. Dinesh P. Jain	7 of 7	Present
Mr. Vikas P. Jain	7 of 7	Present
Mr. Yogesh A. Thar	7 of 7	Present
Dr. Prakash A. Mody	5 of 7	Absent
Mr. Nimish G. Pandya	7 of 7	Present
Ms. Drushti R. Desai	7 of 7	Present

Disclosure of relationship between the Directors inter-se:-

Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain are brothers.

Details of shares held by directors in the Company as on March 31, 2016:-

Name of the Directors	Number of shares held
Mr. Kewalchand P. Jain	706,111
Mr. Hemant P. Jain	706,915
Mr. Dinesh P. Jain	744,831
Mr. Vikas P. Jain	737,321
Mr. Yogesh A. Thar	Nil
Dr. Prakash A. Mody	336
Mr. Nimish G. Pandya	Nil
Ms. Drushti R. Desai	Nil

6,153,000 shares are held by Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain as trustees of the P.K. Jain Family Holding Trust.

*Note:

The said shares held by Mr. K. P. Jain includes 16,000 equity shares in his capacity of Karta of Kewalchand P. Jain H.U.F and 76,661 shares held j/w Veena K. Jain.

The said shares held by Mr. H.P. Jain includes 16,000 equity shares in his capacity of Karta of Hemant P. Jain H.U.F and 77,400 shares held j/w Lata H. Jain.

The said shares held by Mr. D.P. Jain includes 16,000 equity shares in his capacity of Karta of Dinesh P. Jain H.U.F and 99,401 shares held j/w Sangeeta D. Jain.

The said shares held by Mr. V.P. Jain includes 16,000 equity shares in his capacity of Karta of Vikas P. Jain H.U.F and 91,836 shares held j/w Kesar V. Jain.

Familiarisation Programme for Independent Directors:-

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which interalia explains the role, function, duties and responsibilities expected of him/her as an Independent Director of the Company. The Independent Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations. The Chairman and Managing Director also has one to one discussion with the newly appointed Independent Director to familiarize him/her with the



Company's operations. Further the Company has put in place a policy to familiarize the independent Directors about the Company, its products, business and on-going events relating to the Company. The web-link for the said policy is http://kewalkiran.com/wp-content/uploads/2015/09/news/Familiarisation_programme.pdf

During the financial year 2015-16 the Independent Directors have attended familiarization programme conducted by the Company and the web-link for the details of familiarization programme is <http://kewalkiran.com/wp-content/uploads/2016/news/familiarisation-programme-for-the-FY-2015-16.pdf>

Governance Codes:-

- **Code of Conduct**

In line with the Company's objective of following the best Corporate Governance Standards the Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code is effective from January 14, 2006. All the Board members and Senior Management of the Company as on March 31, 2016 have affirmed compliance with their respective Codes of Conduct in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also adopted code for Independent Directors in the Board meeting held on May 10, 2014 pursuant to section 149(8) of the Companies Act, 2013 which makes it mandatory for independent directors to abide by the provisions of the code.

- **Conflict of Interest**

Each Director informs the Company on an annual basis about the Board and the Committee positions he/she occupies in other companies and notifies changes if any during the year. The Board Members while discharging their duties, avoid conflict of interest in the decision making process. The members of the Board neither participate in any discussions nor vote in any transactions in which they have any concern or interest.

- **Insider Trading Code**

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 the Company has in the Board Meeting held on May 14, 2015 formulated and approved (i) an Insider Trading Code to regulate dealings in the securities of the Company by designated persons in compliance with the regulations and (ii) a policy for fair disclosure of unpublished price sensitive information and the aforesaid codes were effective to the Company from May 15, 2015. Mr. Abhijit Warange, Vice President – Legal and Company Secretary is the Compliance Officer for

the purpose of Insider Trading Code while Mr. Bhavin Sheth, Chief Financial Officer is Chief Investor Relations Officer for the purpose of the fair disclosure policy.

III. AUDIT COMMITTEE

Constitution of Audit Committee: –

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the internal control and financial reporting process. The composition, quorum, powers, role and scope of the Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Audit Committee are financially literate and bring in expertise in the field of Finance, Taxation, Economics and Risk Management.

The Audit Committee comprises the following members:

Mr. Yogesh A. Thar, Non Executive-Independent Director	Chairman and Member
Mr. Nimish G. Pandya, Non Executive-Independent Director	Member
Ms. Drushti R. Desai, Non Executive-Independent Director	Member

Mr. Abhijit B. Warange, Company Secretary acts as the Secretary of the Committee.

The terms of reference of the Audit Committee includes:

Powers

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

Roles to Include

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors including internal auditors of the Company.

STATUTORY REPORTS

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 4. Reviewing, with the management, the annual financial statements and auditor's report before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion in the draft audit report.
 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
 8. Approval or any subsequent modification of transactions of the Company with related parties.
 9. Scrutiny of inter-corporate loans and investments.
 10. Valuation of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluation of internal financial controls and risk management systems.
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 13. 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.
 14. Discussion with internal auditors and secretarial auditor of any significant findings and follow up there on.
 15. 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.
 16. 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.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 18. To review the functioning of the Whistle Blower Mechanism.
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Company has system and procedure in place to ensure that the Audit Committee mandatorily reviews:
1. Management Discussion and Analysis of financial condition and results of operations;
 2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;



3. Management letters / letters of Internal Control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to Internal Control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Meetings of the Audit Committee: -

During the year ended March 31, 2016, four (4) Audit Committee meetings were held on May 14, 2015, July 23, 2015, October 24, 2015 and February 6, 2016. The attendance of each Audit Committee member is given hereunder: -

Name of the Audit Committee Member	No. of meetings attended
Mr. Yogesh A. Thar	4 of 4
Mr. Nimish G. Pandya	4 of 4
Ms. Drushti R. Desai	4 of 4

Attendees: -

At the invitation of the Company, representatives from various divisions of the Company, internal auditors, statutory auditors and the Chief Financial Officer also attend the Audit Committee Meeting to respond to queries raised at the Committee Meetings

IV. NOMINATION AND REMUNERATION COMMITTEE

Composition of Committee:-

The Nomination and Remuneration Committee's constitution and terms of reference are in compliance with

the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 and Part D (Point A) of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee comprises of the following members:

Mr. Nimish G. Pandya, Non Executive-Independent Director	Chairman and Member
Mr. Yogesh A. Thar, Non Executive-Independent Director	Member
Dr. Prakash A. Mody, Non Executive-Independent Director	Member
Ms. Drushti R. Desai, Non Executive-Independent Director	Member

Mr. Abhijit B. Warange, Company Secretary acts as the Secretary of the Committee.

The terms of reference of Nomination and Remuneration Committee includes:-

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies and in the industry.
- To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To device policy on diversity of Board of Directors.

- To determine whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent director.

Meetings of the Nomination and Remuneration Committee:-

During the year ended March 31, 2016 two (2) Nomination and Remuneration Committees meetings were held on May 14, 2015 and February 6, 2016. The attendance of Nomination and Remuneration Committee meeting is given hereunder:-

Name of the Nomination and Remuneration Committee Member	No. of meetings attended
Mr. Nimish G. Pandya	2 of 2
Mr. Yogesh A. Thar	2 of 2
Dr. Prakash A. Mody	0 of 2
Ms. Drushti R. Desai	2 of 2

Performance Evaluation:-

Pursuant to the provisions of the Companies Act, 2013, Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance of individual directors as well as the evaluation of the working of the Board and Committees in accordance with the performance evaluation policy. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board’s functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

REMUNERATION OF DIRECTORS

Remuneration Policy for Executive Directors:-

The Board of Directors of the Company presently comprises of four Executive Directors namely Mr. Kewalchand P. Jain, Chairman and Managing Director, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain, Whole-time Directors.

The remuneration of the Executive Directors is governed by the Articles of Association of the Company, the resolution of the Board of Directors and the members. The details of the remuneration paid to the Executive Directors have been detailed hereafter.

Revisions, if any in the remuneration of the Executive Directors are deliberated by the Nomination and Remuneration Committee of the Board. Based on the recommendation of the Nomination and Remuneration Committee, the Board decides on the revision subject to the shareholders approval.

Remuneration Policy for Non -Executive Directors:-

Non-Executive Directors of a Company’s Board of Directors can add substantial value to the Company through their contribution to the Management of the Company. In addition, they can safeguard the interest of the investors at large by playing an appropriate control role. Non-Executive Directors bring in their long experience and expertise and add substantial value to the deliberations of the Board and its Committee.

Criteria of making payment to Non-Executive Directors:-

Apart from receiving sitting fees for attending the Board/ Committee meetings the Non-Executive Directors have no other pecuniary relationship or transaction with the Company. The sitting fees paid to the Non-Executive Directors is within the statutory limits prescribed under the Companies Act, 2013 and the rules made there under for payment of sitting fees without the approval of the Central Government.

Service contracts, notice period and severance fee:-

The appointment of the executive directors is governed by the Articles of Association of the Company, the resolution of the Board of Directors and the members.

There is no provision for severance fees.



Details of sitting fees, remuneration etc. paid to Directors for the year ended March 31, 2016.

Name of the Directors	Sitting Fees	Salary	Contribution to PF and Perquisites	Retiral benefits/ Bonuses/ Commission payable/ performance linked incentive/ pension/ Stock options granted	Total
Mr. Kewalchand P. Jain	Nil	₹ 7,500,000	₹ 489,600	Nil	₹ 7,989,600
Mr. Hemant P. Jain	Nil	₹ 7,500,000	₹ 489,600	Nil	₹ 7,989,600
Mr. Dinesh P. Jain	Nil	₹ 7,500,000	₹ 489,600	Nil	₹ 7,989,600
Mr. Vikas P. Jain	Nil	₹ 7,500,000	₹ 489,600	Nil	₹ 7,989,600
Mr. Yogesh A. Thar	₹ 780,000	Nil	Nil	Nil	₹ 780,000
Dr. Prakash A. Mody	₹ 300,000	Nil	Nil	Nil	₹ 300,000
Mr. Nimish G. Pandya	₹ 840,000	Nil	Nil	Nil	₹ 840,000
Ms. Drushti R. Desai	₹780,000	Nil	Nil	Nil	₹ 780,000

V. STAKEHOLDERS RELATIONSHIP AND SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE

Composition of Committee:-

The Stakeholders Relationship and Shareholder/ Investor Grievance Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 and Part D (Point B) of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Stakeholders Relationship and Shareholder/Investor Grievance Committee comprise of the following members:

Mr. Nimish G. Pandya, Non Executive- Independent Director	Chairman and Member
Mr. Kewalchand P. Jain, Chairman & Managing Director	Member
Mr. Hemant P. Jain, Whole-time Director	Member

Mr. Abhijit B. Warange, Company Secretary acts as the Secretary of the Committee.

The terms of reference of Stakeholders Relationship and Shareholder/ Investor Grievance Committee are to specifically look into the redressal of shareholders and investors complaints like transfer of shares, non receipt of balance sheet, non receipt of dividends, etc.

Meetings of the Stakeholders Relationship and Shareholder/ Investor Grievance Committee:-

During the year ended March 31, 2016 two (2) Stakeholders Relationship and Shareholder/ Investor Grievance Committee meeting were held on April 16, 2015 and October

12, 2015. The attendance of Stakeholders Relationship and Shareholder/ Investor Grievance Committee meeting is given hereunder.

Name of the Stakeholders Relationship and Shareholder/ Investor Grievance Committee Member	No. of meetings attended
Mr. Nimish G. Pandya	2 of 2
Mr. Kewalchand P. Jain	2 of 2
Mr. Hemant P. Jain	2 of 2

Status report of the complaints received and resolved to the satisfaction of the shareholders/investors during the year ended March 31, 2016.

No. of complaints received	-	1
No. of complaints resolved	-	1
No. of complaints pending	-	0

Name and Designation of the Compliance Officer:-

Mr. Abhijit B. Warange – Vice President – Legal & Company Secretary, who is the Compliance Officer, can be contacted at, Kewal Kiran Estate, 460/7, I.B. Patel Road, Goregaon (East), Mumbai - 400063
Tel: 022-26814400, Fax: 02226814410
E-mail: grievanceredressal@kewalkiran.com

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition of Committee:-

The Corporate Social Responsibility (CSR) Committee was constituted pursuant to Section 135 of the Companies Act, 2013.

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Corporate Social Responsibility Committee comprises of the following members:

Mr. Nimish G. Pandya, Non Executive-Independent Director	Chairman and Member
Mr. Kewalchand P. Jain, Chairman & Managing Director	Member
Mr. Hemant P. Jain, Whole-time Director	Member

Mr. Abhijit B. Warange, Company Secretary acts as the Secretary of the Committee.

The terms of reference of Corporate Social Responsibility Committee broadly comprises:

1. To review the existing CSR policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
2. To provide guidance on various CSR activities to be undertaken by the Company and to monitor process
3. To recommend the amount of expenditure to be incurred on the activities as specified in Schedule VII of the Companies Act, 2013
4. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

Meetings of the Corporate Social Responsibility Committee:-

During the year ended March 31, 2016 one (1) Corporate Social Responsibility Committee meeting was held on February 6, 2016. The attendance of Corporate Social Responsibility Committee meeting is given hereunder:

Name of the Member of Corporate Social Responsibility Committee	No. of meetings attended
Mr. Nimish G. Pandya	1 of 1
Mr. Kewalchand P. Jain	1 of 1
Mr. Hemant P. Jain	1 of 1

The policy on CSR as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the CSR Policy is <http://kewalkiran.com/wp-content/uploads/2015/09/news/CSR%20policy.pdf>

VII. RISK MANAGEMENT COMMITTEE

Composition of Committee:-

Pursuant to Listing Agreement and Regulation 21 of



SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has constituted Risk Management Committee.

Risk Management Committee comprises of the following members:

Mr. Kewalchand P. Jain , Chairman & Managing Director	Chairman
Mr. Hemant P. Jain, Whole-time Director	Member
Mr. Nimish G. Pandya, Non Executive-Independent Director	Member
Mr. Abhijit Warange, Company Secretary	Member
Mr. Shantilal Kothari, Chief Financial Officer* (upto October 10, 2015)	Member & Secretary
*Dr. Sanjeev Chouhan, Head - Human Resource (w.e.f. October 24, 2015.)	Member & Secretary

*The Board of Directors has reconstituted Risk Management Committee in the Board meeting held on October 24, 2015 and appointed Dr. Sanjeev Chouhan as Member and Secretary of the Committee.

Risk Management Policy:-

The Board has formulated and implemented the Risk Management policy of the Company, as recommended by Risk Management Committee.

Role and Responsibilities of the Committee includes the following:-

- Framing of Risk Management Plan and Policy;

- Overseeing implementation of Risk Management Plan and Policy;
- Monitoring of Risk Management Plan and Policy;
- Validating the process of risk management;
- Validating the procedure for risk minimisation;
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes;
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- Performing such other functions as may be necessary or appropriate.

Meetings of the Risk Management Committee:-

During the year ended March 31, 2016 one (1) Risk Management Committee meeting was held on January 9, 2016. The attendance of Risk Management Committee meeting is given hereunder:

Name of the Risk Management Committee Member	No. of meetings attended
Mr. Kewalchand P. Jain	1 of 1
Mr. Hemant P. Jain	1 of 1
Mr. Nimish G. Pandya	1 of 1
Mr. Abhijit B. Warange	1 of 1
Dr. Sanjeev Chouhan	1 of 1

VIII. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on March 30, 2016 interalia, to discuss:

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

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors were satisfied with the evaluation

results, which reflected the overall engagement of the Board and its Committees with the Company.

IX. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted the Vigil Mechanism/ Whistle Blower Policy pursuant to Section 177(9) of the Companies Act, 2013 under which the Directors and employees can report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

X. RELATED PARTY TRANSACTION POLICY

The Company has adopted a Related Party Transaction policy, as recommended by the audit Committee pursuant to Listing Agreement and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy on Related Party transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the Related Party Policy is http://kewalkiran.com/wp-content/uploads/2015/09/news/Related_party_policy.pdf.



XI. GENERAL BODY MEETINGS

Location, time and date where the three immediately preceding Annual General Meetings of the Company were held are given below:

Financial Year	Day & Date	Time	Venue
2012-13	Thursday, August 22, 2013	12.00 noon	M. C. Ghia Hall, Bhogilal Hargovindas Buiding, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai – 400 001
2013-14	Thursday, August 28, 2014	11.00 am	M. C. Ghia Hall, Bhogilal Hargovindas Buiding, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai – 400 001
2014-15	Monday, August 31, 2015	12.00 noon	M. C. Ghia Hall, Bhogilal Hargovindas Buiding, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai – 400 001

Special Resolutions passed in previous three Annual General Meetings:-

22nd Annual General Meeting: At this meeting two Special Resolutions were proposed, seconded and passed with more than three-fourths majority on show of hands. These special resolutions were with regard to revision of remuneration payable to Mr. Pankaj K. Jain and Mr. Hitendra H. Jain, relatives of the Executive Directors of the Company.

23rd Annual General Meeting: At this meeting six Special Resolutions were proposed, seconded and passed with more than three-fourth majority on show of hands. These special resolutions were with regard to:

- Adoption of new draft set of Articles of Association of the Company.
- Borrowing in excess of paid-up share capital and free reserves.
- Creating of charge on the Company's properties.
- Purchase of furniture and fixtures from Enlighten Lifestyle Limited (formerly known as Kornerstone Retail Limited).
- To give on leave and license premises at Shop no. 1, Shatrunjay Plaza, S.V. Road, Goregaon West, Mumbai to Enlighten Lifestyle Limited (formerly known as Kornerstone Retail Limited)
- To take on leave and license from Directors/Promoters Units at Synthofine Estate, Opp Virwani Industrial Estate, Goregaon (E), Mumbai: 400 063 and Unit no.3 and Unit No. 104 at Devare House, Bhavani Shankar Road, Dadar West, Mumbai – 400 028.

24th Annual General Meeting: At this meeting there were no Special Resolutions passed by the members of the Company.

Special Resolutions whether passed by Postal Ballot:-

No special resolution was passed by postal ballot in the last year and also no resolution requiring approval of shareholders by way of postal ballot is proposed to be passed in the ensuing Annual General Meeting of the Company.

XII. DISCLOSURES

- (i) The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant Related Party Transactions which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed separately in note no. 2.41 to the financial statements.
- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital market during the last three years.
- (iii) In the preparation of the financial statement, the Company has followed the Accounting Standard referred to in Section 133 of the Companies Act 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.
- (iv) The Board hereby confirms that no personnel have been denied access to the Audit Committee.
- (v) The Company paid ₹107,070/- to M/s. Banshi S. Mehta and Co. pertaining to appeals before the Income Tax Appellate Tribunal. Mr. Yogesh Thar and Ms. Drushti Desai, Non-Executive Independent Directors are partners in M/s. Banshi S. Mehta and Co. The Company paid ₹ 1,000,000/- to Mrs. Kamla Pandya, for opinion

on a legal issues. Mrs. Kamla Pandya is the spouse of Mr. Nimish Pandya, Non Executive Independent Director.

- (vi) The Company has complied with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is reviewed by the Board from time to time.
- (vii) Half yearly declaration of financial performance including summary of the significant events in last six month was sent to shareholders.
- (viii) In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 Mr. Kewalchand P. Jain, Chairman & Managing Director and Mr. Bhavin Sheth, Chief Financial Officer have furnished Certificate to the Board in the prescribed format for the year ended March 31, 2016.

XIII. MEANS OF COMMUNICATION

The Annual Financial Results of the Company for the financial year ended March 31, 2016 are published in The Economic Times, Business Standard, Mint, The Free Press journal and Navshakti. The results of the Company are normally published in The Economic Times, Business Standard, Mint and Lokmat. The financial results and other information are displayed on the Company's website viz. www.kewalkiran.com. The Company also displays official news releases on its website for the information of its shareholders/investors. Even presentations made to institutional investors have been hosted on the website of the Company.

The Company does not have the system of intimating shareholders individually of its quarterly results. However, investors/shareholders desirous of getting the quarterly audited results are given copies thereof after consideration of results by the Board and publication in newspapers. In the current year the Company has send financial snap shot of its half yearly results to its shareholders in line with its continued thrust for better Corporate Governance. The Company will make sincere attempt to continue this trend in the years ahead.

The Management discussion and Analysis Report forms a part of the Annual Report.

XIV. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting:

Day, Date and Time : Wednesday, September 7, 2016 at 12.00 Noon

Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai - 400 001

b) Financial Year : April 1, 2015 to March 31, 2016

c) Dates of Book Closure:

Thursday, September 1, 2016 to Wednesday, September 7, 2016 (both days inclusive)

d) Dividend payment date:

Dividend if declared by the shareholders will be made payable on or after Wednesday, September 14, 2016.

e) Listing on Stock Exchanges:

The Equity Shares of the Company got listed on April 13, 2006 and continue to be listed at the following Stock Exchanges: -

The BSE Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai: 400 001.

National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai: 400 051.

Note:

Listing fees as applicable has been paid to both the stock exchanges i.e BSE Limited and National Stock Exchange of India Limited.

f) Stock Code/Symbol:

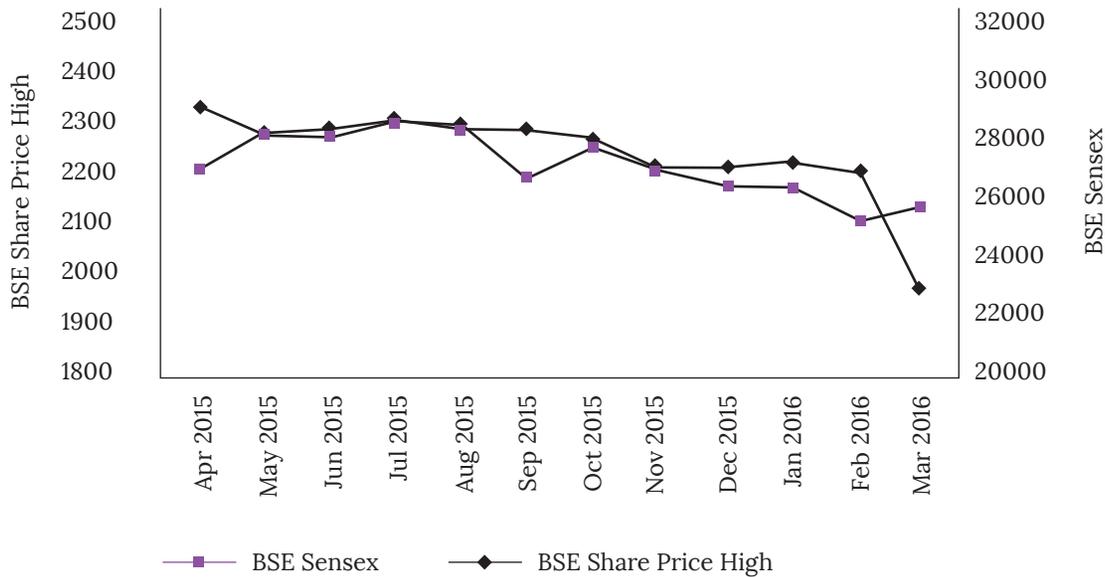
The BSE Limited	:	532732
The National Stock Exchange of India Limited	:	KKCL
ISIN No.	:	INE401H01017

g) Market Price Data:

The monthly high and low quotations of the Company's shares traded on the BSE Limited and the National Stock Exchange of India Limited during the financial year 2015-2016 are as under:

Months	BSE		NSE	
	High (₹ Per share)	Low (₹ Per share)	High (₹ Per share)	Low (₹ Per share)
April 2015	2,199.50	1,881.50	2,380.00	1,914.00
May 2015	2,275.00	1,955.00	2,300.05	1,960.05
June 2015	2,283.00	1,955.50	2,255.00	1,957.00
July 2015	2,300.00	1,960.00	2,320.00	1,960.00
August 2015	2,282.50	2,000.00	2,280.00	1,862.80
September 2015	2,281.00	2,001.50	2,297.90	2,056.30
October 2015	2,266.00	2,000.50	2,215.00	1,961.15
November 2015	2,200.00	1,885.00	2,235.00	1,863.10
December 2015	2,200.00	1,865.00	2,250.00	1,911.00
January 2016	2,215.00	1,950.00	2,246.00	1,930.60
February 2016	2,189.75	1,750.00	2,070.00	1,707.50
March 2016	1,945.00	1,603.25	1,915.00	1,609.95

h) Performance in comparison to broad based indices:



i) Registrar & Share Transfer Agents:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compounds,
L.B.S. Marg, Bhandup (West),
Mumbai-400078
Tel: +91 22 2594 6970-77
Fax: +91 22 2596 2691
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

j) Share Transfer System:

Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt, subject to documents

being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Managing Director and/or Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Managing Director/ Company Secretary is placed at every Board meeting/ Share Transfer Committee meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the listing agreement and Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificates with stock exchange(s).

k) Distribution Pattern of shareholding as on March 31, 2016:

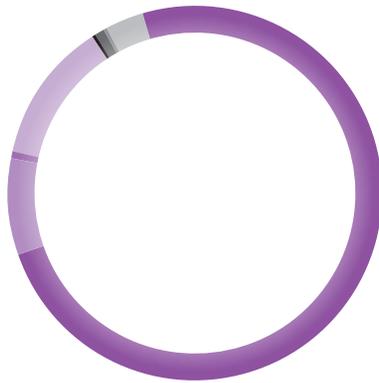
No of equity shares	Number of shareholders	% of shareholders	Number of shares held	% of shareholding
1-500	3,739	95.58	136,186	1.11
501-1000	48	1.23	36,885	0.30
1001-2000	30	0.77	47,142	0.38
2001-3000	19	0.48	44,419	0.36
3001-4000	9	0.23	33,825	0.27
4001-5000	6	0.15	27,448	0.22
5001-10000	19	0.49	129,166	1.05
10001 & above	42	1.07	11,869,966	96.31
Total	3,912	100.00	12,325,037	100.00

Shareholding Pattern as on March 31, 2016:

Category	No. of Shares	% to total
Indian Promoters	9,146,473	74.21
Mutual Funds	1,049,753	8.52
Foreign Portfolio Investor(Corporate)	51,349	0.42
FII's	1,521,829	12.35
NRI	16,041	0.13
Bodies Corporate	118,988	0.97
Independent Director	336	0.00
Clearing Members	3,130	0.03
Office Bearers	630	0.00
HUFs	24,378	0.19
Public	392,130	3.18
Total	12,325,037	100.00

Shareholding pattern as on 31st March, 2016

%



■	Indian Promoters 74.21
■	Mutual Funds 8.52
■	Foreign Portfolio Investor (Corporate) 0.42
■	FII's 12.35
■	NRI 0.13
■	Bodies Corporate 0.97
■	Clearing Members 0.03
■	HUFs 0.19
■	Public 3.18

l) Dematerialisation of Equity Shares:

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems –NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). 99.99% of total equity shares of the Company are held in dematerialised form with NSDL & CDSL as on March 31, 2016.

Liquidity:-

Kewal Kiran Clothing Limited's shares are actively traded on BSE Limited and The National Stock Exchange of India Limited.

m) Outstanding GDRS/ADRS/Warrants or any Convertible Instruments conversion date and likely impact on equity:

The Company has not issued any GDRS/ADRS/Warrants or any Convertible Instruments.

n) Commodity price risk or foreign exchange risk and hedging activities:

Your Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the Company.

In respect of price risk of raw material used for manufacturing purposes the same is taken care of as per industry requirements.

o) Plant Locations:

Vapi

Plot No. 787/1/2A/3, 40, shed
IInd Phase, G.I.D.C
Vapi: 396 195, Gujarat

Daman

697/3/5/5A/13, Near Maharani Estate,
Somnath Road, Dabel
Daman: 396 210

Mumbai

Synthofine Estate,
Opp Virwani Industrial Estate
Goregaon (East), Mumbai: 400 063

71-73, Kasturchand Mill Estate
Bhawani Shankar Road,
Dadar (West), Mumbai: 400 028

p) Address for Investor Correspondence:

Shareholding related queries

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compounds,
L.B.S. Marg, Bhandup (West),
Mumbai-400078

Tel: +91 22 2594 6970-77

Fax: +91 22 2596 2691

Email: mumbai@linkintime.co.in

Website: www.linkintime.co.in

General Correspondence

Kewal Kiran Estate,
Behind Tirupati Udyog,
460/7, I.B. Patel Raod,
Goregaon (East), Mumbai: 400 063

Tel: +91 22 26814400

Fax: +91 22 26814410

Email: abhijit.warange@kewalkiran.com

Website: www.kewalkiran.com

An exclusive id, grievanceredressal@kewalkiran.com for redressal of investor complaints has been created and the same is available on Company's website www.kewalkiran.com

Annexure to Corporate Governance

Details of Other Directorships and Committee Memberships of All Directors

[1] BODIES CORPORATE OF WHICH MR. KEWALCHAND P. JAIN IS A CHAIRMAN/ DIRECTOR

Name of the Company	Board Position Held
Enlighten Lifestyle Limited (formerly known as Kornerstone Retail Limited)	Chairman
Kewal Kiran Management Consultancy Limited	Chairman
Kewal Kiran Media and Communication Limited	Chairman
Kewal Kiran Realtors and Infrastructures Private Limited	Chairman
Kewal Kiran Finance Private Limited	Chairman
White Knitwears Private Limited	Director
Lord Gautam Charitable Foundation	Chairman

COMMITTEE MEMBERSHIPS

Name of the Company	Name of the Committee	Position Held
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Member

[2] BODIES CORPORATE OF WHICH MR. HEMANT P. JAIN IS A CHAIRMAN/ DIRECTOR

Name of the Company	Board Position Held
Enlighten Lifestyle Limited (formerly known as Kornerstone Retail Limited)	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
White Knitwears Private Limited	Director
Lord Gautam Charitable Foundation	Director

COMMITTEE MEMBERSHIPS

Name of the Company	Name of the Committee	Position Held
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Member

[3] BODIES CORPORATE OF WHICH MR. DINESH P. JAIN IS A CHAIRMAN/DIRECTOR

Name of the Company	Board Position Held
Enlighten Lifestyle Limited (formerly known as Kornerstone Retail Limited)	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Synthofine Chemicals of India Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
Lord Gautam Charitable Foundation	Director

[4] BODIES CORPORATE OF WHICH MR. VIKAS P. JAIN IS A CHAIRMAN / DIRECTOR

Name of the Company	Board Position Held
Enlighten Lifestyle Limited (formerly known as Kornerstone Retail Limited)	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
Lord Gautam Charitable Foundation	Director

[5] BODIES CORPORATE OF WHICH MR. YOGESH A. THAR IS A CHAIRMAN / DIRECTOR

Name of the Company	Board Position Held
NIL	NIL

COMMITTEE MEMBERSHIPS

Name of the Company	Name of the Committee	Position Held
Kewal Kiran Clothing Limited	Audit Committee	Chairman

[6] BODIES CORPORATE OF WHICH DR. PRAKASH A. MODY IS A CHAIRMAN/ DIRECTOR

Name of the Company	Board Position Held
Unichem Laboratories Limited	Chairman
Unichem Pharmaceuticals (USA) Inc.	Director
Unichem Laboratories Pty. Limited (Australia)	Director

COMMITTEE MEMBERSHIPS

Name of the Company	Name of the Committee	Position Held
Unichem Laboratories Limited	Stakeholder Relationship Committee	Member

[7] BODIES CORPORATE OF WHICH MR. NIMISH G. PANDYA IS A CHAIRMAN/ DIRECTOR

Name of the Company	Board Position Held
NIL	NIL

COMMITTEE MEMBERSHIPS

Name of the Company	Name of the Committee	Position Held
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Chairman
Kewal Kiran Clothing Limited	Audit Committee	Member

[8] BODIES CORPORATE OF WHICH MS. DRUSHTI R. DESAI IS A CHAIRMAN/DIRECTOR

Name of the Company	Board Position Held
Globallogic Technologies Limited	Director
Globallogic India Limited	Director
MPIL Corporation Limited	Director
MT Educare Limited	Director
Narmada Gelatines Limited	Director
Kruti Finance and Holdings Private Limited	Director

COMMITTEE MEMBERSHIPS

Name of the Company	Name of the Committee	Position Held
Globallogic Technologies Limited	Audit Committee	Chairman
Globallogic India Limited	Audit Committee	Chairman
MT Educare Limited	Audit Committee	Chairman
Kewal Kiran Clothing Limited	Audit Committee	Member
Narmada Gelatines Limited	Audit Committee	Member
MT Educare Limited	Stakeholder Relationship Committee	Member

Auditors' Certificate on Corporate Governance

To
The Members of
Kewal Kiran Clothing Limited

- 1) We have examined the compliance of conditions of Corporate Governance by Kewal Kiran Clothing Limited ('the Company'), for the year ended on March 31, 2016, as stipulated in:
 - a) Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from April 1, 2015 to November 30, 2015
 - b) Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from April 1, 2015 to September 1, 2015
 - c) Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period from September 2, 2015 to March 31, 2016 and
 - d) Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period from December 1, 2015 to March 31, 2016
- 2) The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause / Regulation as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3) We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
- 4) In our opinion and to the best of our information and according to our examination of relevant records, and the explanations given to us and representations made by the Directors and the Management, we certify that during the year ended 31st March, 2016 the Company has complied with the conditions of Corporate Governance as stipulated in Listing Agreement and Listing Regulations as applicable.
- 5) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
N. A. Shah Associates LLP*
Chartered Accountants
Registration Number 116560W/W100149

Sandeep Shah
Partner
Membership No.: 37381

Place: Mumbai
Date: August 3, 2016

For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration Number 113496W

Satish Trivedi
Partner
Membership No.: 38317

Place: Mumbai
Date: August 3, 2016

* Effective 14th July 2016, N. A. Shah Associates
- ROF Registration no. BA71407 converted into
N. A. Shah Associates LLP
- LLP Identification no. AAG-7909

Certificate of Compliance With the Code of Conduct

I, Kewalchand P. Jain, Chairman & Managing Director of the Company, hereby declare that Company has adopted a code of conduct for its Board Members and Senior Management and a code for Independent Directors, in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Board Members and the Senior Management have affirmed compliance with the said code of conduct of board of directors and senior management.

For and on behalf of the Board

Kewalchand P. Jain
Chairman & Managing Director
(DIN 00029730)

Place: Mumbai
Date: May 23, 2016





Independent Auditor's Report

TO
THE MEMBERS OF
KEWAL KIRAN CLOTHING LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Kewal Kiran Clothing Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as financial statements).

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view

in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,

2016 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect to adequacy of internal financial controls system over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given in Annexure II; and
- 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 financial statements – Refer Note 2.37 (a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N. A. Shah Associates

Chartered Accountants

Firm's Registration No.: 116560W

Sandeep Shah

Partner

Membership No. : 37381

Place of signature: Mumbai

Date: May 23, 2016

For Jain & Trivedi

Chartered Accountants

Firm's Registration No. : 113496W

Satish Trivedi

Partner

Membership No. : 38317

Place of signature: Mumbai

Date: May 23, 2016

Annexure I to Independent Auditor's Report for the year ended 31st March 2016

[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- | | |
|--|--|
| <p>(i) In respect of fixed assets:</p> <p>(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) Fixed assets have been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. Also, refer note no. 2.9.5 to the standalone financial statements.</p> <p>(ii) The inventories (other than lying with third parties) have been physically verified during the year by the management. In respect of inventories lying with the third parties, confirmations have been obtained by the company and there were no discrepancies. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.</p> <p>(iii) 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. Therefore, the requirement of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable to the Company.</p> <p>(iv) The Company has not granted any loans or provided any guarantees or securities covered under section 185 and section 186 of the Act. In respect of investments made by the Company, in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act.</p> | <p>(v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.</p> <p>(vi) The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act for any of the products / services of the Company. Accordingly clause (vi) of paragraph 3 the Order is not applicable to the Company.</p> <p>(vii) In respect of statutory dues:</p> <p>(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues payable in respect to above statues, outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.</p> <p>(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there is no disputed Sales-tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax as on 31st March, 2016 which have not been deposited except the following disputed dues which have not been deposited since the matters are pending with the relevant forum:</p> |
|--|--|

Nature of statute	Nature of dues	Amount ₹	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	689,290	Assessment year 2012-2013	CIT (Appeal) – Mumbai
Income Tax Act, 1961	Income Tax and Interest	885,540	Assessment year 2011-2012	CIT (Appeal) – Mumbai
Income Tax Act, 1961(*)	Income Tax and Interest	6,894,195	Assessment year 2005-2006	Bombay High Court (filed by the department)

(*) Adjusted against the refund of assessment year 2007-08

- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks during the year. There are no loans or borrowings from financial institutions / debenture holders / government.
- (ix) During the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- (x) According to information and explanation given to us, there are no incidence of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in
- the financial statements as required by the applicable Accounting Standards (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of the clause (xvi) of the Order are not applicable to the Company.

For N. A. Shah Associates

Chartered Accountants
Firm's Registration No.: 116560W

For Jain & Trivedi

Chartered Accountants
Firm's Registration No. : 113496W

Sandeep Shah

Partner
Membership No. : 37381
Place of signature: Mumbai
Date: May 23, 2016

Satish Trivedi

Partner
Membership No. : 38317
Place of signature: Mumbai
Date: May 23, 2016

Annexure II to Independent Auditor's Report for the year ended 31st March 2016

[Referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(I) OF THE ACT

We have audited the internal financial controls over financial reporting of Kewal Kiran Clothing Limited ("the Company"), as of 31st March, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls,

both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N. A. Shah Associates

Chartered Accountants

Firm's Registration No.: 116560W

Sandeep Shah

Partner

Membership No. : 37381

Place of signature: Mumbai

Date: May 23, 2016

For Jain & Trivedi

Chartered Accountants

Firm's Registration No. : 113496W

Satish Trivedi

Partner

Membership No. : 38317

Place of signature: Mumbai

Date: May 23, 2016

Balance Sheet

as at 31 March 2016

(₹ in lakhs)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	1,232.50	1,232.50
Reserves and Surplus	2.2	28,641.02	30,748.05
		29,873.52	31,980.55
Non-Current Liabilities			
Other Long-Term Liabilities	2.3	1,713.57	986.56
Long-Term Provisions	2.4	13.00	51.15
		1,726.57	1,037.71
Current Liabilities			
Short-Term Borrowings	2.5	2,888.76	1,135.30
Trade Payables	2.6		
- Due to Micro and Small Enterprises		89.91	92.93
- Due to Others		4,598.45	2,951.62
Other Current Liabilities	2.7	1,375.09	1,822.20
Short-Term Provisions	2.8	1,833.51	2,027.99
		10,785.72	8,030.04
Total		42,385.81	41,048.30
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.9	5,923.82	5,347.11
Intangible Assets		73.58	48.94
Tangible Capital Work in Progress		263.56	420.72
Intangible Capital Work in Progress		-	4.49
		6,260.96	5,821.26
Non Current Investments	2.10	5,876.47	14,096.09
Deferred Tax Assets(Net)	2.11	49.78	117.59
Long-Term Loans and Advances	2.12	901.14	792.57
Other Non-Current Assets	2.13	3.72	43.40
		13,092.07	20,870.91
Current Assets			
Current Investments	2.14	9,915.97	3,713.99
Inventories	2.15	5,572.69	4,041.45
Trade Receivables	2.16	10,896.61	7,742.62
Cash & Bank Balances	2.17	2,474.87	4,317.21
Short-Term Loans & Advances	2.18	328.52	209.87
Other Current Assets	2.19	105.08	152.25
		29,293.74	20,177.39
Total		42,385.81	41,048.30
Significant accounting policies and notes on accounts	1 & 2		

The notes referred to above form integral part of Financial Statements

As per our audit report of even date

For and on behalf of
N. A. Shah Associates
Chartered Accountants
Registration No.:116560W

Sandeep Shah
Partner
Membership No. : 37381

For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

Satish Trivedi
Partner
Membership No. : 38317

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Kewalchand P Jain
Chairman &
Managing Director
Din No: 00029730

Hemant P Jain
Whole time Director
Din No: 00029822

Place: Mumbai
Date: May 23, 2016

Bhavin Sheth
Chief Financial Officer

Abhijit Warange
Company Secretary

Statement of Profit and Loss

for the year ended 31st March 2016

(₹ in lakhs)

Particulars	Note	For the year ended 31st March 2016	For the year ended 31st March 2015
INCOME			
Revenue from Operations (Gross)	2.20	45,834.37	40,832.39
Less: Excise Duty		(98.46)	-
Revenue from Operations (Net)		45,735.91	40,832.39
Other Income	2.21	694.47	797.60
		46,430.38	41,629.99
EXPENDITURE			
(Increase) / Decrease in Stocks	2.22	(1,297.72)	575.76
Cost of Material Consumed	2.23	19,729.01	16,034.56
Purchase of Trading Items: Lifestyle Accessories/ Products		1,121.86	1,291.26
Employee benefit expenses	2.24	5,107.25	4,531.31
Manufacturing and Operating Expenses	2.25	4,250.93	3,390.39
Administrative and Other Expenses	2.26	2,528.09	2,024.88
Selling and Distribution Expenses	2.27	3,888.78	3,333.24
Finance Expenses	2.28	333.46	266.07
Depreciation/ Amortization	2.9	416.07	373.97
		36,077.73	31,821.44
Net Profit Before Tax		10,352.65	9,808.55
Provisions for Taxation			
Current Tax		3,525.00	3,095.00
Deferred Tax		44.94	79.14
(Excess)/Short provision for taxes of earlier years[net of deferred tax of ₹ 22.87 lakhs (P.Y. Nil)]		(12.08)	9.95
Net Profit for the Year		6,794.79	6,624.46
"Earnings per Share - Basic and Diluted (₹) (Face Value of ₹ 10 each fully paid up)"		55.13	53.75
Weighted Average Number of Shares used in computing Earnings per Share -Basic and Diluted		1,23,25,037	12,325,037
Significant accounting policies and notes on accounts	1 & 2		

The notes referred to above form integral part of Financial Statements

As per our audit report of even date

For and on behalf of
N. A. Shah Associates
Chartered Accountants
Registration No.:116560W

For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Sandeep Shah
Partner
Membership No. : 37381

Satish Trivedi
Partner
Membership No. : 38317

Kewalchand P Jain
Chairman &
Managing Director
Din No: 00029730

Hemant P Jain
Whole time Director
Din No: 00029822

Place: Mumbai
Date: May 23, 2016

Bhavin Sheth
Chief Financial Officer

Abhijit Warange
Company Secretary

Cash Flow Statement

for the year ended 31st March 2016

(₹ in lakhs)

Particulars	2015-2016 Amount	2014-2015 Amount
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Taxes as per Statement of Profit and Loss	10,352.65	9,808.55
Adjustments for:		
Depreciation/ Amortization	416.07	373.97
(Gain)/Loss on Sale / discard of Fixed Assets (Net)	(65.47)	0.79
(Gain)/Loss on Sales/ Redemption of Investments (Net)	(457.55)	(432.87)
Sundry Balance (written back)/written off (Net)	(51.36)	(184.21)
Finance Expenses	296.72	232.43
Dividend Income	(43.34)	(259.63)
Provision/(Reversal of provision) for Doubtful Debts , Advances, Deposits and Investments	20.80	87.62
Provision/(Reversal of provision) share of loss in Joint Venture	(36.00)	-
Provision/(Reversal of provision) for Contingent Rent	(2.15)	(7.56)
Provision/(Reversal of provision) for Contingencies	3.01	(39.03)
Provision/(Reversal of provision) for Margin on Sales Return	14.01	18.40
Provision/ (Reversal of Provision) of Exchange Rate Fluctuation (Net)	4.42	(0.08)
Interest Income	(62.00)	(79.15)
	37.16	(289.32)
	10,389.81	9,519.23
Changes in Assets and Liabilities		
Trade Receivable and Other Assets	(2,951.22)	(1,331.74)
Inventories	(1,531.24)	747.74
Trade Payables, Liabilities and Provisions	1,961.90	1,789.16
Net Cash Inflow from Operating Activities	(2,520.56)	1,205.16
Less: Income Tax (paid)/refund (refer note 1 below)	7,869.25	10,724.39
Net Cash Inflow/(outflow) from Operating Activities	(3,182.42)	(3,191.81)
	4,686.83	7,532.58
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,254.35)	(2,004.70)
Sale of Fixed Assets	128.25	33.45
Purchase of Investments	(1,465.30)	(9,145.32)
Sales/Redemption of Investments [net of income tax of ₹ 126.05 lakhs (P.Y. ₹ 42.55 lakhs)]	3,814.42	8,392.35
Bank Deposit offered as Security	(80.19)	(85.05)
Maturity of Bank Deposit offered as Security	83.98	99.57
Dividend Income	43.34	259.63
Interest received on Bank Deposits	89.13	45.34
Less : Income Tax Paid	(21.46)	(26.90)
Net Cash inflow /(Outflow) from Investing Activities	1,337.82	(2,431.63)

Cash Flow Statement

for the year ended 31st March 2016

(₹ in lakhs)

Particulars	2015-2016 Amount	2014-2015 Amount
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Working Capital Loan (Net)	1,753.46	(52.40)
Interest and Finance Charges	(291.62)	(223.43)
Payment of Dividend (Including Dividend Tax)	(9,345.50)	(3,939.52)
Net Cash Inflow/(Outflow) from Financing Activities	(7,883.66)	(4,215.35)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(1,859.01)	885.60
Cash and cash equivalents - opening (refer note 2.17)	4,229.15	3,343.27
	2,370.14	4,228.87
Effect of Exchange Gain/(Loss) on Cash and Cash Equivalents	0.06	0.28
Cash and Cash Equivalents - Closing (Refer Note 2.17)	2,370.20	4,229.15
Significant accounting policies and notes on accounts	1 & 2	

The notes referred to above form integral part of cash flow statement

1. The Aggregate Income Tax paid during the year is ₹ 3,329.93 lakhs (P.Y. ₹ 3,261.26 lakhs).

As per our audit report of even date

For and on behalf of

N. A. Shah Associates

Chartered Accountants

Registration No.:116560W

For and on behalf of

Jain & Trivedi

Chartered Accountants

Registration No. : 113496W

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Sandeep Shah

Partner

Membership No. : 37381

Satish Trivedi

Partner

Membership No. : 38317

Kewalchand P Jain

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Hemant P Jain

Whole time Director

Din No: 00029822

Place: Mumbai

Date: May 23, 2016

Bhavin Sheth

Chief Financial Officer

Abhijit Warange

Company Secretary

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. Basis of Preparation of Financial Statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

1.2. Presentation and Disclosure of Financial Statements:

All assets and liabilities have been classified as current & non-current as per company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

1.3. Use of Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual

results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.4. Fixed Assets:

a) Tangible Assets

Tangible assets are stated at cost of acquisition / construction less accumulated depreciation, amortization and accumulated impairment losses, if any.

b) Intangible Assets

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

c) Cost of fixed assets includes non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs for bringing the asset to its working condition for its intended use.

d) Capital work-in-progress comprises of cost incurred on fixed assets under construction/ acquisition that are not yet ready for their intended use at the Balance Sheet Date.

1.5. Depreciation/Amortization:

a) Depreciation/Amortization on fixed assets (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 except certain class of assets specified in (i) & (ii) below, based on internal assessment estimated by the management of the Company, where

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

the useful life is lower than as mentioned in Schedule II. Such class of assets and their estimated useful lives are as under:

(i) Assets	Estimated useful life depreciated on SLM basis
Furniture & fittings at retail stores	5 years
Second hand factory / office building (RCC frame structure)	30 years
Second hand factory / office building (other than RCC frame structure)	5 years
Plant & Machineries at Vapi unit (Washing unit)	7.5 years
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase
<hr/>	
(ii) Assets whose useful life are reassessed based on transitional provision of Schedule II	Estimated balance useful life of assets depreciated on SLM basis (as on April 1, 2014)
Factory buildings	18-28 years
Other buildings (RCC structure)	44 - 59 years
Plant & Machineries at Vapi unit (Washing unit)	1 year - 6.5 years
Other Plant and Machineries	1-15 years
Computers	6 months - 2 years
Furniture & fittings	1 - 9 years
Motor vehicles	4-6 years
Windmill	16 years

- b) Depreciation and amortization methods, useful lives and residual values are reviewed periodically including at the end of each financial year.
- c) In case of assets purchased, sold or discarded during the year, depreciation / amortization on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- d) Amortization of intangible assets

Assets	Estimated useful life amortized on SLM basis
Computer software	3 years
Membership rights	5 years

- e) Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the rates mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Company does not have right of renewal), the same is amortized over the lease period of land.

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

1.6. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided depending on changes in circumstances. After recognition of impairment loss, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation/ amortization had no impairment loss been recognised in earlier years.

1.7. Investments:

- a) Investments are classified into current and long-term investments.
- b) Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.
- c) Current investments are carried at lower of cost and fair value (net asset value in case of units of mutual fund) determined on category wise basis. Long term investments are carried

at cost. However, provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis. Current investments in liquid mutual funds are classified as cash and cash equivalents.

- d) Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III of the Companies Act, 2013
- e) The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- f) Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the Weighted Average method is followed.

1.8. Accounting for Interest in Joint Ventures:

- a) Incorporated Jointly Controlled Entities
 - i. Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established.
 - ii. Investment in such joint ventures is carried at cost after providing for any diminution in value other than temporary in nature, if any.

1.9. Inventories:

- a) The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

incorporated are expected to be sold at or above cost.

- b) The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Since the Company is in fashion industry with diverse designs / styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable).
- c) In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.

1.10. Revenue Recognition:

- a) Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and are recorded net of sales tax, rebates, trade discounts and sales returns.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- d) Service income is recognized upon rendering of services. Service income is recorded net of service tax.
- e) Licensing revenue is recognized on accrual basis in accordance with the terms of the relevant agreements. Licensing income is recorded net of sales tax and service tax.
- f) Power generation income is recognized on the basis

of electrical units generated and sold in excess of captive consumption and recognized at prescribed rate as per agreement of sale of electricity by the Company. Further, value of electricity generated and captively consumed is netted off from the electricity expenses.

- g) Export incentives under the Duty Drawback Scheme are recognized on accrual basis in the year of export.
- h) Rental income on assets given under operating lease arrangements is recognized on straight line basis over the lease term in accordance with terms of agreement. Rental income is recorded net of service tax.

1.11. Foreign Currency Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.
- c) Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16- Borrowing Cost.

1.12. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

1.13. Employees' Benefits:

a) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

b) Post-employment benefits

i) Defined contribution plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme, Employee Pension Scheme, National Pension Scheme and Labour Welfare Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

ii) Defined benefit plan

The Company's obligation towards gratuity liability is funded to an approved gratuity fund, which fully covers the said liability under Cash Accumulation Policy of Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at

the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss as income or expense.

As per the Company's policy, employees who have completed specified years of service are eligible for death benefit plan wherein defined amount would be paid to the survivors of the employee on the death of the employee while in service with the Company. To fulfill the Company's obligation for the above mentioned plan, the Company has taken group term policy from an insurance Company. The annual premium for insurance cover is recognized in Statement of Profit and Loss.

1.14. Operating Lease:

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with the lessor are classified as operating lease.

Rental expenses on assets obtained under operating lease arrangements are recognized on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement.

1.15. Taxes on Income:

a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities premium/ retained earnings or other reserves, the corresponding tax effect is also adjusted against the securities premium/ retained earnings or other reserves as the case may be, as per the announcement of Institute of Chartered Accountant of India.

b) Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

- c) Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably/virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.16. Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

1.17. Cash Flow Statement:

Cash flows are reported using the indirect method, where by net 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 are segregated.

1.18. Provisions and Contingent Liabilities:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except retirement benefits) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

1.19. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split if any.

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

1.20. Segment Reporting:

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016	As at 31 March 2015
SHARE CAPITAL	2.1		
Authorized Capital		2,000.00	2,000.00
20,000,000 (P.Y. 20,000,000) Equity shares of ₹ 10 each			
Issued, subscribed and Paid up :			
12,325,037 (P.Y. 12,325,037) Equity shares of ₹ 10 each, fully paid up		1,232.50	1,232.50
		1,232.50	1,232.50
The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- . Each holder of equity shares is entitled to one vote per share.	2.1.1		
Reconciliation of the shares outstanding at the beginning and at the end of the year	2.1.2		

(₹ in lakhs except as otherwise stated)

Particulars	Note	March 31, 2016		March 31, 2015	
		No. of shares	₹	No. of shares	₹
Shares outstanding at the beginning of the year		12,325,037	1,232.50	12,325,037	1,232.50
Shares issued during the year		-	-	-	-
Shares bought back during the year		-	-	-	-
Shares outstanding at the end of the year		12,325,037	1,232.50	12,325,037	1,232.50
Details of the shareholders holding more than 5% shares in the Company	2.1.3				

(₹ in lakhs except as otherwise stated)

Name of Shareholder	Note	March 31, 2016		March 31, 2015	
		No. of shares	% of Holding	No. of shares	% of Holding
Mrs Shantaben P. Jain j/w Mr. Kewalchand P. Jain j/w Mr Hemant P. Jain(equity shares held in their capacity as trustees/beneficiaries of M/s P.K.Jain Family Holding Trust)		6,153,000	49.92	6,153,000	49.92
Mr.Dinesh P Jain includes 99,401 (P.Y. 99,401) shares jointly held with Mrs Sangeeta D. Jain		728,831	5.91	728,831	5.91
Mr.Vikas P Jain includes 91,836 (P.Y.91,836) shares jointly held with Mrs Kesar V. Jain		721,321	5.85	721,321	5.85
Mr. Hemant P Jain includes 77,400 (P.Y.77,400) shares jointly held with Mrs Lata H. Jain		690,915	5.61	690,915	5.61
Mr. Kewalchand P Jain includes 76,661(P.Y.76,661) shares jointly held with Mrs Veena K. Jain		690,111	5.60	690,111	5.60
Nalanda India Fund Limited		1,200,000	9.74	1,200,000	9.74
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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 (After due adjustment in case shares are not fully paid up.)	2.1.4				

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016	As at 31 March 2015
RESERVES AND SURPLUS	2.2		
Securities Premium Reserve			
Opening		8,426.77	8,426.77
Addition / Deduction during the year		-	-
Closing		8,426.77	8,426.77
General Reserve			
Opening Balance		3,843.38	3,180.93
Add: Amount transferred from Balance in the Statement of Profit and Loss		679.48	662.45
		4,522.86	3,843.38
Balance in Statement of Profit and Loss			
Opening balance		15,977.90	14,720.15
Add: Net profit after tax transferred from Statement of Profit and Loss		6,794.79	6,624.46
Less: Carrying amount of Fixed assets adjusted as per Schedule II of Companies Act, 2013 (refer note 2.9.4)		-	(54.27)
Add: Deferred Tax effect on above		-	18.45
		22,772.69	21,308.78
Less: Appropriations			
Proposed Dividend		184.88	184.88
Interim Dividend		7,210.15	2,896.38
Tax on Proposed Dividend		37.64	37.64
Tax on Interim Dividend		1,467.82	549.54
Tax on Interim Dividend for previous year (on account of increase in surcharge)		1.34	-
Transfer to Business Progressive Fund		500.00	1,000.00
Transfer to General Reserve		679.48	662.45
		12,691.40	15,977.90
Business Progressive Fund			
Opening Balance		2,500.00	1,500.00
Add: Amount transferred from Balance in the Statement of Profit and Loss		500.00	1,000.00
		3,000.00	2,500.00
		28,641.02	30,748.05
The Board of Directors have recommended a payment of final dividend of ₹ 1.5 per equity share of ₹ 10/- each for the financial year ended 31st March 2016. The Payment is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. For the financial year 2015-16, the Board of Directors declared and paid an interim dividend of ₹ 58.50 (also includes special dividend of ₹ 35) per equity share of ₹ 10 each. In the previous year 2014-15, the Company had paid interim dividends aggregating to ₹ 23.50 per equity share and final dividend of ₹ 1.50 per equity share.	2.2.1		

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016	As at 31 March 2015
The Company has augmented "Business Progressive Fund" by ₹ 500 lakhs (P.Y. ₹ 1,000 lakhs) out of its profits and the aggregate amount of the fund as at year end is ₹ 3,000 lakhs (P.Y. ₹ 2,500 lakhs). This fund has been created with a view to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business, reinforce existing channels of sales etc. The amount of fund is specifically earmarked and invested in mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Accounting Standard (AS) -29 in normal course of business. AS-29 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.	2.2.2		
Accordingly the Company has opted to create Business Progressive Fund. Further addition to the aforesaid fund shall be reviewed from time to time considering business environment and conditions and the income accrued from the fund. Any accretion to the investment shall be credited to Statement of Profit and Loss.			
OTHER LONG-TERM LIABILITIES	2.3		
Other Liabilities			
Security Deposits		1,713.57	986.56
		1,713.57	986.56
LONG TERM PROVISIONS	2.4		
Other Long Term Provisions			
Provision for share of loss in joint venture (refer note 2.10.1)		13.00	49.00
Other provisions (rent escalation etc.)		-	2.15
		13.00	51.15
SHORT TERM BORROWINGS	2.5		
Secured Loan			
Cash Credit from Bank (payable on demand)		1,251.75	1,135.30
Secured by pari-passu first charge on Stock and Trade Receivables)			
Preshipment Export Loan from Bank		748.07	-
(Secured by pari-passu first charge on Stock and Trade Receivables)			
		1,999.83	1,135.30
Unsecured Loan (payable on demand)			
Working Capital Loan from Bank		888.93	-
		2,888.76	1,135.30
As on Balance sheet date there are no defaults in payment of principal and interest	2.5.1		
TRADE PAYABLES	2.6		
a) Micro and Small Enterprises			
Materials		89.91	92.93
b) Other than Micro and Small Enterprises			
Materials		3,406.18	1,807.64
Expenses		1,192.26	1,143.98
		4,688.35	3,044.55
Disclosure U/s 22 of Micro, Small and Medium Enterprises Development Act, 2006	2.6.1		

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016	As at 31 March 2015
a) Principal amount remaining unpaid to micro and small enterprises (trade payable)		89.91	92.93
b) Principal amount remaining unpaid to micro and small enterprises (creditors for capital goods)		-	-
c) Principal amount paid beyond due date		-	0.46
d) Amount of Interest paid u/s 16		0.02	0.04
e) Amount of Interest due and remaining unpaid		-	-
f) Amount of Interest accrued and remaining unpaid		-	0.02
g) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the above Act.		-	-
Above information is disclosed to the extent available with the Company			
OTHER CURRENT LIABILITIES	2.7		
Interest accrued but not due on borrowings		0.12	-
Unclaimed Dividend		4.43	3.84
Security Deposits		15.60	610.87
Other Payables			
Capital Goods (refer note 2.6.1)		56.82	36.73
Salary and Wages payable		510.89	506.40
Employee Benefits (refer note 2.7.1)		259.50	188.82
Statutory Liabilities		149.14	135.43
Advance from Customers		378.60	340.11
		1,375.09	1,822.20
Upon the enactment of 'The Payment on Bonus (Amendment) Act, 2015', during the year the Company has made additional provision for bonus amounting to ₹ 45 lakhs pertaining to previous year 2014-15.	2.7.1		
SHORT TERM PROVISIONS	2.8		
Provision for Taxations (Net of Advance Tax)		200.22	-
Provisions for Dividend & Dividend Distribution Tax		222.51	666.19
Provision for Margin on Sales Return (refer note 2.45)		74.48	60.48
Provision for Employee Benefits		143.93	145.00
Provision for Contingencies (refer note 2.45)		379.34	446.52
Provision for Excise Duty on Finished Goods (refer note 2.15.1)		15.38	-
Other Provisions (Selling & Distribution Expenses)		797.65	709.80
		1,833.51	2,027.99

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

FIXED ASSETS 2.9

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
		As at April 1, 2015	Additions	Deductions/ Discarded	As at March 31, 2016	As at April 1, 2015	Depreciation / Amortization	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets											
1	Free Hold Land	1,372.10	168.35	-	1,540.45	-	-	-	1,540.45	1,372.10	
2	Leasehold Land	235.65	-	-	235.65	19.38	3.06	-	22.44	213.22	216.27
3	Building	3,878.93	425.27	-	4,304.19	1,510.08	103.08	-	1,613.16	2,691.03	2,368.84
4	Furnitures & Fixtures	923.70	19.46	16.12	927.03	845.77	34.82	16.12	864.46	62.57	77.93
5	Plant and Machinery	2,269.21	288.63	192.31	2,365.53	1,206.77	149.48	131.53	1,224.72	1,140.81	1,036.29
6	Computer	278.65	71.78	43.67	306.76	230.65	41.63	43.67	228.62	78.15	47.99
7	Office Equipments	270.46	58.03	19.67	308.82	244.42	25.40	17.66	252.15	56.67	52.19
8	Vehicles	263.37	-	0.50	262.87	87.88	34.55	0.50	121.94	140.93	175.49
	Total of Tangible Assets	9,492.06	1,031.51	272.26	10,251.31	4,144.95	392.02	209.48	4,327.49	5,923.82	5,347.11
Intangible Assets (other than internally generated)											
1	Software (Acquired)	108.57	48.69	-	157.27	70.44	20.45	-	90.89	66.38	38.14
2	Membership Rights	18.00	-	-	18.00	7.20	3.60	-	10.80	7.20	10.80
	Total of Intangible Assets	126.58	48.69	-	175.27	77.64	24.05	-	101.69	73.58	48.94
Capital Work in Progress (CWIP)											
1	Plant and Machinery	50.17	285.41	224.32	111.26	-	-	-	-	111.26	50.17
2	Building	370.54	201.27	419.51	152.30	-	-	-	-	152.30	370.54
	Total Tangible CWIP	420.71	486.68	643.83	263.56	-	-	-	-	263.56	420.71
3	Software (Acquired)	4.50	2.29	6.79	-	-	-	-	-	-	4.50
	Total CWIP	425.21	488.97	650.62	263.56	-	-	-	-	263.56	425.21
	Grand total	10,043.85	1,569.18	922.88	10,690.14	4,222.59	416.07	209.48	4,429.18	6,260.96	5,821.26

2.9.1 The Company has given part of the premises under operating lease. The gross carrying amount, accumulated depreciation at the balance sheet date and depreciation recognized in Statement of Profit and Loss for the year of said premises is ₹ 22.84 lakhs, ₹ 6.36 lakhs and ₹ 6.21 lakhs respectively (P.Y. ₹ 191.40 lakhs, ₹ 58.99 lakhs and ₹ 5.47 lakhs).

2.9.2 Building includes the value of 14,000 (P.Y.14,000) share of ₹ 100 each in Synthofine Estate CHS Ltd and value of 10 (P.Y.Nil) share of ₹ 50 each in Gautam Chemical Industrial Premises CHS Ltd.

2.9.3 Balance useful life of software (Tukacad Professional Edition software) as at year end is Nil (P.Y. 9 months). Balance useful life of membership rights as at year end is 36 months (P.Y. 48 months).

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

2.9.4 During the previous year 2014-15, the Company had realigned its depreciation policy in accordance with Schedule II to Companies Act, 2013. Consequently w.e.f. 1st April 2014 :

- the carrying value of assets acquired prior to 1st April 2014 is now depreciated over its revised remaining useful life;
- where the remaining useful life of the asset is nil as on 1st April 2014, carrying value of assets has been adjusted against opening reserves (net of deferred tax of ₹ 18.45 lakhs) amounting to ₹ 35.82 lakhs in accordance with transitional provision of Schedule II;
- on account of above change, depreciation charged to Statement of Profit and Loss for year 2014-2015 is lower by ₹ 139.18 lakhs.

2.9.5 In the previous year 2014-15, the Company had acquired freehold land with integrated structure for a composite value whose conveyance is registered and municipal records (property card) is in the process of updation. The value of structure is determined based on estimated depreciated value of structures and the balance is considered as the value of land. In respect of land, the Company has an undivided share in land. Also an insignificant portion of land is unlawfully occupied by an illegal occupant and the said occupant has raised some illegal structures for which the Municipal Corporation has served a demolition notices. The demolition notices are being contested, by the unlawful tenant, in an Appeal before the Hon'ble High Court and the matter remains subjudice as on date.

FIXED ASSETS 2.9

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
		As at April 1, 2015	Additions	Deductions/ Discarded	As at March 31, 2016	As at April 1, 2015	Depreciation / Amortization	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets											
1	Free Hold Land	129.37	1,242.73	-	1,372.10	-	-	-	-	-	1,372.10
2	Leasehold Land	235.65	-	-	235.65	16.32	-	3.06	-	19.38	216.27
3	Building	3,847.42	31.50	-	3,878.93	1,430.03	0.56	79.49	-	1,510.08	2,368.84
4	Furnitures & Fixtures	922.90	0.80	-	923.70	803.29	1.18	41.30	-	845.77	77.93
5	Plant and Machinery	2,230.68	135.16	96.63	2,269.21	1,134.41	11.72	132.71	72.07	1,206.77	1,036.29
6	Computer	250.89	40.24	12.48	278.65	197.92	14.67	29.18	11.12	230.65	47.99
7	Office Equipments	249.85	20.97	0.36	270.46	169.29	26.14	49.35	0.36	244.42	52.19
8	Vehicles	178.86	104.59	20.09	263.37	91.99	-	12.68	16.79	87.88	175.49
Total of Tangible Assets		8,045.63	1,576.00	129.57	9,492.06	3,843.26	54.27	347.77	100.34	4,144.95	5,347.11
Intangible Assets (other than internally generated)											
1	Software (Acquired)	95.71	12.86	-	108.57	47.83	-	22.60	-	70.44	38.14
2	Membership Rights	18.00	-	-	18.00	3.60	-	3.60	-	7.20	10.80
Total of Intangible Assets		113.71	12.86	-	126.58	51.43	-	26.20	-	77.64	48.94
Capital Work in Progress (CWIP)											
1	Plant and Machinery	2.70	359.06	311.59	50.17	-	-	-	-	-	50.17
2	Building	-	370.54	-	370.54	-	-	-	-	-	370.54
Total Tangible CWIP		2.70	729.60	311.59	420.71	-	-	-	-	-	420.71
3	Software (Acquired)	-	4.50	-	4.50	-	-	-	-	-	4.50
Total CWIP		2.70	734.10	311.59	425.21	-	-	-	-	-	425.21
Grand total		8,162.04	2,322.96	441.16	10,043.85	3,894.69	54.27	373.97	100.34	4,222.59	5,821.26

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
NON CURRENT INVESTMENTS	2.10		
Long Term Investments (refer note 1.7(c))			
a) Trade Investments (Unquoted)			
Investment in Joint Venture White Knitwear Private Limited (Refer Note 2.10.1)			
In Equity Shares			
330,000 (P.Y. 330,000) Shares of face value ₹ 10 each, fully paid up.		33.00	33.00
In Preference Shares			
3,125,000 (P.Y. 3,125,000) 9% Cumulative Redeemable Preference Shares of face value of ₹ 10 each fully paid up.		312.50	312.50
b) Other than Trade Investments (Quoted)			
In Equity Shares			
4,512 (P.Y. 4,512) Reliance Power Limited Shares of face value ₹ 10 each fully paid up.		12.69	12.69
Less: Provision for Diminution in value of Investment(Quoted)		(10.14)	(10.14)
		2.55	2.55
7,500 (P.Y. 7,500) HCL Technologies Ltd Shares of face value ₹ 2 each fully paid up.		78.13	78.13
25,000 (P.Y. 25000) Tech Mahindra Ltd Shares of face value ₹ 5 each fully paid up.		180.58	180.58
In Fixed Maturity Plan			
Investment in unquoted Mutual Funds			
In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up			
(Refer Note 2.10.2)			
Birla Sunlife FTP Series JA Growth [Units: Nil (P.Y. 5,000,000)]		-	500.00
Birla Sunlife FTP Series KD Growth [Units: Nil (P.Y. 5,000,000)]		-	500.00
Birla Sunlife Interval Income Annual Plan 1-GZ Growth [Units: Nil (P.Y. 4,599,139.041)]		-	500.00
DSP Blackrock FMP Series 111-12 Month - Growth [Units: Nil (P.Y. 1,196,613.851)]		-	119.66
DWS FMP Series 45 Growth [Units: 2,000,000 (P.Y. 2,000,000)]		200.00	200.00
DWS FMP Series 86 Growth [Units: 5,000,000 (P.Y. 5,000,000)]		500.00	500.00
HDFC FMP 371D Dec 2013-2 Growth [Units: Nil (P.Y. 3,000,000)]		-	300.00
HDFC FMP 369D Jan 2014-1 Growth [Units: Nil (P.Y. 5,091,849)]		-	509.18
HDFC FMP 372D Feb 2014-1 Growth [Units: 5,000,000 (P.Y. 5,000,000)]		500.00	500.00
ICICI Pru FMP Series 68-369D Plan I [Units: Nil (P.Y. 7,464,604)]		-	746.46
ICICI Pru FMP Series 72-368D Plan A		-	200.00

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
[Units: Nil (P.Y. 2,000,000)]			
IDFC FTP Series 49 Growth		-	200.26
[Units: Nil (P.Y. 2,002,581)]			
IDFC Yearly Series Interval Fund - Series 1 - Growth		-	1,657.79
[Units: Nil (P.Y. 15,249,970.718)]			
Kotak FMP Series 111 Growth		-	16.00
[Units: Nil (P.Y. 160,000)]			
Kotak FMP Series 116 Growth		-	110.00
[Units: Nil (P.Y. 1,100,000)]			
Kotak FMP Series 128 Growth		-	200.26
[Units: Nil (P.Y. 2,002,583)]			
Kotak FMP Series 136 Growth		-	500.00
[Units: Nil (P.Y. 5,000,000)]			
Principal PNB FMP Series B14 Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000)]			
Reliance Fixed Horizon Fund - XXIV - Series 15 Growth		-	1,150.00
[Units: Nil (P.Y. 11,500,000)]			
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth		119.71	119.71
[Units: 1,197,116.241 (P.Y. 1,197,116.241)]			
Reliance Yearly Interval Fund - Series 4 - Growth		-	500.00
[Units: Nil (P.Y. 4,164,896.586)]			
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth		750.00	750.00
[Units: 7,500,000 (P.Y. 7,500,000)]			
Sundaram FTP GJ 3 Year - Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000)]			
TATA FMP Series 43 Scheme C Growth		-	110.00
[Units: Nil (P.Y. 1,100,000)]			
TATA FMP Series 46 Scheme I Growth		-	500.00
[Units: Nil (P.Y. 5,000,000)]			
UTI Fixed Term Income Fund Series XIX-XVIII - Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000)]			
UTI Fixed Term Income Fund Series XXI-VII - Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000)]			
UTI Fixed Term Income Fund Series XXI-VIII - Growth		600.00	600.00
[Units: 6,000,000 (P.Y. 6,000,000)]			
UTI Fixed Term Income Fund Series XXI-X - Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000)]			
Kotak FMP Series 187 - Growth		100.00	-
[Units: 1,000,000 (P.Y. NIL)]			
		5,876.47	14,096.09
Aggregate Cost (Net of Provisions)			
- Quoted		261.26	261.26

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
- Unquoted		5,615.21	13,834.83
Aggregate Market / Net asset Value			
- Quoted		182.15	243.53
- Unquoted (units of Mutual fund)		5,985.71	14,757.06
Aggregate Provision for Diminution		10.14	10.14
The Company had invested in aggregate ₹ 345.50 lakhs (P.Y. ₹ 345.50 lakhs) in Joint Venture “White Knitwear Private Limited” (WKPL). The WKPL had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of Knitwear Apparels for exports. However due to slowdown in international market, SEZ could not operationalize as majority of it’s members have put-on-hold their operations in SEZ and approached to Gujarat Industrial Development Corporation (GIDC) and State and Central government for de-notification of SEZ.	2.10.1		
Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/Distribution/Policy /13/05 dated 14.03.2013 had de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfilment of conditions stated therein.			
Based on GIDC circular on de-notification, WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of land and undertaken to complete the formal procedure for the same, however Central Government approval is awaited.			
Post de-notification joint venture partners shall dispose of the Company/ land and building and realize the proceeds to return it to joint venture partners.			
No provision for diminution in the value of investment is considered necessary for the year ended March 2016 in view of the value of underlying assets base of joint venture. During the year, the Company has reassessed the brought forward provision of ₹ 49 lakhs (P.Y. ₹ 49 lakhs) for its share of loss in joint venture and has reversed provision of ₹ 36 lakhs (P.Y.Nil) which is no longer required based on audited accounts of the joint venture for the year ended 31st March 2016. Balance provision of ₹ 13 lakhs (P.Y. ₹ 49 lakhs) is retained and grouped under ‘Other Long Term Provisions’. (Refer Note 2.4).			

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
DEFERRED TAX	2.11		
Deferred Tax Assets:			
Provision for Assets.		176.91	143.38
Statutory amounts allowed on payment basis		28.31	39.79
Deferred Tax Liability			
Depreciation/Amortization		155.44	65.58
Net Deferred Tax Asset/(Liabilities)		49.78	117.59
Deferred tax asset is recognized only on those timing differences, which reverse in the post tax free period, as Company enjoys exemption under section 80-IA of Income Tax Act, 1961 in respect of revenue generated from Wind Turbine Generator.	2.11.1		
LONG-TERM LOANS & ADVANCES	2.12		
(Unsecured considered good)			
Deposits (Net of provision of ₹ 6.01 lakhs (P.Y. ₹ 10.21 lakhs))		139.39	427.47
Capital Advances		357.80	1.90
Loan to Employees		29.92	24.12
Rent Deposits to Related Parties {refer note 2.41(c)}		7.83	7.83
Advance Tax / Tax deducted at source (Net of Provision)		362.46	329.86
Prepaid Expenses		3.74	1.39
		901.14	792.57
OTHER NON CURRENT ASSETS	2.13		
(Unsecured considered good)			
Customer Security Deposits		-	9.02
Bank Deposits offered as Security		3.29	23.10
Interest receivables on Bank Deposits		0.43	11.28
		3.72	43.40
CURRENT INVESTMENTS	2.14		
(refer note 1.7(c))			
Investment in unquoted Mutual Funds			
Current portion of Long term investment , in units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up			
HDFC FMP 91D Feb 2015(1) Growth [Units: Nil (P.Y. 5,743,622)]		-	574.36
ICICI Pru Interval Fund III Qtrly Plan - Growth [Units: Nil (P.Y. 1,489,112)]		-	221.09
IDBI FMP Series IV 387 Days(March 2014)-G Growth [Units: Nil (P.Y. 5,000,000)]		-	500.00
Sundaram FTP FA 406 Days Growth [Units: Nil (P.Y. 5,000,000)]		-	500.00
Birla Sunlife FTP Series JA Growth [Units: 5,000,000 (P.Y. Nil)]		500.00	-
Birla Sunlife FTP Series KD Growth [Units: 5,000,000 (P.Y. Nil)]		500.00	-
DSP Blackrock FMP Series 111-12 Month - Growth		119.66	-

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
[Units: 1,196,613.851 (P.Y. Nil)] HDFC FMP 371D Dec 2013-2 Growth		300.00	-
[Units: 3,000,000 (P.Y. Nil)] HDFC FMP 369D Jan 2014-1 Growth		509.18	-
[Units: 5,091,849 (P.Y. Nil)] ICICI Pru FMP Series 68-369D Plan I		746.46	-
[Units: 7,464,604 (P.Y. Nil)] ICICI Pru FMP Series 72-368D Plan A		200.00	-
[Units: 2,000,000 (P.Y. Nil)] IDFC FTP Series 49 Growth		200.26	-
[Units: 2,002,581 (P.Y. Nil)] IDFC Yearly Series Interval Fund - Series 1 - Growth		1,657.79	-
[Units: 15,249,970.718 (P.Y. Nil)] Kotak FMP Series 111 Growth		16.00	-
[Units: 160,000 (P.Y. Nil)] Kotak FMP Series 116 Growth		110.00	-
[Units: 1,100,000 (P.Y. Nil)] Kotak FMP Series 128 Growth		200.26	-
[Units: 2,002,583 (P.Y. Nil)] Kotak FMP Series 136 Growth		500.00	-
[Units: 5,000,000 (P.Y. Nil)] Reliance Fixed Horizon Fund - XXIV - Series 15 Growth		1,150.00	-
[Units: 11,500,000 (P.Y. Nil)] Reliance Yearly Interval Fund - Series 4 - Growth		500.00	-
[Units: 4,164,896.586 (P.Y. Nil)] TATA FMP Series 43 Scheme C Growth		110.00	-
[Units: 1,100,000 (P.Y. Nil)] TATA FMP Series 46 Scheme I Growth		500.00	-
[Units: 5,000,000 (P.Y. Nil)]			
In the units of Income Funds of ₹ 10/- each fully paid			
Reliance Floating Rate Fund - Short Term Plan Growth		-	200.00
[Units: Nil (P.Y.: 1,026,799.466)]			
UTI Short Term Income Fund Growth		50.00	50.00
[Units: 348,585.093 (P.Y.: 348,585.093)]			
SBI Dynamic Bond Fund Growth		150.00	150.00
[Units: 967,105.518 (P.Y.: 967,105.518)]			
Edelweiss Short Term Income Fund - Growth		100.00	100.00
[Units: 709,975.151 (P.Y.: 709,975.151)]			
DWS Banking and PSU Debt Fund Growth		-	100.00
[Units: Nil (P.Y.: 944,233.566)]			
In the units of Income Funds of ₹ 1,000/- each fully paid			
Axis Banking Debt Fund - Growth		-	200.00

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
[Units: Nil (P.Y.: 15,634.034)]			
In the units of Arbitrage Funds of ₹ 10/- each fully paid			
Edelweiss Arbitrage Fund - Div Reinvestment		271.36	718.54
[Units: 2,627,648.977 (P.Y.: 7,126,480.182)]			
Edelweiss Arbitrage Fund - Growth		500.00	200.00
[Units: 4,441,522.909 (P.Y.: 2,000,000)]			
Edelweiss Absolute Return Fund - Growth		225.00	-
[Units: 1,213,592.233 (P.Y.: NIL)]			
In the units of Income Funds of ₹ 1000/- each fully paid			
Ambit Alpha Fund Scheme I		800.00	200.00
[Units: 80,000 (P.Y.: 20,000)]			
		9,915.97	3,713.99
Aggregate Cost		9,915.97	3,713.99
Aggregate Market / Net asset Value		11,770.68	3,913.97
Aggregate Provision for diminution		-	-
INVENTORIES			
(At cost or net realisable value whichever is less)	2.15		
Raw material		522.08	305.21
Work-in-progress		2,950.24	1,731.45
Finished goods		1,787.93	1,734.49
Traded goods		156.01	115.14
Packing material & accessories		103.56	96.28
Stores, chemicals and consumables		52.87	58.88
		5,572.69	4,041.45
In terms of Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India (ICAI) excise duty of ₹ 15.38 lakhs (Previous year Nil) is considered as an element of cost for valuation of finished goods inventory. However this has no impact on the results for the year since the corresponding liability is also provided.	2.15.1		
TRADE RECEIVABLES	2.16		
a) Debtors (Secured against Customer Security Deposit)			
i) Over Six Months from the date they are due for payment		216.28	52.48
ii) Others		960.09	643.92
		1,176.37	696.40
b) Debtors (Unsecured)			
i) Over Six Months from the date they are due for payment			
a) Considered Good		1,324.95	786.34
b) Doubtful		61.24	147.60
ii) Others			
a) Considered Good		8,395.29	6,259.88
b) Doubtful		193.76	82.40

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
Debtors (Unsecured) considered good includes :	2.16.1	9,975.24	7,276.22
(1) ₹ 2,008.40 lakhs (P.Y. ₹ 1,464.62 lakhs) where Company holds the bank guarantee.			
(2) ₹ 4.33 lakhs (P.Y. ₹ 3.32 lakhs) receivable from related parties (refer note 2.41(c))			
Less : Provision for Doubtful Debts		255.00	230.00
		10,896.61	7,742.62
CASH & BANK BALANCES	2.17		
Cash & Cash Equivalents			
Cash on Hand		14.67	23.86
Balances with Banks :-			
In Current Accounts		156.33	258.53
In EEFC Account (USD 4,354) (P.Y. USD 153,431)		2.89	96.03
In Bank Deposits		353.00	456.40
In Bank Deposits with more than 12 months maturity		5.63	258.10
Bank Deposits includes ₹ 355.62 lakhs (P.Y. ₹ 709.79 lakhs) having a maturity period exceeding three months and which are readily convertible into known amounts of cash.	2.17.1		
Others:-			
Liquid Mutual Funds (refer 2.17.2)		1,837.68	3,136.23
		2,370.20	4,229.15
Other Bank Balances			
Earmarked balances in bank			
In Unclaimed Dividend Accounts		4.43	3.84
In Bank Deposits offered as Security (Less than 12 Months)		100.24	84.22
		104.67	88.06
		2,474.87	4,317.21
Details of Current Investments in Liquid Mutual Funds (Unquoted) as given below:	2.17.2		
a) Face Value of ₹ 10/- each fully paid up			
Birla Sunlife Dynamic Bond Fund-Retail Growth [Units: 732,544.24 (P.Y. 732,544.24)]		150.94	150.94
LIC Nomura MF Savings Plus Fund - Growth [Units: Nil (P.Y. 2,543,759.592)]		-	548.61
IDFC Corporate Bond Fund - Growth [Units: 2,008,786.449 (P.Y. NIL)]		200.88	-
Franklin India Ultra Short Bond Fund - Growth [Units: Nil (P.Y.: 2,858,357.113)]		-	504.67
Total (a)		351.82	1,204.22
b) Face Value of ₹ 100/- each fully paid up			
Birla Sunlife Savings Fund - Growth [Units: 116,831.621 (P.Y. 131,990.410)]		331.00	349.76
Total (b)		331.00	349.76

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
c) Face Value of ₹ 1,000/- each fully paid up			
Tata Floater Fund - Growth [Units: 19,418.844 (P.Y. 28,260.413)]		390.63	568.49
Axis Treasury Advantage Fund - Growth [Units: 46,487.062 (P.Y. 46,487.062)]		660.70	660.70
Baroda Pioneer Treasury Advantage Fund - Plan B - Growth [Units: Nil (P.Y. 16,230.658)]		-	253.05
Principal Debt Opportunities Fund Conservative Plan - Growth [Units: Nil (P.Y. 4,589.90)]		-	100.00
Principal Debt Opportunities Fund Corporate Bond Plan - Growth [Units: 4,713.449 (P.Y. Nil)]		103.53	-
Total (c)		1,154.86	1,582.25
Aggregate Cost (a+b+c)		1,837.68	3,136.23
Aggregate Market / Net asset Value		2,083.17	3,300.17
SHORT-TERM LOANS & ADVANCES	2.18		
(Unsecured, Considered Good)			
Advance to Employee		40.03	6.89
Loans to Employee		21.53	16.11
Advance contribution to gratuity trust (refer note 2.39 (a))		65.32	-
Deposits		-	9.59
Advance to Suppliers		144.01	91.23
Prepaid Expenses		57.63	86.06
		328.52	209.87
OTHER CURRENT ASSETS	2.19		
(Unsecured, Considered Good)			
Interest receivables on Bank Deposits		46.01	62.30
Duty Drawback Receivable		57.14	86.96
Other Receivable [sales tax refund receivable, etc.]		1.93	2.99
		105.08	152.25

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
REVENUE FROM OPERATIONS	2.20		
A. Sales Income			
Sales of Apparel and Lifestyle Accessories/Products		45,400.46	40,513.58
Less : Excise duty		98.46	-
Sales net of tax and duty (refer note 2.20.1)		45,302.00	40,513.58
Sale of Power		2.77	-
Sales net of tax and duty (refer note 2.20.1)		45,304.77	40,513.58
Note:-	2.20.1		
Sales (Gross of tax and duty)		46,350.51	41,358.75
Less: Excise duty		98.46	-
Less: Sales tax		950.05	845.17
Sales net of tax and duty		45,302.00	40,513.58
B. Other Operating Income			
Service Income		105.16	75.86
Export Incentives		228.31	164.30
Miscellaneous Operating Income		91.36	59.61
Rent Income		6.31	19.04
		431.14	318.81
Total Revenue from Operations		45,735.91	40,832.39
The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock, which has been disclosed as excise duty expense in Statement of Profit and Loss (refer note 2.22).	2.20.2		
OTHER INCOME	2.21		
Interest on Bank Deposits		62.00	79.15
Income from Current Investments and Liquid Mutual Funds:			
Dividend Income		40.30	259.63
Gain on Sales/Redemption of Investments (Net)		448.15	432.86
Income from Non Current Investments			
Dividend on Equity Shares		3.05	-
Gain on Redemption of Investments (Net)		9.39	-
Provision for share of loss in Joint Venture reversed (refer note 2.10.1)		36.00	-
Gain on Exchange Rate Fluctuation (Net)		30.11	25.96
Gain on Sale of Tangible Fixed Assets(Net)		65.47	-
		694.47	797.60
(INCREASE) / DECREASE IN STOCKS	2.22		
Opening stock			
Work - in- progress		1,731.45	1,991.33
Finished goods		1,734.49	2,113.23
Traded goods		115.14	52.27
		3,581.08	4,156.83

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Closing stock			
Work - in- progress		2,950.24	1,731.45
Finished goods (Refer note 2.15.1)		1,787.93	1,734.49
Traded goods		156.01	115.14
		4,894.18	3,581.08
Add/(Less): Variation in Excise Duty on Opening and Closing Stock of Finished goods (Refer note 2.20.2)		(15.38)	-
(Increase)/Decrease in stocks		(1,297.72)	575.76
COST OF MATERIAL CONSUMED	2.23		
a. Raw Material Consumed:			
Opening stock		305.21	418.44
Add: Purchases		13,589.38	10,189.43
		13,894.59	10,607.87
Less: Resale of raw material		131.92	203.33
Less: Closing stock		522.08	305.21
		13,240.59	10,099.33
b. Semi-Finished Goods		3,208.56	3,194.93
c. Packing Material, Accessories and others		2,488.14	2,109.75
d. Stores, Chemicals and Consumables		791.72	630.55
		19,729.01	16,034.56
EMPLOYEE BENEFIT EXPENSES	2.24		
Salary, Wages etc.		4,293.39	3,864.34
Contribution to Provident and other Funds		387.95	322.96
Bonus and Ex-gratia (refer note 2.7.1)		167.11	83.01
Gratuity (refer note 2.39 (a))		81.79	124.47
Leave Benefits (refer note 2.39(b))		99.35	83.91
Staff Welfare		77.66	52.61
		5,107.25	4,531.31
MANUFACTURING AND OPERATING EXPENSES	2.25		
Embroidery Expenses		288.22	225.17
Electricity Expenses (Net of credit received from Windmill of ₹ 67.64 lakhs (P.Y. ₹ 62.03 lakhs)		163.16	143.56
Factory Rent		24.03	23.41
General Factory Expenses		57.55	54.10
Processing Charges		2,897.41	1,931.76
Fuel Expenses		459.64	642.58
Water Charges		65.06	61.72
Waste Disposal Charges		43.90	55.07
Repairs & Maintenance		238.70	240.57
Repairs & Maintenance (Wind Mill Turbine Expenses)		13.26	12.45
		4,250.93	3,390.39

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
ADMINISTRATIVE & OTHER EXPENSES	2.26		
Rent, Rates and Taxes [net of amount written back and including provision for contingency (refer note 2.45)]		111.48	81.47
Communication Expenses		75.58	80.46
Legal and Professional Fees		773.59	614.28
Consultancy Fees		109.80	132.59
Printing and Stationery		60.12	42.34
Donations		25.32	8.74
Corporate social responsibility (refer note 2.46)		184.46	168.00
Vehicle Expenses		89.33	84.08
Auditors Remuneration (refer note 2.30)		52.44	71.51
Conveyance & Travelling Expenses		33.90	33.51
Electricity Expenses		149.73	146.65
Repairs & Maintenance		416.68	155.28
Directors Sitting Fees		27.00	17.20
Provision for Diminution in value of Investments		-	0.62
General Office Expenses		393.66	298.53
Bad Debts		-	1.85
Less: Provision for Doubtful Debts		-	(1.85)
Provision for Doubtful debts		25.00	88.85
Loss on sale/discard of Fixed Assets (Net)		-	0.79
		2,528.09	2,024.89
SELLING & DISTRIBUTION EXPENSES	2.27		
Advertisement and Publicity Expenses (Net of recoveries)		1,744.68	1,475.05
Sales Promotion Expenses (Net of recoveries)		173.20	240.19
Discount and Incentive on Sales (net of amount written back)		1,303.62	1,053.10
Octroi, clearing and forwarding charges on Sales		196.63	195.19
Tour and Travelling Expenses (Net of recoveries)		355.26	264.72
Commission on Sales		101.38	86.59
Provision for Margin on Sales Return		14.01	18.40
		3,888.78	3,333.24
FINANCE EXPENSES	2.28		
Bank Charges		11.10	12.24
Finance Charges		172.20	157.29
Interest on Working Capital Loan		150.16	96.54
		333.46	266.07
AGGREGATE AMOUNTS	2.29		
AGGREGATE EXPENSES	2.29.1		
Rent Including Common Area Maintenance Charges		89.73	143.59
Rates & Taxes (net of amount written back and including contingencies)		46.04	(38.73)
Total Rent, Rates & Taxes		135.77	104.86
Electricity Expenses (net of credit received from windmill)		312.90	290.21
Repair & Maintenance (Building)		579.32	295.05

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Repair & Maintenance (Machinery)		89.32	113.25
Insurance Premium		53.29	29.65
General Expenses (Office and factory)		451.21	352.63
AGGREGATE AMOUNT WRITTEN BACK	2.29.2		
Rates & Taxes		-	39.03
Provision for deposit written back		4.19	-
Provision for share of loss in Joint Venture reversed (refer note 2.10.1)		36.00	-
Sundry balance written back		14.91	-
Discount and Incentive on Sales		26.41	184.21
		81.51	223.24
AUDITORS REMUNERATION			
As Auditors	2.30	31.03	28.74
For Taxation matters		17.54	33.84
For Management Services		-	2.25
For Others matters		3.86	6.18
For Reimbursement of Expenses		0.01	0.50
		52.44	71.51
C.I.F VALUE OF IMPORTS	2.31		
Capital goods		183.63	45.76
Components and Spare parts		-	16.48
Apparel & Life style Accessories/Product		294.14	156.94
Consumable goods		0.18	-
		477.95	219.18
EXPENDITURE IN FOREIGN CURRENCIES	2.32		
Travelling Expenses		24.21	6.98
Advertisement Expenses		27.17	10.19
Legal Expenses		1.77	3.86
Bank Charges		10.41	8.45
Others		-	3.46
		63.56	32.94
The amounts mentioned above are net of Tax Deducted at source, if any.			
EARNINGS IN FOREIGN CURRENCIES	2.33		
Export of goods (F.O.B. value)		2,980.01	2,285.97
		2,980.01	2,285.97
INDIGENOUS AND IMPORTED CONSUMPTION	2.34		
Indigenous (98.18% (P.Y. 98.80 %) of total consumption)		19,370.06	15,841.59
Imported (1.82% (P.Y. 1.20 %) of total consumption)		358.95	192.97
		19,729.01	16,034.56

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Measure	March 31, 2016		March 31, 2015	
		Qty	₹ in lakhs.	Qty	₹ in lakhs
DETAILS OF MATERIAL CONSUMED	(Note 2.35)				
Material					
Woven Fabric	Mtrs	7,030,770	13,237.25	5,405,399	10,095.99
Knitted Fabric	Kgs	66	3.35	686	3.35
Semi-finished Garments	Pcs	811,920	3,208.57	960,108	3,194.93
Packing material	**	**	830.96	**	830.96
Accessories	**	**	1,657.19	**	1,278.79
Stores, chemicals and consumables	**	**	791.71	**	630.55
Total			19,729.02		16,034.56

** Comprises of various items the value of which is less than 10% of the Total Cost of Material

QUANTITATIVE AND OTHER DETAILS 2.36**PARTICULARS OF FINISHED PRODUCTS**

(Qty in Units)

Particulars	Opening Stock		Production	Sales/Captive Consumption		Closing Stock	
	Qty	₹ in lakhs.		Qty	Qty	₹ in lakhs.	Qty
Apparel	347,127	1,734.49	4,678,638	4,670,950	43,711.85	354,815	1,787.93
	(465,122)	(2,113.24)	(4,106,495)	(4,224,490)	(38,657.35)	(347,127)	(1,734.49)
Power Generation	-	-	1,116,877	1,116,877	70.41	-	-
	-	-	(1,108,848)	(1,108,848)	(62.02)	-	-

PARTICULARS OF TRADING ACTIVITIES

(Qty in Units)

Particulars	Opening Stock		Production	Sales/Captive Consumption		Closing Stock	
	Qty	₹ in lakhs.		Qty	Qty	₹ in lakhs.	Qty
Trading of Lifestyle Accessories/ Products	87,446	115.14	939,009	1,121.86	896,994	1,590.15	129,461
	(56,744)	(52.27)	(1,158,187)	(1,291.26)	(1,127,485)	(1,856.23)	(87,446)

Note:

- Figures in brackets indicate previous year's figures
- Sales includes sample distributed free of cost
- Closing stock is after adjusting shortages on physical verification of inventories

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

2.37 Contingent Liabilities:

- a) Disputed demands in respect of income tax not acknowledged as debt – ₹ 15.74 lakhs (P.Y. ₹ 15.47 lakhs). Future cash outflows in respect of above are dependent on outcome of matter under dispute.

In respect of Assessment year 2005-2006 there was tax demand of ₹ 68.94 lakhs (Nil) which had been adjusted by the tax authorities against refund due to the company in respect of other years. During the year, the company has received favourable Order passed by the ITAT, Mumbai against which the Income Tax Department has filed the appeal before the Bombay High Court and is under pre-admission stage.

- b) The Company has purchased capital assets under EPCG license against which the Company has a balance export obligation of Nil (P.Y. ₹ 63.37 lakhs). Contingent liability, to the extent of duty saved in respect of EPCG is Nil (P.Y. ₹ 10.56 lakhs).

Further, in respect of the above, outstanding bonds at the year-end executed by the Company in favour of customs authority aggregates to ₹ 251.00 lakhs (P.Y. ₹ 270.07 lakhs). Out of above, bonds aggregating to ₹ 112.57 lakhs (P.Y. ₹ 169.25 lakhs) are under the process of discharge from custom authorities.

- c) Bank guarantees of ₹ 60.09 lakhs (P.Y. ₹ 65.47 lakhs).
d) Letter of Credit of Nil (P.Y. ₹ 78.75 lakhs).

Note: The Company does not expect any outflow of resources in respect of Para (b), (c) and (d).

2.38 Estimated amount of contracts remaining to be executed on-

- a) Capital Account and not provided for ₹ 308.76 lakhs (net of advances) (P.Y. ₹ 129.34 lakhs).
b) Other commitments–Relating to Advertisement contracts aggregating to ₹ 116.02 lakhs (Net of advances) (P.Y. ₹ 64.39 lakhs). Also Refer Note 2.42 in respect of minimum lease rental payment under non-cancellable operating lease.

2.39 Employee Benefits:

- a) **Disclosure in respect of gratuity liability**

Reconciliation on Change in Benefit Obligation :	March 31, 2016 (₹)	March 31, 2015 (₹)
Liability at the beginning of the year	382.14	274.97
Interest Cost	30.57	22.00
Current Service Cost	83.60	48.78
Benefit Paid	(47.51)	(43.39)
Actuarial (gain)/loss on obligations	4.25	79.77
Liability at the end of the year	453.05	382.14

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Reconciliation of Fair Value of Plan Assets :	March 31, 2016 (₹)	March 31, 2015 (₹)
Fair Value of Plan Assets at the beginning of the year	356.03	261.70
Expected Return on Plan Assets	36.63	26.08
Contributions	173.22	111.63
Benefit Paid	(47.51)	(43.39)
Fair Value of Plan Assets at the end of the year	518.37	356.03

Amount recognized in the Balance Sheet :	March 31, 2016 (₹)	March 31, 2015 (₹)
Liability at the end of the year	453.05	382.14
Fair Value of Plan Assets at the end of the year	518.37	356.03
Net Asset / (Liability) in the Balance Sheet	65.32	(26.11)

Gratuity recognized in the Statement of Profit and Loss	March 31, 2016 (₹)	March 31, 2015 (₹)
Current Service Cost	83.60	48.78
Interest Cost	30.57	22.00
Expected Return on Plan Assets	(36.63)	(26.08)
Actuarial (Gain)/Loss	4.25	79.77
Expense Recognized in Statement of Profit and Loss	81.79	124.47

Principal Assumption used in determining Gratuity liability	31/03/16 (₹)	31/03/15 (₹)
Discount Rate	8.00%	8.00%
Expected Rate of return	9.00%	9.00%
Employee Turnover	1-3%	1-3%
Salary Escalation	7.50%	7.50%
Mortality Table	LIC (1994-96) Ultimate	

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Other disclosures	March 31, 2016 (₹)	March 31, 2015 (₹)	March 31, 2014 (₹)	March 31,2013 (₹)	March 31, 2012 (₹)
Defined benefit obligation	453.05	382.14	274.97	244.88	171.08
Plan assets	518.37	356.03	261.70	203.08	167.30
Surplus/(deficit)	65.32	(26.11)	(13.27)	(41.80)	(3.77)
Experience adjustments on plan liabilities – loss/ (gain)	4.25	79.77	12.57	(67.70)	7.84

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with Life Insurance Corporation of India. Additional provision has been made for short fall between liability as per actuarial valuation and value of plan assets. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected rate of return on plan assets comprising of Insurance Policy with LIC of India is based on the historical results of returns given by LIC of India.

The Company expects to contribute ₹ 75.00 lakhs (P.Y. ₹ 125.00 lakhs) to gratuity trust for contribution to LIC of India in financial year 2016-17.

b) Disclosure in respect of leave entitlement liability:

Leave entitlement is short term benefit which is recognized as an expense at the un-discounted amount in the year in which the related service is rendered.

c) Death in service benefit:

The Company has taken group term policy from an insurance Company to cover its obligation for death in service benefit given to eligible employees. The insurance premium of ₹ 11.81 lakhs (P.Y. ₹ 7.50 lakhs) is recognized in Statement of Profit and Loss.

d) The Company contributes towards Employees Provident Fund, Employees State Insurance, National pension Scheme and Labour Welfare Fund. The aggregate amount contributed and charged to Statement of Profit and Loss is ₹ 387.95 lakhs (P.Y. ₹ 322.96 lakhs).

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

2.40 Segment Reporting :**a) Primary segment:**

The Company is engaged in the business of manufacturing and marketing of Apparels & trading of Lifestyle Accessories/ Products. The Company is also generating power from Wind Turbine Generator. The power generated from the same is predominantly used for captive consumption. However, the operation of Wind Turbine Segment is within the threshold limit stipulated under AS – 17 “Segment Reporting” and hence it does not require disclosure as a separate reportable segment.

Particulars	Apparel & Life style Accessories/ Products	Other/ Reconciling Item	Unallocated	Total
1. Segment Revenue				
External Net Sales/ Income from Operation	45,733.14	2.77	-	45,735.91
	(40,832.39)	-	-	(40,832.39)
Add: Inter Segment Revenue	-	67.64	-	67.64
	-	(62.02)	-	(62.02)
Total Segment Revenue	45,733.14	70.41	-	45,803.55
	(40,832.39)	(62.02)	-	(40,894.41)
Eliminations			67.64	67.64
			(62.02)	(62.02)
Total Revenue				45,735.91
				(40,832.39)
2. Segment Result				
Segment Result	9,994.80	48.17	-	10,042.97
	(9,229.36)	(40.60)	-	(9,269.96)
Less : Interest expenditure			289.22	289.22
			(232.43)	(232.43)
Add: Other unallocable income net of unallocable expenditure			598.89	598.89
			(771.02)	(771.02)
Profit before Tax				10,352.65
				(9,808.55)
Less : Provision For Tax			3,557.86	3,557.86
			(3,184.09)	(3,184.09)
Net Profit				6,794.79
				(6,624.46)
3. Other Information				
Segment Assets	23,680.74	149.68	18,555.40	42,385.82
	(18,599.15)	(156.16)	(22,292.99)	(41,048.30)
Segment Liabilities	9,183.26	-	3,329.04	12,512.30
	(7,213.41)	(-)	(1,854.33)	(9,067.74)
Depreciation/ Amortization	407.09	8.98	-	416.07
	(364.99)	(8.98)	(-)	(373.97)
Non Cash Expenses other than Depreciation	-	1.04	-	1.04
	(-)	(1.04)	(-)	(1.04)
Capital Expenditure	1,080.20	-	-	1,080.20
	(1,588.86)	(-)	(-)	(1,588.86)

Note: As per the expert advisory opinion, electricity generated from Wind Turbine Generator and used for captive consumption is reduced from the electricity expenses in Statement of Profit and Loss but shown as segment revenue for the purpose of segment reporting as per AS-17 “Segment Reporting”.

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

b) Secondary segment (By Geographical segment) :

Particulars	India	Outside India	Total
Sales / Income from Operations	42,755.89	2,980.01	45,735.91
	(38,535.04)	(2,297.35)	(40,832.39)
Segment Assets *	42,072.63	313.19	42,385.82
	(40,790.62)	(257.68)	(41,048.30)

*Segment Assets from outside India represents receivables from Export Sales (net of advances in relation to exports). In view of the interwoven / intermix nature of business and manufacturing facility, other information is not ascertainable

(Figures in bracket indicate previous year's figures)

2.41 Related Party Disclosure:

Disclosures as per Accounting Standard (AS-18) – 'Related Party Disclosures' are given below:

- a) Related Parties where i) control exists and ii) where significant influence exists (with whom transaction have taken place during the year).

Joint Ventures:

White Knitwear Private Limited

Enterprises where Key Management Personnel (KMP) and their relatives have significant influence:

Enlighten Lifestyle Limited

Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust

Lord Gautam Charitable Foundation

Kewal Kiran Finance Private Limited

Key Management Personnel:

Kewalchand P. Jain Chairman & Managing Director

Hemant P. Jain Whole-time Director

Dinesh P. Jain Whole-time Director

Vikas P. Jain Whole-time Director

Relatives / Other concerns of Key Management Personnel:

Shantaben P. Jain (Mother of Key Management Personnel)

Veena K. Jain (Wife of Kewalchand P. Jain.)

Lata H. Jain (Wife of Hemant P. Jain)

Sangeeta D. Jain (Wife of Dinesh P. Jain)

Kesar V. Jain (Wife of Vikas P. Jain)

Pankaj K. Jain (Son of Kewalchand P. Jain)

Hitendra H. Jain (Son of Hemant P. Jain)

Kewalchand P. Jain (HUF)

Hemant P. Jain (HUF)

Dinesh P. Jain (HUF)

Vikas P. Jain (HUF)

P.K. Jain Family Holding Trust

Employee Funds:

Kewal Kiran Clothing Limited – Employee Group Gratuity Scheme.

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

(b)

Nature of Transaction	Enterprises Where KMP & their relatives have significant influence.	Joint Venture	Relatives/ Other Concerns of Key Management Personnel	Key Management Personnel	Employee Funds
Purchase of Assets & consumables	17.69	-	-	-	-
	(0.05)	(-)	(-)	(-)	(-)
Rent Expenses	-	-	9.18	29.89	-
	(-)	(-)	(9.18)	(29.89)	(-)
Managerial Remuneration	-	-	-	318.00	-
	(-)	(-)	(-)	(318.00)	(-)
Salary	-	-	42.82	-	-
	(-)	(-)	(31.00)	(-)	(-)
Rent Income (exclusive of service tax)	4.23	-	-	-	-
	(19.04)	(-)	(-)	(-)	(-)
Dividend Paid	1.45	-	3,977.19	1,783.64	-
	(0.62)	(-)	(1,704.51)	(764.42)	(-)
CSR (Donation)	138.00	-	-	-	-
	(103.00)	(-)	(-)	(-)	(-)
Contribution to Gratuity Fund	-	-	-	-	173.22
	(-)	(-)	(-)	(-)	(11.63)
Outstanding balance as on March 31, 2016					
Trade and Salary Payable	-	-	10.82	127.20	-
	(-)	(-)	(11.68)	(226.94)	(26.11)
Trade Receivable & Advances	4.33	-	-	-	65.32
	(3.33)	(-)	(-)	(-)	(-)
Deposit Receivable	-	-	4.59	3.24	-
	(-)	(-)	(4.59)	(3.24)	(-)
Investments	-	345.50	-	-	-
	(-)	(345.50)	(-)	(-)	(-)

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

- c) Disclosure of Related Party Transactions, the amounts of which are in excess of 10% of total related party transactions of the same type:

Nature of Transaction	Nature of relationship	Name of the related party	Amounts in ₹
Purchase of Assets & consumables	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	17.69
			(0.05)
Rent Expenses	Key Management Personnel	Kewalchand P. Jain	9.98
		Hemant P. Jain	8.60
		Dinesh P. Jain	5.66
		Vikas P. Jain	5.66
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain	9.18
Managerial Remuneration (Salary)	Key Management Personnel	Kewalchand P. Jain	79.50
		Hemant P. Jain	79.50
		Dinesh P. Jain	79.50
		Vikas P. Jain	79.50
Rent Income (exclusive of service tax)	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	4.23
			(19.04)
Salary	Relatives/ Other Concerns of Key Management Personnel	Pankaj K. Jain	24.23
		Hitendra H. Jain	18.59
			(11.00)
Dividend Paid	Enterprises Where KMP & their relatives have significant influence	Kewal Kiran Finance Private Limited	1.45
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain (Trustee/ Beneficiary of P. K. Jain Family Holding Trust)	3,876.39
	Key Management Personnel	Kewalchand P. Jain	434.77
		Hemant P. Jain	435.28
		Dinesh P. Jain	459.16
		Vikas P. Jain	454.43
			(1,661.31)
			(186.33)
			(186.55)
			(196.78)
			(194.76)

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Nature of Transaction	Nature of relationship	Name of the related party	Amounts in ₹
Contribution to Gratuity Fund	Employee Funds	Employee Fund	173.22 (11.63)
Corporate Social Responsibility (Donation)	Enterprises where KMP & their relatives have significant influence	Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	123.00 (7.00)
		Lord Gautam Charitable Foundation	15.00 (96.00)
Trade and Salary Payable	Key Management Personnel	Kewalchand P. Jain	38.44 (58.53)
		Hemant P. Jain	15.70 (59.25)
		Dinesh P. Jain	21.82 (54.61)
		Vikas P. Jain	51.24 (54.56)
	Relatives of Key Management Personnel	Shantaben P. Jain	7.98 (7.98)
Trade Receivable	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	4.33 (3.33)
Deposit Receivable	Key Management Personnel	Kewalchand P. Jain	1.62 (1.62)
		Hemant P. Jain	1.62 (1.62)
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain	4.59 (4.59)
Investments	Joint Ventures	White Knitwear Private Limited	345.50 (345.50)

Following are the Key Managerial Personnel (KMPs) and their relative in accordance with the provisions of the Companies Act, 2013:

- | | |
|--------------------|---|
| 1. Bhavin Sheth | Chief Financial Officer (w.e.f. Febaury 2,2016) |
| 2. S. L. Kothari | Chief Financial Officer (upto October10, 2015) |
| 3. Abhijit Warange | Company Secretary |
| 4. Amita S Kothari | Wife of S.L. Kothari (upto October 10, 2015) |

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Disclosure of transactions during the year and year-end balance with above KMP / relative of KMP.

Nature of Transaction	Name of the KMP/Relative	Amounts in ₹
Managerial Remuneration (Salary)	S.L. Kothari	48.69 (57.20)
	Bhavin Sheth	9.15 (-)
	Abhijit Warange	30.31 (24.25)
Dividend Paid	S.L. Kothari	0.90 (0.53)
	Amita S Kothari	1.30 (0.89)
	Outstanding balance as on March 2016	
Salary Payable	S.L. Kothari	- (14.41)
	Bhavin Sheth	2.37 (-)
	Abhijit Warange	3.26 (2.60)

Note:

- i) Figures in brackets represents corresponding amount of previous year.
- ii) Above transactions exclude reimbursement of expenses
- iii) In case of KMP under the Companies Act, 2013, managerial remuneration excludes gratuity provision as it is determined on actuarial basis for the company as a whole.

2.42 Operating Lease Arrangements:

Disclosure as per Accounting Standard (AS-19) – “Leases” are given below:

a) As lessee:

Rental expenses of ₹ 73.01 lakhs (P.Y. ₹ 113.89 lakhs) under operating leases have been recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 3.79 lakhs (P.Y. ₹ 7.67 lakhs) based on revenue sharing model.

At Balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

Particulars	March 31, 2016 (₹)	March 31, 2015 (₹)
Due not later than one year	69.13	80.30
Due later than one year but not later than five years	132.81	166.64
More than 5 years	-	-
Total	201.94	246.94

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

The above figures include:

- i. The agreements are executed for the periods of 33 to 108 months with a non-cancellable period at the beginning of the agreement ranging from 12 to 36 months and having a clause for extension of lease period.
- ii. Lease rentals based on estimated date of commencement of lease in cases where the agreements / MOU's have been entered into but the date of commencement of lease is dependent on the date of construction/ renovation of premises and based on the commitment for delivery by lessors.
- iii. The above-mentioned lease rentals include a lease the period of which is dependent on the occurrence of an event, the date of which is not ascertainable beyond five years. Hence, the lease rentals are considered up to a period of five years only.
- iv. Lease rentals do not include common area maintenance charges and tax payable, if any.
- v. The above details of lease rental obligation exclude the amounts payable by franchisee in accordance with the arrangement with them (a) not later than 1 year ₹ 54.92 lakhs (P.Y. ₹ 93.92 lakhs) (b) between 1 to 5 year ₹ 125.20 lakhs (P.Y. ₹ 139.27 lakhs) (c) more than 5 years ₹ 59.31 lakhs (P.Y. ₹ 84.12 lakhs).

b) As Lessor:

Rental income of ₹ 6.31 lakhs (P.Y. ₹ 19.04 lakhs) is recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 1.93 lakhs (P.Y. ₹ 5.24 lakhs) based on revenue sharing model, which is higher of fixed amount or percentage of revenue of lessee. There is no escalation clause and one of the lease agreement is cancelled during the current year. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

2.43 Joint Venture Information:

Details as per Accounting Standard (AS) -27 "Financial Reporting of Interest in Joint Venture" are given below:

(i) Detail of Interest in Joint Venture

Name	Description of Interest	Country of Incorporation	Percentage of interest as on March 31, 2016	Percentage of interest as on March 31, 2015
White Knitwear Private Limited	Equity Shareholding	India	33.33%	33.33%
White Knitwear Private Limited	9% Cumulative Redeemable Preference Shareholding	India	50%	50%

(ii) Company's Interest in the Joint Venture (Audited)

Name	Assets (₹)	Liabilities (₹)	Income (₹)	Expenditure (₹)
White Knitwear Private Limited	228.89	0.35	0.13	1.60
	(230.30)	(0.30)	(1.05)	(0.70)

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

The company's share in the contingent liability and capital/other commitment of the Joint Venture are ₹ 35.00 lakhs (P.Y. ₹ 35.00 lakhs) and ₹ Nil (P.Y. ₹ Nil) - respectively. The Company's share in contingent liability towards cumulative preference dividend including tax thereon of the Joint Venture aggregates to ₹ 188.12 lakhs (P.Y. ₹ 162.55 lakhs) which is payable to its joint venture partners.

The Company's contingent liability and capital/other commitment in relation to joint venture ₹ Nil (P.Y. ₹ Nil) and ₹ Nil (P.Y. ₹ Nil).

2.44 Disclosure regarding Derivative Instrument and Unhedged Foreign Currency Exposure:

There are no open derivatives / forward exchange contracts as at year end. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	March 31, 2016		March 31, 2015	
		Amt. in Foreign Currency (₹)		Amt. in Foreign Currency (₹)	
Trade Receivables	USD	479,370	317.97	419,578	262.61
Payable towards Capital Goods	USD	57,501	38.14	-	-
Advance for Capital Goods	EURO	325,000	244.04	-	-
Advance from Customer	USD	7,202	4.78	7,891	4.94
Advance to Supplier	USD	7,986	5.30	5,472	3.43
Balance in EEFC account	USD	4,354	2.89	153,431	96.03
Foreign currency in hand	Multiple	-	1.89	-	4.37

Note: The above figures do not include open purchase orders/sales orders.

2.45 Provisions:

Disclosure as per Accounting Standard (AS) 29 - Provisions, Contingent Liabilities and Contingent Assets are given below:

Particulars	(Qty in Units)					
	Provision for Contingencies *		Provision for Reimbursement of expenses & claims		Provision for margin on sales return	
	March 31, 2016 ₹	March 31, 2015 ₹	March 31, 2016 ₹	March 31, 2015 ₹	March 31, 2016 ₹	March 31, 2015 ₹
Opening Balance	44.92	115.90	401.60	452.63	60.48	42.08
Addition	-	12.00	285.25	306.77	14.00	18.40
Utilization	2.46	31.95	349.97	357.80	-	-
Reversals	-	51.03	-	-	-	-
Closing Balance	42.46	44.92	336.88	401.60	74.48	60.48

* It comprises of rates & taxes.

The above Provision has been grouped under the head 'Short Term Provisions' in Note 2.8.

The timing of the outflow is dependent on various aspects / fulfillment of conditions and occurrence of events. Such provisions are made based on the past experience and assessment of rates and taxes. However, it is most likely that outflow is expected to be within a period of one year from the date of Balance Sheet.

Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

2.46 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, the company has spent on Corporate Social Responsibility as per its CSR policy.

- a) Gross amount required to be spent by the company during the year is ₹ 183.61 lakhs (P.Y. ₹ 167.74 lakhs)
- b) Amount spent during the year on:

Sr. No.	Particulars	In Cash	Yet to be paid in	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	184.46 (168.00)	-	184.46 (168.00)

Note: Figures in brackets represents corresponding amount of previous year.

2.47 Particulars of Loans, Guarantees or Investments pursuant to section 186 (4) of the Companies Act, 2013-

Amount outstanding as at year end

Particulars	March 31, 2016 Amount (₹)	March 31, 2015 Amount (₹)
Loans given	-	-
Guarantee given	-	-
Investments made*	17,630.12	20,946.31

*Refer note no. 2.10, 2.14 and 2.17.2

2.48 Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

2.49 Previous year figures are regrouped or rearranged wherever considered necessary

As per our audit report of even date attached

For **N. A. Shah Associates**
Chartered Accountants
Registration No.:116560W

For **Jain & Trivedi**
Chartered Accountants
Registration No. : 113496W

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Sandeep Shah
Partner
Membership No. : 37381

Satish Trivedi
Partner
Membership No. : 38317

Kewalchand P Jain
Chairman &
Managing Director
Din No: 00029730

Hemant P Jain
Whole time Director
Din No: 00029822

Place: Mumbai
Date: May 23, 2016

Bhavin Sheth
Chief Financial Officer

Abhijit Warange
Company Secretary

Independent Auditor's Report on Consolidated Financial Statements

TO
THE MEMBERS OF
KEWAL KIRAN CLOTHING LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Kewal Kiran Clothing Limited (hereinafter referred to as “the Holding Company”) and its jointly controlled company (collectively referred to as “the Group”), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group including its jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Group are responsible for maintenance

of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These respective financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the auditor (one of us) of the jointly controlled company in terms of their report referred to in paragraph of 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and its consolidated cash flows for the year ended on that date.

OTHER MATTER

The accompanying consolidated financial statements include company's proportionate share of assets of ₹ 228.89 lacs and liabilities of ₹ 0.35 lacs as at 31st March 2016, and total revenue of ₹ 0.13 lacs and net cash inflow of ₹ 0.03 lacs for the year ended on that date, in respect of one jointly controlled company. The financial statement of jointly controlled company have been audited by one of us, whose financial statements, other financial information

and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled company, and our report in terms of section 143 (3) of the Act, in so far as it relates to the aforesaid jointly controlled company, is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 of aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of the jointly controlled company

- which is incorporated in India, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to adequacy of internal financial controls system over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report given in Annexure I; and
- 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 and based on the report of auditor of jointly controlled company:
- i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 2.29 (a) to the consolidated financial statements;
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund in case of jointly controlled company.

For N. A. Shah Associates
Chartered Accountants
Registration No.: 116560W

For Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

Sandeep Shah
Partner
Membership No. : 37381
Place of signature: Mumbai
Date: May 23, 2016

Satish Trivedi
Partner
Membership No. : 38317
Place of signature: Mumbai
Date: May 23, 2016

Annexure I to Independent Auditor's Report for the year ended 31st March 2016

[Referred to in paragraph 1 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(I) OF THE ACT

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of Kewal Kiran Clothing Limited ("the Holding company") and its jointly controlled company, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its jointly controlled company are responsible for laying down 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 (the "Guidance Note"), issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards

on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the auditor (one of us) of the jointly controlled company in terms of their report referred to in paragraph of 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial control 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 Holding Company and its jointly controlled company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTER

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a jointly controlled company is based on corresponding reports of the auditor of such company.

For N. A. Shah Associates

Chartered Accountants
Registration No.: 116560W

Sandeep Shah

Partner
Membership No. : 37381
Place of signature: Mumbai
Date: May 23, 2016

For Jain & Trivedi

Chartered Accountants
Registration No. : 113496W

Satish Trivedi

Partner
Membership No. : 38317
Place of signature: Mumbai
Date: May 23, 2016

Consolidated Balance Sheet

as at 31 March 2016

(₹ in lakhs)

Particulars	Note	As at March 31, 2016
EQUITY & LIABILITIES		
Shareholders' Funds		
Share Capital	2.1	1,232.50
Reserves and Surplus	2.2	28,641.23
		29,873.73
Non-Current Liabilities		
Other Long-Term Liabilities	2.3	1,713.57
		1,713.57
Current Liabilities		
Short-Term Borrowings	2.4	2,888.76
Trade Payables	2.5	
- Due to Micro and Small Enterprises		89.91
- Due to Others		4,598.77
Other Current Liabilities	2.6	1,375.11
Short-Term Provisions	2.7	1,833.52
		10,786.07
Total		42,373.37
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	2.8	5,923.95
Intangible Assets		73.58
Tangible Capital Work in Progress		263.56
		6,261.09
Non Current Investments	2.9	5,635.17
Deferred Tax Assets(Net)	2.10	49.78
Long-Term Loans and Advances	2.11	905.90
Other Non-Current Assets	2.12	3.72
		12,855.66
Current Assets		
Current Investments	2.13	9,965.25
Inventories	2.14	5,572.69
Trade Receivables	2.15	10,896.62
Cash & Bank Balances	2.16	2,475.07
Short-Term Loans & Advances	2.17	328.93
Other Current Assets	2.18	279.15
		29,517.71
Total		42,373.37
Significant accounting policies and notes on accounts	1 & 2	

The notes referred to above form integral part of Consolidated Financial Statements

As per our audit report of even date

For and on behalf of
N. A. Shah Associates
Chartered Accountants
Registration No.:116560W

For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Sandeep Shah
Partner
Membership No. : 37381

Satish Trivedi
Partner
Membership No. : 38317

Kewalchand P Jain
Chairman &
Managing Director
Din No: 00029730

Hemant P Jain
Whole time Director
Din No: 00029822

Place: Mumbai
Date: May 23, 2016

Bhavin Sheth
Chief Financial Officer

Abhijit Warange
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March 2016

Particulars	Note	(₹ in lakhs)
		Year ended 31st March 2016
INCOME		
Revenue from Operations (Gross)	2.19	45,834.37
Less: Excise Duty		(98.46)
Revenue from Operations (Net)		45,735.91
Other Income	2.20	694.60
		46,430.51
EXPENDITURE		
(Increase) / Decrease in Stocks	2.21	(1,297.72)
Cost of Material Consumed	2.22	19,729.01
Purchase of Trading Items: Lifestyle Accessories/ Products		1,121.86
Employee benefit expenses	2.23	5,107.45
Manufacturing and Operating Expenses	2.24	4,250.93
Administrative and Other Expenses	2.25	2,529.48
Selling and Distribution Expenses	2.26	3,888.78
Finance Expenses	2.27	333.46
Depreciation/ Amortization	2.8	416.07
		36,079.32
Net Profit Before Tax		10,351.19
Provisions for Taxation		
Current Tax		3,525.00
Deferred Tax		44.94
(Excess)/Short provision for taxes of earlier years [net of deferred tax of ₹ 22.87 lakhs]		(12.08)
Net Profit for the Year		6,793.33
Earnings per Share - Basic and Diluted (₹) (refer note 2.37) (Face Value of ₹ 10 each fully paid up)		55.09
Significant accounting policies and notes on accounts	1 & 2	

The notes referred to above form integral part of Consolidated financial Statements

As per our audit report of even date

For and on behalf of
N. A. Shah Associates
Chartered Accountants
Registration No.:116560W

For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Sandeep Shah
Partner
Membership No. : 37381

Satish Trivedi
Partner
Membership No. : 38317

Kewalchand P Jain
Chairman &
Managing Director
Din No: 00029730

Hemant P Jain
Whole time Director
Din No: 00029822

Place: Mumbai
Date: May 23, 2016

Bhavin Sheth
Chief Financial Officer

Abhijit Warange
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March 2016

(₹ in lakhs)

Particulars	2015-16 Amount
A. CASH FLOWS FROM OPERATING ACTIVITIES	
Adjustments for:	10,351.19
Depreciation/ Amortization	416.07
(Gain)/Loss on Sale / discard of Fixed Assets (Net)	(65.47)
(Gain)/Loss on Sales/ Redemption of Investments (Net)	(457.68)
Sundry Balance (written back)/written off (Net)	(51.36)
Finance Expenses	296.72
Dividend Income	(43.34)
Provision/(Reversal of provision) for Doubtful Debts , Advances, Deposits and Investments	20.80
Provision/(Reversal of provision) share of loss in Joint Venture	(36.00)
Provision/(Reversal of provision) for Contingent Rent	(2.15)
Provision/(Reversal of provision) for Contingencies	3.01
Provision/(Reversal of provision) for Margin on Sales Return	14.01
Provision/ (Reversal of Provision) of Exchange Rate Fluctuation (Net)	4.42
Interest Income	(62.00) 37.03
	10,388.22
Changes in Assets and Liabilities	
Trade Receivable and Other Assets	(2,951.21)
Inventories	(1,531.24)
Trade Payables, Liabilities and Provisions	2,184.46
Net Cash Inflow from Operating Activities	(2,297.99)
Less: Income Tax (paid)/refund (refer note 1 below)	8,090.24
Net Cash Inflow/(outflow) from Operating Activities	(3,182.48)
	4,907.76
B. CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(1,254.35)
Sale of Fixed Assets	128.25
Purchase of Investments	(1,465.30)
Sales/Redemption of Investments (net of income tax of ₹ 126.05 lakhs)	3,816.05
Bank Deposit offered as Security	(80.19)
Maturity of Bank Deposit offered as Security	83.98
Dividend Income	43.34
Interest received on Bank Deposits	89.13
Less : Income Tax Paid	(21.46) 67.67
Net Cash inflow /(Outflow) from Investing Activities	1,339.45

Consolidated Cash Flow Statement

for the year ended 31st March 2016

Particulars	(₹ in lakhs)
	2015-16 Amount
C. CASH FLOWS FROM FINANCING ACTIVITIES	
Working Capital Loan (Net)	1,753.45
Interest and Finance Charges	(291.62)
Payment of Dividend (Including Dividend Tax)	(9,568.01)
Net Cash Inflow/(Outflow) from Financing Activities	(8,106.18)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(1,859.01)
Cash And Cash Equivalents - Opening (Refer Note 2.16)	4,229.31
	2,370.34
Effect of Exchange Gain/(Loss) on Cash and Cash Equivalents	0.06
Cash And Cash Equivalents - Closing (Refer Note 2.16)	2,370.20
Significant accounting policies and notes on accounts	1 & 2

The notes referred to above form integral part of cash flow statement

1. The Aggregate Income Tax paid during the year is ₹ 3,329.99 lakhs.

As per our audit report of even date

For and on behalf of
N. A. Shah Associates
Chartered Accountants
Registration No.:116560W

For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Sandeep Shah
Partner
Membership No. : 37381

Satish Trivedi
Partner
Membership No. : 38317

Kewalchand P Jain
Chairman &
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Din No: 00029730

Hemant P Jain
Whole time Director
Din No: 00029822

Place: Mumbai
Date: May 23, 2016

Bhavin Sheth
Chief Financial Officer

Abhijit Warange
Company Secretary

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. Basis of Preparation of Consolidated Financial Statements:

The consolidated financial statements (CFS) comprise of the financial statement of Kewal Kiran Clothing Limited (hereinafter referred to as 'Parent Company') and its Joint Venture, collectively referred to as the Group. The CFS are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

As financial year 2015-16 is the first year of presenting consolidated financial statements, previous year figures are not disclosed in accordance with provisions of Accounting Standard – 21 "Consolidated Financial Statements".

1.2. Principles of Consolidation:

- a) The financial statements of the Parent Company and its joint venture have been consolidated using uniform accounting policies.
- d) List of the companies included in the consolidation are mentioned below:-

Joint Venture	Country of Incorporation	Proportion of Ownership interest as on March 31, 2016
White Knitwear Private Limited	India	33.33%

1.3. Presentation and Disclosure of Consolidated financial statements:

All assets and liabilities have been classified as current & non-current as per the Group normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

- b) The financial statements of the Joint Venture has been consolidated using proportionate consolidation as per AS-27 - "Financial Reporting of Interests in Joint Ventures" on the basis of control exercised in the Joint Venture
- c) The excess / deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates, on which the investment in such joint venture was made, is recognized in the CFS as Goodwill / Capital reserve.

Goodwill is subsequently measured at cost less accumulated amortization and any accumulated impairment losses. The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date. On disposal of investments in joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The excess of investments in cumulative preference shares of joint venture over the Parent Company's interest in the joint venture is disclosed under note 2.09 of financial statements.

Based on the nature of products / services and time between acquisition of assets for processing/ rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months however for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

1.4. Use of Estimates:

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of the consolidated financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.5. Fixed Assets:

a) Tangible Assets

Tangible assets are stated at cost of acquisition / construction less accumulated depreciation, amortization and accumulated impairment losses, if any.

b) Intangible Assets

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets

are stated at cost of acquisition / development less accumulated amortization and accumulated impairment loss if any.

- c) Cost of fixed assets includes non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs for bringing the asset to its working condition for its intended use.
- d) Capital work-in-progress comprises of cost incurred on fixed assets under construction/acquisition that are not yet ready for their intended use at the Balance Sheet Date.
- e) Tangible Fixed Assets held for disposal are stated at the lower of their net book value and net realizable value and are disclosed separately under 'Other Current Assets'. Any expected loss is recognized immediately in the Statement of Profit and Loss.

1.6. Depreciation/Amortization:

- a) Depreciation/Amortization on fixed assets (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over its useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 except certain class of assets specified in (i) & (ii) below, based on internal assessment estimated by the management of the Group, where the useful life is lower than as mentioned in Schedule II. Such class of assets and its estimated useful lives are as under:

(i) Assets	Estimated useful life amortized on SLM basis
Furniture & fittings at retail stores	5 years
Second hand factory / office building (RCC frame structure)	30 years
Second hand factory / office building (other than RCC frame structure)	5 years
Plant & Machineries at Vapi unit (Washing unit)	7.5 years
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

(ii) Assets whose useful life are reassessed based on transitional provision of Schedule II	Estimated balance useful life of assets depreciated on SLM basis (as on April 1, 2014)
Factory buildings	18-28 years
Other buildings (RCC structure)	44 - 59 years
Plant & Machineries at Vapi unit (Washing unit)	1 year - 6.5 years
Other Plant and Machineries	1-15 years
Computers	6 months - 2 years
Furniture & fittings	1 - 9 years
Motor vehicles	4-6 years
Windmill	16 years

b) Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at the end of each financial year.

c) In case of assets purchased, sold or discarded during the year, depreciation / amortization on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.

d) Amortization of intangible assets

Assets	Estimated useful life amortized on SLM basis
Computer software	3 years
Membership rights	5 years

e) Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the rates mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Group does not have right of renewal), the same is amortized over the lease period of land.

17. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided depending on changes in circumstances. After recognition of impairment loss, the depreciation charge for the fixed asset is adjusted in future periods

to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation/ amortization had no impairment loss been recognised in earlier years.

18. Investments:

a) Investments are classified into current and long-term investments.

b) Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

as current investments. All other investments are classified as long-term investments.

- c) Current investments are carried at lower of cost and fair value (net asset value in case of units of mutual fund) determined on category wise basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis. Current investments in liquid mutual funds are classified as cash and cash equivalents.
- d) Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III of the Companies Act, 2013.
- e) The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- f) Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the Weighted Average' method is followed.

1.9. Inventories:

- a) The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the 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.
- b) The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location

and condition. Since the Parent Company is in fashion industry with diverse designs / styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable).

- c) In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.

1.10. Revenue Recognition:

- a) Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and are recorded net of sales tax, rebates, trade discounts and sales returns.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- d) Service income is recognized upon rendering of services. Service income is recorded net of service tax.
- e) Licensing revenue is recognized on accrual basis in accordance with the terms of the relevant agreements. Licensing income is recorded net of sales tax and service tax
- f) Power generation income is recognized on the basis of electrical units generated and sold in excess of captive consumption and recognized at prescribed rate as per agreement of sale of electricity by the Parent Company. Further, value of electricity generated and captively consumed is netted off from the electricity expenses.

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

- g) Export incentives under the Duty Drawback Scheme are recognized on accrual basis in the year of export.
- h) Rental income on assets given under operating lease arrangements is recognized on straight line basis over the lease term in accordance with terms of agreement. Rental income is recorded net of service tax.

1.11. Foreign Currency Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.
- c) Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16- Borrowing Cost.

1.12. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

1.13. Employees' Benefits:

- a) Short term employee benefits
All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.
- b) Post-employment benefits
 - i) Defined contribution plan
The defined contribution plan is post-employment benefit plan under which the Parent Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Parent Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme, Employee Pension Scheme, National Pension Scheme and Labour Welfare Fund. The Parent Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.
 - ii) Defined benefit plan
The Parent Company's obligation towards gratuity liability is funded to an approved gratuity fund, which fully covers the said liability under Cash Accumulation Policy of Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss as income or expense.

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

As per the Parent Company's policy, employees who have completed specified years of service are eligible for death benefit plan wherein defined amount would be paid to the survivors of the employee on the death of the employee while in service with the Parent Company. To fulfill the Parent Company's obligation for the above mentioned plan, the Parent Company has taken group term policy from an insurance company. The annual premium for insurance cover is recognized in Statement of Profit and Loss.

1.14. Operating Lease:

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with the lessor are classified as operating lease.

Rental expenses on assets obtained under operating lease arrangements are recognized on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement.

1.15. Taxes on Income:

- a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities premium or retained earnings or other reserves, the corresponding tax effect is also adjusted against the securities premium or retained earnings or other reserves, as the case may be, as per the announcement of Institute of Chartered Accountant of India.
- b) Provision for current tax is made as per the provisions of Income Tax Act, 1961.
- c) Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable

certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date. At each balance sheet date the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably/virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.16. Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

1.17. Cash Flow Statement:

Cash flows are reported using the indirect method, where by net 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 are segregated.

1.18. Provisions and Contingent Liabilities:

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except retirement benefits) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each

Consolidated Notes

for the year ended 31st March 2016

balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

1.19. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split if any.

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

1.20. Segment Reporting:

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016
SHARE CAPITAL	2.1	
Authorized Capital 20,000,000 Equity shares of ₹ 10 each		2,000.00
Issued, subscribed and Paid up : 12,325,037 Equity shares of ₹ 10 each, fully paid up		1,232.50
		1,232.50
The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.	2.1.1	
Reconciliation of the shares outstanding at the beginning and at the end of the year	2.1.2	

Particulars	Note	March 31, 2016	
		No. of shares	₹
Shares outstanding at the beginning of the year		12,325,037	1,232.50
Shares issued during the year		-	-
Shares bought back during the year		-	-
Shares outstanding at the end of the year		12,325,037	1,232.50
Details of the shareholders holding more than 5% shares in the Company	2.1.3		

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Name of Shareholder	Note	March 31, 2016	
		No. of shares	₹
Mrs Shantaben P. Jain j/w Mr Kewalchand P. Jain j/w Mr Hemant P. Jain (equity shares held in their capacity as trustees/beneficiaries of M/s P.K.Jain Family Holding Trust)		6,153,000	49.92
Mr. Dinesh P Jain		728,831	5.91
includes 99,401 shares jointly held with Mrs Sangeeta D. Jain			
Mr. Vikas P Jain		721,321	5.85
includes 91,836 shares jointly held with Mrs Kesar V. Jain			
Mr. Hemant P Jain		690,915	5.61
includes 77,400 shares jointly held with Mrs Lata H. Jain			
Mr. Kewalchand P Jain		690,111	5.60
includes 76,661 shares jointly held with Mrs Veena K. Jain			
Nalanda India Fund Limited		1,200,000	9.74
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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 (After due adjustment in case shares are not fully paid up.)	2.1.4		

Particulars	Note	As at 31 March 2016
RESERVES AND SURPLUS	2.2	
Securities Premium Reserve		
Opening Balance		8,426.77
Addition / Deduction during the year		-
Closing Balance		8,426.77
General Reserve		
Opening Balance		3,843.38
Add: Amount transferred from Balance in the Consolidated Statement of Profit and Loss		679.48
		4,522.86
Balance in Consolidated Statement of Profit and Loss		
Opening balance		15,979.57
Add: Net profit after tax transferred from Consolidated Statement of Profit and Loss		6,793.33
		22,772.90
Less: Appropriations		
Proposed Dividend		184.88
Interim Dividend		7,210.15
Tax on Proposed Dividend		37.64
Tax on Interim Dividend		1,467.82
Tax on Interim Dividend for previous year (on account of increase in surcharge)		1.34
Transfer to Business Progressive Fund		500.00
Transfer to General Reserve		679.48
		12,691.60

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016
Business Progressive Fund		
Opening Balance		2,500.00
Add: Amount transferred from Balance in the Consolidated Statement of Profit and Loss		500.00
		3,000.00
		28,641.23
<p>The Board of Directors have recommended a payment of final dividend of ₹ 1.5 per equity share of ₹ 10/- each for the financial year ended 31st March 2016. The Payment is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.</p> <p>For the financial year 2015-16, the Board of Directors declared and paid an interim dividend of ₹ 58.50 (also includes special dividend of ₹ 35) per equity share of ₹ 10 each. In the previous year 2014-15, the Company had paid interim dividends aggregating to ₹ 23.50 per equity share and final dividend of ₹ 1.50 per equity share.</p> <p>The Company has augmented "Business Progressive Fund" by ₹ 500 lakhs out of its profits and the aggregate amount of the fund as at year end is ₹ 3,000 lakhs. This fund has been created with a view to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business, reinforce existing channels of sales etc. The amount of fund is specifically earmarked and invested in mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Accounting Standard (AS) -29 in normal course of business. AS-29 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.</p> <p>Accordingly the Company has opted to create Business Progressive Fund. Further addition to the aforesaid fund shall be reviewed from time to time considering business environment and conditions and the income accrued from the fund. Any accretion to the investment shall be credited to Consolidated Statement of Profit and Loss.</p>	2.1 2.2	
OTHER LONG-TERM LIABILITIES	2.3	
Other Liabilities		
Security Deposits		1,713.57
		1,713.57
SHORT TERM BORROWINGS	2.4	
Secured Loan		
Cash Credit from Bank (payable on demand) (Secured by pari-passu first charge on Stock and Trade Receivables)		1,251.76
Preshipment Export Loan from Bank (Secured by pari-passu first charge on Stock and Trade Receivables)		748.07
		1,999.83
Unsecured Loan (payable on demand)		
Working Capital Loan from Bank		888.93
		2,888.76
As on balance sheet date, there are no defaults in payment of principal and interest	2.4.1	
TRADE PAYABLES	2.5	

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016
a) Micro and Small Enterprises		
Materials		89.91
b) Other than Micro and Small Enterprises		
Materials		3,406.18
Expenses		1,192.59
		4,688.68
OTHER CURRENT LIABILITIES	2.6	
Interest accrued but not due on borrowings		0.12
Unclaimed Dividend		4.43
Security Deposits		15.60
Other Payables		
Capital Goods		56.82
Salary and Wages payable		510.90
Employee Benefits (refer note 2.6.1)		259.50
Statutory Liabilities		149.14
Advance from Customers		378.60
		1,375.11
Upon the enactment of 'The Payment on Bonus (Amendment) Act, 2015', during the year the Company has made additional provision for bonus amounting to ₹ 45 lakhs pertaining to previous year 2014-15.	2.6.1	
SHORT TERM PROVISIONS	2.7	
Provision for Taxations (Net of Advance Tax)		200.22
Provisions for Dividend & Dividend Distribution Tax		222.51
Provision for Margin on Sales Return (refer note 2.36)		74.48
Provision for Employee Benefits		143.93
Provision for Contingencies (refer note 2.36)		379.34
Provision for Excise Duty on Finished Goods (refer note 2.14.1)		15.38
Other Provisions (Selling & Distribution Expenses)		797.66
		1,833.52

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

FIXED ASSETS 2.8

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
		As at April 1, 2015	Additions	Deductions/ Discarded	As at March 31, 2016	As at April 1, 2015	Depreciation / Amortization	Deductions	As at March 31, 2016	As at March 31, 2016
Tangible Assets										
1	Free Hold Land	1,372.10	168.35	-	1,540.45	-	-	-	-	1,540.45
2	Leasehold Land	235.65	-	-	235.65	19.38	3.06	-	22.44	213.22
3	Building	3,878.93	425.27	-	4,304.19	1,510.08	103.08	-	1,613.16	2,691.03
4	Furnitures & Fixtures	923.70	19.46	16.12	927.03	845.77	34.82	16.12	864.46	62.57
5	Plant and Machinery	2,269.21	288.63	192.31	2,365.53	1,206.77	149.48	131.53	1,224.72	1,140.81
6	Computer	280.85	71.78	43.67	308.97	232.75	41.63	43.67	230.71	78.26
7	Office Equipments	270.46	58.03	19.67	308.82	244.42	25.40	17.66	252.15	56.67
8	Vehicles	263.56	-	0.50	263.06	88.05	34.56	0.50	122.11	140.95
Total of Tangible Assets		9,494.46	1,031.52	272.26	10,253.71	4,147.22	392.02	209.48	4,329.76	5,923.95
Intangible Assets (other than internally generated)										
1	Software (Acquired)	108.58	48.69	-	157.27	70.44	20.45	-	90.89	66.38
2	Membership Rights	18.00	-	-	18.00	7.20	3.60	-	10.80	7.20
Total of Intangible Assets		126.58	48.69	-	175.27	77.64	24.05	-	101.69	73.58
Capital Work in Progress (CWIP)										
1	Plant and Machinery	50.17	285.41	224.32	111.26	-	-	-	-	111.26
2	Building	370.54	201.27	419.51	152.30	-	-	-	-	152.30
Total Tangible CWIP		420.71	486.68	643.83	263.56	-	-	-	-	263.56
3	Software (Acquired)	4.50	2.29	6.79	-	-	-	-	-	-
Total CWIP		425.21	488.97	650.62	263.56	-	-	-	-	263.56
Grand total		10,046.24	1,569.18	922.88	10,692.54	4,224.86	416.07	209.48	4,431.45	6,261.09

2.8.1 The Company has given part of the premises under operating lease. The gross carrying amount, accumulated depreciation at the balance sheet date and depreciation recognized in Consolidated Statement of Profit and Loss for the year of said premises is ₹ 22.84 lakhs, ₹ 6.36 lakhs and ₹ 6.21 lakhs respectively.

2.8.2 Building includes the value of 14,000 share of ₹ 100 each in Synthofine Estate CHS Ltd and value of 10 share of ₹ 50 each in Gautam Chemical Industrial Premises CHS Ltd.

2.8.3 Balance useful life of software (Tukacad Professional Edition software) as at year end is Nil. Balance useful life of membership rights as at year end is 36 months.

2.8.4 In the previous year 2014-15, the Company had acquired freehold land with integrated structure for a composite value whose conveyance is registered and municipal records (property card) is in the process of updation. The value of structure is determined based on estimated depreciated value of structures and the balance is considered as the value of land. In respect of land, the Company has an undivided share in land. Also an insignificant portion of land is unlawfully occupied by an illegal occupant and the said occupant has raised some illegal structures for which the Municipal Corporation has served a demolition notices. The demolition notices are being contested, by the unlawful tenant, in an Appeal before the Hon'ble High Court and the matter remains subjudice as on date.

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016
NON CURRENT INVESTMENTS	2.9	
Long Term Investments (refer note 1.8(d))		
a) Trade Investments (Unquoted)		
Investment in Joint Venture White Knitwear Private Limited		
In Preference Shares		
10,41,700 9% Cumulative Redeemable Preference Shares of face value of ₹ 10 each fully paid up.		104.17
b) Other than Trade Investments (Quoted)		
In Equity Shares		
4,512 Reliance Power Limited Shares of face value ₹ 10 each fully paid up.		12.69
Less: Provision for Diminution in value of Investment(Quoted)		(10.14)
		2.55
7,500 HCL Technologies Ltd Shares of face value ₹ 2 each fully paid up.		78.13
25,000 Tech Mahindra Ltd Shares of face value ₹ 5 each fully paid up.		180.58
Total in Equity Shares		261.26
In Government Securities		
Government and Trust securities		0.03
In Fixed Maturity Plan		
Investment in unquoted Mutual Funds		
In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up		
DWS FMP Series 45 Growth		200.00
[Units: 2,000,000]		
DWS FMP Series 86 Growth		500.00
[Units: 5,000,000]		
HDFC FMP 372D Feb 2014-1 Growth		500.00
[Units: 5,000,000]		
Principal PNB FMP Series B14 Growth		500.00
[Units: 5,000,000]		
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth		119.71
[Units: 1,197,116.241]		
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth		750.00
[Units: 7,500,000]		
Sundaram FTP GJ 3 Year - Growth		500.00
[Units: 5,000,000]		
UTI Fixed Term Income Fund Series XIX-XVIII - Growth		500.00
[Units: 5,000,000]		
UTI Fixed Term Income Fund Series XXI-VII - Growth		500.00
[Units: 5,000,000]		
UTI Fixed Term Income Fund Series XXI-VIII - Growth		600.00
[Units: 6,000,000]		
UTI Fixed Term Income Fund Series XXI-X - Growth		500.00
[Units: 5,000,000]		
Kotak FMP Series 187 - Growth		100.00
[Units: 1,000,000]		
Mutual Funds Total		5,269.71
Total		5,635.17
Aggregate Cost (Net of Provisions)		
- Quoted		261.29
- Unquoted		5,373.88
Aggregate Market / Net asset Value		
- Quoted		182.15
- Unquoted (units of Mutual fund)		5,985.74
Aggregate Provision for Diminution		10.14

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016
DEFERRED TAX	2.10	
Deferred Tax Assets:		
Provision for Assets.		176.91
Statutory amounts allowed on payment basis		28.31
Deferred Tax Liability		
Depreciation/Amortization		155.44
Net Deferred Tax Asset/(Liabilities)		49.78
Deferred tax asset is recognized only on those timing differences, which reverse in the post tax free period, as Company enjoys exemption under section 80-IA of Income Tax Act, 1961 in respect of revenue generated from Wind Turbine Generator.	2.10.1	
LONG-TERM LOANS & ADVANCES	2.11	
(Unsecured considered good)		
Deposits (Net of provision of ₹ 6.01 lakhs)		143.80
Capital Advances		358.05
Loan to Employees		29.92
Rent Deposits to Related Parties [refer note 2.32(c)]		7.83
Advance Tax / Tax deducted at source (Net of Provision)		362.55
Prepaid Expenses		3.75
		905.90
OTHER NON CURRENT ASSETS	2.12	
(Unsecured considered good)		
Bank Deposits offered as Security		3.29
Interest receivables on Bank Deposits		0.43
		3.72
CURRENT INVESTMENTS	2.13	
(refer note 1.8(a))		
Investment in unquoted Mutual Funds		
Current portion of Long term investment , in units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up		
Birla Sunlife FTP Series JA Growth [Units: 5,000,000]		500.00
Birla Sunlife FTP Series KD Growth [Units: 5,000,000]		500.00
DSP Blackrock FMP Series 111-12 Month - Growth [Units: 1,196,613.85]		119.66
HDFC FMP 371D Dec 2013-2 Growth [Units: 3,000,000]		300.00
HDFC FMP 369D Jan 2014-1 Growth [Units: 5,091,849]		509.18
ICICI Pru FMP Series 68-369D Plan I [Units: 7,464,604]		746.46
ICICI Pru FMP Series 72-368D Plan A [Units: 2,000,000]		200.00

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016
IDFC FTP Series 49 Growth [Units: 2,002,581]		200.26
IDFC Yearly Series Interval Fund - Series 1 - Growth [Units: 15,249,970.718]		1,657.79
Kotak FMP Series 111 Growth [Units: 160,000]		16.00
Kotak FMP Series 116 Growth [Units: 1,100,000]		110.00
Kotak FMP Series 128 Growth [Units: 2,002,583]		200.26
Kotak FMP Series 136 Growth [Units: 5,000,000]		500.00
Reliance Fixed Horizon Fund - XXIV - Series 15 Growth [Units: 11,500,000]		1,150.00
Reliance Yearly Interval Fund - Series 4 - Growth [Units: 4,164,896.586]		500.00
TATA FMP Series 43 Scheme C Growth [Units: 1,100,000]		110.00
TATA FMP Series 46 Scheme I Growth [Units: 5,000,000]		500.00
Reliance Interval Fund II Series 1 Growth [Units: 900,000 units]		30.00
Reliance Medium Term Fund - Growth [Units: 2,03,909.240units]		19.29
In the units of Income Funds of ₹ 10/- each fully paid		
UTI Short Term Income Fund Growth [Units: 348,585.093]		50.00
SBI Dynamic Bond Fund Growth [Units: 967,105.518]		150.00
Edelweiss Short Term Income Fund - Growth [Units: 709,975.151]		100.00
In the units of Arbitrage Funds of ₹ 10/- each fully paid		
Edelweiss Arbitrage Fund - Div Reinvestment [Units: 2,627,648.977]		271.36
Edelweiss Arbitrage Fund - Growth [Units: 4,441,522.909]		500.00
Edelweiss Absolute Return Fund - Growth [Units: 1,213,592.233]		225.00
In the units of Income Funds of ₹ 1000/- each fully paid		
Ambit Alpha Fund Scheme I [Units: 80,000]		800.00
Total		9,965.25
Aggregate Cost		9,965.25
Aggregate Market / Net asset Value		11,984.73
Aggregate Provision for diminution		-
INVENTORIES		

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016
(At cost or net realisable value whichever is less)	2.14	
Raw material		522.08
Work-in-progress		2,950.24
Finished goods		1,787.93
Traded goods		156.01
Packing material & accessories		103.56
Stores, chemicals and consumables		52.87
		5,572.69
In terms of Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India (ICAI) excise duty of ₹ 15.38 lakhs is considered as an element of cost for valuation of finished goods inventory. However this has no impact on the results for the year since the corresponding liability is also provided.	2.14.1	
TRADE RECEIVABLES	2.15	
a) Debtors (Secured against Customer Security Deposit)		
i) Over Six Months from the date they are due for payment		216.28
ii) Others		960.09
		1,176.37
b) Debtors (Unsecured)		
i) Over Six Months from the date they are due for payment		
a) Considered Good		1,324.96
b) Doubtful		61.24
ii) Others		
a) Considered Good		8,395.29
b) Doubtful		193.76
		9,975.25
Debtors (Unsecured) considered good includes :		
(1) ₹ 2,008.40 lakhs where Company holds the bank guarantee.		
(2) ₹ 4.33 lakhs receivable from related parties [refer note 2.32(c)].		
Less : Provision for Doubtful Debts		255.00
		10,896.61
CASH & BANK BALANCES	2.17	
Cash & Cash Equivalents		
Cash on Hand		14.68
Balances with Banks :-		
In Current Accounts		156.52
In EEFC Account (USD 4,354)		2.89
In Bank Deposits		353.00
In Bank Deposits with more than 12 months maturity		5.63
Bank Deposits includes ₹ 355.62 lakhs (P.Y. ₹ 709.79 lakhs) having a maturity period exceeding three months and which are readily convertible into known amounts of cash.	2.16.1	
Others:-		
Liquid Mutual Funds		1,837.68
		2,370.40

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31 March 2016
Other Bank Balances		
Earmarked balances in bank		
In Unclaimed Dividend Accounts		4.43
In Bank Deposits offered as Security (Less than 12 Months)		100.24
		104.67
		2,475.07
Details of Current Investments in Liquid Mutual Funds (Unquoted) as given below:	2.16.2	
a) Face Value of ₹ 10/- each fully paid up		
Birla Sunlife Dynamic Bond Fund-Retail Growth		150.94
[Units: 732,544.24]		
IDFC Corporate Bond Fund - Growth		-
[Units: 2,008,786.449]		200.88
Total (a)		351.82
b) Face Value of ₹ 100/- each fully paid up		
Birla Sunlife Savings Fund - Growth		331.00
[Units: 116,831.621]		
Total (b)		331.00
c) Face Value of ₹ 1,000/- each fully paid up		
Tata Floater Fund - Growth		390.63
[Units: 19,418.844]		
Axis Treasury Advantage Fund - Growth		660.70
[Units: 46,487.062]		
Principal Debt Opportunities Fund Corporate Bond Plan - Growth		103.53
[Units: 4,713.449]		
Total (c)		1,154.86
Aggregate Cost (a+b+c)		1,837.68
Aggregate Market / Net asset Value		2,083.17
Aggregate Provision for Diminution		-
SHORT-TERM LOANS & ADVANCES	2.17	
(Unsecured, Considered Good)		
Advance to Employee		40.03
Loans to Employee		21.95
Advance contribution to gratuity trust (refer note 2.30 (a))		65.32
Advance to Suppliers		144.01
Prepaid Expenses		57.62
		328.93
OTHER CURRENT ASSETS	2.18	
(Unsecured, Considered Good)		
Interest receivables on Bank Deposits		46.02
Duty Drawback Receivable		57.30
Asset held for sale [refer note 1.5 (e)]		172.40
Other Receivable [sales tax refund receivable, etc.]		3.43
		279.15

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended March 31, 2016
REVENUE FROM OPERATIONS	2.19	
A. Sales Income		
Sales of Apparel and Lifestyle Accessories/Products		45,400.46
Less : Excise duty		(98.46)
Sales net of tax and duty (refer note 2.19.1)		45,302.00
Sale of Power		2.77
Sales net of tax and duty (refer note 2.19.1)		45,304.77
Note:-	2.19.1	
Sales (Gross of tax and duty)		46,350.51
Less: Excise duty		(98.46)
Less: Sales tax		(950.05)
Sales net of tax and duty		45,302.00
B. Other Operating Income		
Service Income		105.16
Export Incentives		228.31
Miscellaneous Operating Income		91.36
Rent Income		6.31
		431.14
Total Revenue from Operations		45,735.91
The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock, which has been disclosed as excise duty expense in Statement of Profit and Loss (refer note 2.21).	2.19.2	
OTHER INCOME	2.20	
Interest on Bank Deposits		62.00
Income from Current Investments and Liquid Mutual Funds:		
Dividend Income		40.30
Gain on Sales/Redemption of Investments (Net)		448.28
Income from Non Current Investments		
Dividend on Equity Shares		3.05
Gain on Redemption of Investments (Net)		9.39
Provision for share of loss in Joint Venture reversed		36.00
Gain on Exchange Rate Fluctuation (Net)		30.11
Gain on Sale of Tangible Fixed Assets(Net)		65.47
		694.60
(INCREASE) / DECREASE IN STOCKS	2.21	
Opening stock		1,733.44
Work - in- progress		1,736.13
Finished goods		115.13
Traded goods		3,584.70

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended March 31, 2016
Closing stock		
Work - in- progress		2,952.22
Finished goods (Refer note 2.15.1)		1,789.57
Traded goods		156.01
		4,897.80
Add/(Less): Variation in Excise Duty on Opening and Closing Stock of Finished goods (Refer note 2.20.2)		(15.38)
(Increase)/Decrease in stocks		(1,297.72)
COST OF MATERIAL CONSUMED	2.22	
a. Raw Material Consumed:		305.21
Opening stock		13,589.38
Add: Purchases		13,894.59
		131.92
Less: Resale of raw material		522.08
Less: Closing stock		13,240.59
b. Semi-Finished Goods		3,208.56
c. Packing Material, Accessories and others		2,488.14
d. Stores, Chemicals and Consumables		791.72
		19,729.01
EMPLOYEE BENEFIT EXPENSES	2.23	
Salary, Wages etc.		4,293.59
Contribution to Provident and other Funds		387.95
Bonus and Ex-gratia (refer note 2.6.1)		167.11
Gratuity (refer note 2.30 (a))		81.79
Leave Benefits (refer note 2.30(b))		99.35
Staff Welfare		77.66
		5,107.45
MANUFACTURING AND OPERATING EXPENSES	2.24	
Embroidery Expenses		288.22
Electricity Expenses (Net of credit received from Windmill of ₹ 67.64 lakhs)		163.16
Factory Rent		24.03
General Factory Expenses		57.55
Processing Charges		2,897.41
Fuel Expenses		459.64
Water Charges		65.06
Waste Disposal Charges		43.90
Repairs & Maintenance		238.70
Repairs & Maintenance (Wind Mill Turbine Expenses)		13.26
		4,250.93

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended March 31, 2016
ADMINISTRATIVE & OTHER EXPENSES	2.25	
Rent, Rates and Taxes (net of amount written back and including provision for contingency)		111.48
Communication Expenses		75.58
Legal and Professional Fees		773.71
Consultancy Fees		109.80
Printing and Stationery		60.12
Donations		25.32
Corporate social responsibility		184.46
Vehicle Expenses		89.33
Auditors Remuneration		52.57
Conveyance & Travelling Expenses		33.92
Electricity Expenses		149.73
Repairs & Maintenance		417.73
Directors Sitting Fees		27.00
General Office Expenses		393.73
Provision for Doubtful debts		25.00
		2,529.48
SELLING & DISTRIBUTION EXPENSES	2.26	
Advertisement and Publicity Expenses (Net of recoveries)		1,744.68
Sales Promotion Expenses (Net of recoveries)		173.20
Discount and Incentive on Sales (net of amount written back)		1,303.62
Octroi, clearing and forwarding charges on Sales		196.63
Tour and Travelling Expenses (Net of recoveries)		355.26
Commission on Sales		101.38
Provision for Margin on Sales Return		14.01
		3,888.78
FINANCE EXPENSES	2.27	
Bank Charges		11.10
Finance Charges		172.20
Interest on Working Capital Loan		150.16
		333.46

2.28 Contingent Liabilities:

- a) Disputed demands in respect of income tax not acknowledged as debt by the Parent Company of ₹ 15.74 lakhs. Future cash outflows in respect of above are dependent on outcome of matter under dispute.

In respect of Assessment year 2005-2006 there was tax demand of ₹ 68.94 lakhs which had been adjusted by the tax authorities against refund due to the Parent Company in respect of other years. During the year, the Parent Company has received favourable Order passed by the ITAT, Mumbai against which the Income Tax Department has filed the appeal before the Bombay High Court and is under pre-admission stage.

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

- b) The Parent Company has purchased capital assets under EPCG license against which the Parent Company has a balance export obligation of Nil. Contingent liability, to the extent of duty saved in respect of EPCG is Nil.

Further, in respect of the above, outstanding bonds at the year-end executed by the Parent Company in favour of customs authority aggregates to ₹ 251.00 lakhs. Out of above, bonds aggregating to ₹ 112.57 lakhs are under the process of discharge from custom authorities.

- c) Bank guarantees issued by the Parent Company of ₹ 60.09 lakhs.
- d) The Parent company's contingent liability and capital/other commitment in relation to joint venture ₹ Nil and ₹ Nil.

Note: The Group does not expect any outflow of resources in respect of Para (b), (c) and (d).

2.29 Estimated amount of contracts remaining to be executed on-

- a) Capital Account and not provided for ₹ 308.76 lakhs (net of advances).
- b) Other commitments-Relating to Advertisement contracts aggregating to ₹ 116.02 lakhs (Net of advances). Also Refer Note 2.33 in respect of minimum lease rental payment under non-cancellable operating lease.

2.30 Employee Benefits:

a) Disclosure in respect of gratuity liability

Reconciliation on Change in Benefit Obligation :	March 31, 2016 (₹)
Liability at the beginning of the year	382.14
Interest Cost	30.57
Current Service Cost	83.60
Benefit Paid	(47.51)
Actuarial (gain)/loss on obligations	4.25
Liability at the end of the year	453.05

Reconciliation of Fair Value of Plan Assets :	March 31, 2016 (₹)
Fair Value of Plan Assets at the beginning of the year	356.03
Expected Return on Plan Assets	36.63
Contributions	173.22
Benefit Paid	(47.51)
Fair Value of Plan Assets at the end of the year	518.37

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Amount recognized in the Balance Sheet :	March 31, 2016 (₹)
Liability at the end of the year	453.05
Fair Value of Plan Assets at the end of the year	518.37
Net Asset / (Liability) in the Balance Sheet	65.32

Gratuity recognized in the Statement of Profit and Loss	March 31, 2016 (₹)
Current Service Cost	83.60
Interest Cost	30.57
Expected Return on Plan Assets	(36.63)
Actuarial (Gain)/Loss	4.25
Expense Recognized in Statement of Profit and Loss	81.79

Principal Assumption used in determining Gratuity liability	31/03/16 (₹)
Discount Rate	8.00%
Expected Rate of return	9.00%
Employee Turnover	1-3%
Salary Escalation	7.50%
Mortality Table	LIC (1994-96) Ultimate

Other disclosures*	March 31, 2016 (₹)
Defined benefit obligation	453.05
Plan assets	518.37
Surplus/(deficit)	65.32
Experience adjustments on plan liabilities - loss/ (gain)	4.25

* Pervious four year details are not disclosed since company has prepared CFS for the first time in financial year 2015-16.

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with Life Insurance Corporation of India. Additional provision has been made for short fall between liability as per actuarial valuation and value of plan assets. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected rate of return on plan assets comprising of Insurance Policy with LIC of India is based on the historical results of returns given by LIC of India.

The Parent Company expects to contribute ₹ 75.00 lakhs to gratuity trust for contribution to LIC of India in financial year 2016-17.

b) Disclosure in respect of leave entitlement liability:

Leave entitlement is short term benefit which is recognized as an expense at the un-discounted amount in the year in which the related service is rendered.

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

c) Death in service benefit:

The Parent Company has taken group term policy from an insurance company to cover its obligation for death in service benefit given to eligible employees. The insurance premium of ₹ 11.81 lakhs is recognized in Statement of Profit and Loss..

d) The Parent Company contributes towards Employees Provident Fund, Employees State Insurance, National pension Scheme and Labour Welfare Fund. The aggregate amount contributed and charged to Statement of Profit and Loss is ₹ 387.95 lakhs

2.31 Segment Reporting :

a) Primary segment:

The Parent company is engaged in the business of manufacturing and marketing of Apparels & trading of Lifestyle Accessories/Products. The Parent company is also generating power from Wind Turbine Generator. The power generated from the same is predominantly used for captive consumption. However, the operation of Wind Turbine Segment is within the threshold limit stipulated under AS – 17 “Segment Reporting” and hence it does not require disclosure as a separate reportable segment.

Particulars	₹ in lakhs			
	Apparel & Life style Accessories/ Products	Other/ Reconciling Item	Unallocated	Total
1. Segment Revenue				
External Net Sales/ Income from Operation	45,733.14	2.77	-	45,735.91
Add: Inter Segment Revenue	-	67.64	-	67.64
Total Segment Revenue	45,733.14	70.41	-	45,803.55
Eliminations			67.64	67.64
Total Revenue				45,735.91
2. Segment Result				
Segment Result	9,994.80	48.18	-	10,042.98
Less : Interest expenditure			289.22	289.22
Add: Other unallocable income net of unallocable expenditure			597.43	597.43
Profit before Tax				10,351.19
Less : Provision For Tax			3,557.86	3,557.86
Net Profit				6,793.33
3. Other Information				
Segment Assets	23,680.74	149.68	18,542.95	42,373.37
Segment Liabilities	9,183.26	-	3,316.39	12,499.65
Depreciation/ Amortization	407.09	8.98	-	416.07
Non Cash Expenses other than Depreciation	-	1.04	-	1.04
Capital Expenditure	1,080.20	-	-	1,080.20

Note: As per the expert advisory opinion, electricity generated from Wind Turbine Generator and used for captive consumption is reduced from the electricity expenses in Statement of Profit and Loss but shown as segment revenue for the purpose of segment reporting as per AS-17 “Segment Reporting”.

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

b) **Secondary segment (By Geographical segment):**

Particulars			₹ in lakhs
	India	Outside India	Total
Sales / Income from Operations	42,755.90	2,980.01	45,735.91
Segment Assets *	42,060.18	313.19	42,373.37

***Segment Assets from outside India represents receivables from Export Sales (net of advances in relation to exports). In view of the interwoven / intermix nature of business and manufacturing facility, other information is not ascertainable**

2.32 Related Party Disclosure:

Disclosures as per Accounting Standard (AS-18) – ‘Related Party Disclosures’ are given below:

- a) Related Parties where i) control exists and ii) where significant influence exists (with whom transaction have taken place during the year).

Enterprises where Key Management Personnel (KMP) and their relatives have significant influence:

Enlighten Lifestyle Limited
Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust
Lord Gautam Charitable Foundation
Kewal Kiran Finance Private Limited

Key Management Personnel:

Kewalchand P. Jain Chairman & Managing Director
Hemant P. Jain Whole-time Director
Dinesh P. Jain Whole-time Director
Vikas P. Jain Whole-time Director

Relatives / Other concerns of Key Management Personnel:

Shantaben P. Jain (Mother of Key Management Personnel)
Veena K. Jain (Wife of Kewalchand P. Jain.)
Lata H. Jain (Wife of Hemant P. Jain)
Sangeeta D. Jain (Wife of Dinesh P. Jain)
Kesar V. Jain (Wife of Vikas P. Jain)
Pankaj K. Jain (Son of Kewalchand P. Jain)
Hitendra H. Jain (Son of Hemant P. Jain)
Kewalchand P. Jain (HUF)
Hemant P. Jain (HUF)
Dinesh P. Jain (HUF)
Vikas P. Jain (HUF)
P.K. Jain Family Holding Trust

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Employee Funds:

Kewal Kiran Clothing Limited – Employee Group Gratuity Scheme.

(b)

Nature of Transaction	Enterprises Where KMP & their relatives have significant influence.	Joint Venture	Relatives/ Other Concerns of Key Management Personnel	Key Management Personnel	Employee Funds
Purchase of Assets & consumables	17.69	-	-	-	-
Rent Expenses	-	-	9.18	29.89	-
Managerial Remuneration	-	-	-	318.00	-
Salary	-	-	42.82	-	-
Rent Income (exclusive of service tax)	4.23	-	-	-	-
Dividend Paid	1.45	-	3,977.19	1,783.64	-
CSR (Donation)	138.00	-	-	-	-
Contribution to Gratuity Fund	-	-	-	-	173.22
Outstanding balance as on March 31, 2016					
Trade and Salary Payable	-	-	10.82	127.20	-
Trade Receivable & Advances	4.33	-	-	-	65.32
Deposit Receivable	-	-	4.59	3.24	-
Investments	-	104.17	-	-	-

c) Disclosure of Related Party Transactions, the amounts of which are in excess of 10% of total related party transactions of the same type:

Nature of Transaction	Nature of relationship	Name of the related party	Amounts in ₹
Purchase of Assets & consumables	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	17.69
Rent Expenses	Key Management Personnel	Kewalchand P. Jain	9.98
		Hemant P. Jain	8.60
		Dinesh P. Jain	5.66
		Vikas P. Jain	5.66
		Shantaben P. Jain	9.18
Managerial Remuneration (Salary)	Key Management Personnel	Kewalchand P. Jain	79.50
		Hemant P. Jain	79.50
		Dinesh P. Jain	79.50
		Vikas P. Jain	79.50
		Enlighten Lifestyle Limited	4.23
Rent Income (exclusive of service tax)	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	4.23
Salary	Relatives/ Other Concerns of Key Management Personnel	Pankaj K. Jain	24.23
		Hitendra H. Jain	18.59

Consolidated Notes

for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Nature of Transaction	Nature of relationship	Name of the related party	Amounts in ₹	
Dividend Paid	Enterprises Where KMP & their relatives have significant influence	Kewal Kiran Finance Private Limited	1.45	
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain (Trustee/ Beneficiary of P. K. Jain Family Holding Trust)	3,876.39	
	Key Management Personnel	Employee Funds	Kewalchand P. Jain	434.77
			Hemant P. Jain	435.28
Dinesh P. Jain			459.16	
Vikas P. Jain			454.43	
Contribution to Gratuity Fund Corporate Social Responsibility (Donation)	Enterprises where KMP & their relatives have significant influence	Employee Fund	173.22	
		Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	123.00	
Trade and Salary Payable	Key Management Personnel	Lord Gautam Charitable Foundation	15.00	
		Kewalchand P. Jain	38.44	
		Hemant P. Jain	15.70	
		Dinesh P. Jain	21.82	
Trade Receivable	Relatives of Key Management Personnel Enterprises where KMP & their relatives have significant influence	Vikas P. Jain	51.24	
		Shantaben P. Jain	7.98	
		Enlighten Lifestyle Limited	4.33	
Deposit Receivable	Key Management Personnel	Kewalchand P. Jain	1.62	
		Hemant P. Jain	1.62	
		Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain	4.59
Investments	Joint Ventures	White Knitwear Private Limited	104.17	

Following are the Key Managerial Personnel (KMPs) and their relative in accordance with the provisions of the Companies Act, 2013:

- | | |
|--------------------|---|
| 1. Bhavin Sheth | Chief Financial Officer (w.e.f. Febaury 6,2016) |
| 2. S. L. Kothari | Chief Financial Officer (upto October 10, 2015) |
| 3. Abhijit Warange | Company Secretary |
| 4. Amita S Kothari | Wife of S.L. Kothari (upto October 10, 2015) |

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Disclosure of transactions during the year and year-end balance with above KMP / relative of KMP.

Nature of Transaction	Name of the KMP/Relative	Amounts in ₹
Managerial Remuneration (Salary)	S.L. Kothari	48.69
	Bhavin Sheth	9.15
	Abhijit Warange	30.31
Dividend Paid	S.L. Kothari	0.90
	Amita S Kothari	1.30
Outstanding balance as on March 2016		
Salary Payable	Bhavin Sheth	2.37
	Abhijit Warange	3.26

Note:

- Figures in brackets represents corresponding amount of previous year
- Above transactions exclude reimbursement of expenses
- In case of KMP under the Companies Act, 2013, managerial remuneration excludes gratuity provision as it is determined on actuarial basis for the Parent Company as a whole.

2.33 Operating Lease Arrangements:

Disclosure as per Accounting Standard (AS-19) – “Leases” are given below:

a) As lessee:

Rental expenses of ₹ 73.01 lakhs under operating leases have been recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 3.79 lakhs based on revenue sharing model.

At Balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

Particulars	March 31, 2016 (₹)
Due not later than one year	69.13
Due later than one year but not later than five years	132.81
More than 5 years	-
Total	201.94

The above figures include:

- The agreements are executed for the periods of 33 to 108 months with a non-cancellable period at the beginning of the agreement ranging from 12 to 36 months and having a clause for extension of lease period
- Lease rentals based on estimated date of commencement of lease in cases where the agreements / MOU's have been entered into but the date of commencement of lease is dependent on the date of construction/renovation of premises and based on the commitment for delivery by lessors.
- The above-mentioned lease rentals include a lease the period of which is dependent on the occurrence of an event, the date of which is not ascertainable beyond five years. Hence, the lease rentals are considered up to a period of five years only.

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

- iv. Lease rentals do not include common area maintenance charges and tax payable, if any.
- v. The above details of lease rental obligation exclude the amounts payable by franchisee in accordance with the arrangement with them (a) not later than 1 year ₹ 54.92 lakhs (b) between 1 to 5 year ₹ 125.20 lakhs (c) more than 5 years ₹ 59.31 lakhs.

b) As Lessor:

Rental income of ₹ 6.31 lakhs is recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 1.93 lakhs based on revenue sharing model, which is higher of fixed amount or percentage of revenue of lessee. There is no escalation clause and one of the lease agreements is cancelled during the current year. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

2.34 Details of proportionate share of Joint Venture Company

The Parent Company's proportionate share in the Assets, Liabilities, Income and Expenses of its Joint Venture company included in this consolidated financial statements are given below:-

Particulars	As At March 31, 2016
I. LIABILITIES	
Shareholders' Funds	
Reserves and Surplus	(12.79)
Current Liabilities	
Trade payables	0.33
Short-term provisions	0.02
II. ASSETS	
Non-current assets	
Fixed assets	
Tangible assets	0.13
Non-current investments	0.03
Long term loans and advances	4.76
Current assets	
Current investments	49.29
Cash and cash equivalents	0.20
Short-term loans and advances	0.42
Other current assets	174.06
Contingent Liabilities (includes ₹ 31.82 lakhs towards dividend distribution tax on cumulative dividend on preference shares of the joint venture)	66.82
Capital Commitment	Nil

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

Statement of Profit & Loss	For the year ended March 31, 2016
INCOME	
Other Income	0.13
	0.13
EXPENDITURE	
Employee benefit expense	0.20
Administrative Expenses	1.39
Depreciation and amortization expense	-
	1.59
Profit before tax	(1.46)
Provisions for taxation	
Current tax	-
Deferred tax	-
Profit/(Loss) for the year	(1.46)

2.35 Disclosure regarding Derivative Instrument and Unhedged Foreign Currency Exposure

There are no open derivatives / forward exchange contracts as at year end. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	March 31, 2016	
		Amt. in Foreign Currency	(₹)
Trade Receivables	USD	479,370	317.97
Payable towards Capital Goods	USD	57,501	38.14
Advance for Capital Goods	EURO	325,000	244.04
Advance from Customer	USD	7,202	4.78
Advance to Supplier	USD	7,986	5.30
Balance in EEFC account	USD	4,354	2.89
Foreign currency in hand	Multiple	-	1.89

Note: The above figures do not include open purchase orders/sales orders.

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

2.36 Provisions:

Disclosure as per Accounting Standard (AS) 29 – Provisions, Contingent Liabilities and Contingent Assets are given below:

Particulars	Provision for Contingencies *	Provision for Reimbursement of expenses & claims	Provision for margin on sales return
	March 31, 2016 (₹)	March 31, 2016 (₹)	March 31, 2016 (₹)
Opening Balance	44.92	401.60	60.48
Addition	-	285.25	14.00
Utilization	2.46	349.97	-
Reversals	-	-	-
Closing Balance	42.46	336.88	74.48

* It comprises of rates & taxes.

The above Provision has been grouped under the head 'Short Term Provisions' in Note 2.7.

The timing of the outflow is dependent on various aspects / fulfillment of conditions and occurrence of events. Such provisions are made based on the past experience and assessment of rates and taxes. However, it is most likely that outflow is expected to be within a period of one year from the date of Balance Sheet.

2.37 Disclosure pursuant to accounting standard- 20 'Earnings Per Share' attributable to owners- Earnings per Share (EPS) is calculated as under-

Particulars	As At March 31, 2016
Net Profit as per the Consolidated Statement of Profit and Loss attributable to Owners	6,793.33
Less: Dividend on Preference Shares of Joint Venture*	-
Less: Dividend Distribution Tax (DDT) on above *	3.82
Net Profit for EPS	6,789.51
Weighted-Average Number of Equity Shares for calculation of Basic EPS	123,25,037
Basic EPS (₹)	55.09
Diluted EPS (₹)	55.09
Nominal Value of Share (₹)	10.00

* No adjustment is required for dividend on preference shares of the joint venture held by the parent company. However adjustment to the extent of DDT on the dividend amount is made for calculating EPS.

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for the year ended 31st March 2016

(₹ in lakhs except as otherwise stated)

2.38 Disclosure of additional information pertaining to the Parent Company and Joint Venture:

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated net assets	Net Assets ₹	As % of Consolidated profit or loss	Profit/(Loss) ₹
Parent Company				
Kewal Kiran Clothing Limited	100.04	30,096.03	100.02	6,794.79
Joint Venture (as per proportionate consolidation)				
White Knitwear Private Limited	(0.04)	(12.79)	(0.02)	(1.46)
Total	100.00	30,083.24	100.00	6,793.33

As per our Audit Report of even date attached

For **N. A. Shah Associates**
Chartered Accountants
Registration No.:116560W

For **Jain & Trivedi**
Chartered Accountants
Registration No. : 113496W

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Sandeep Shah
Partner
Membership No. : 37381

Satish Trivedi
Partner
Membership No. : 38317

Kewalchand P Jain
Chairman &
Managing Director
Din No: 00029730

Hemant P Jain
Whole time Director
Din No: 00029822

Place: Mumbai
Date: May 23, 2016

Bhavin Sheth
Chief Financial Officer

Abhijit Warange
Company Secretary

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries – Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Venture	White Knitwears Private Limited(WKPL)
1. Latest audited Balance Sheet Date	March 31, 2016
2. Shares of Joint Venture held by the company on the year end	
No.	330,000
Amount of Investment in Joint Venture	3,300,000
Extend of Holding%	33.33%
3. Description of how there is significant influence	Due to holding of 33.33% equity shares in WKPL
4. Reason why the Joint Venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	22,853,651
6. Profit / (Loss) for the year	
(i) Considered in Consolidation	(146,574)
(ii) Not Considered in Consolidation	Nil

- Names of associates or joint ventures which are yet to commence operations – Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable.

As per our Audit Report of even date attached

For **N. A. Shah Associates**
Chartered Accountants
Registration No.:116560W

For **Jain & Trivedi**
Chartered Accountants
Registration No. : 113496W

For and on behalf of the Board of Directors
of Kewal Kiran Clothing Ltd

Sandeep Shah
Partner
Membership No. : 37381

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Chairman &
Managing Director
Din No: 00029730

Hemant P Jain
Whole time Director
Din No: 00029822

Place: Mumbai
Date: May 23, 2016

Bhavin Sheth
Chief Financial Officer

Abhijit Warange
Company Secretary

General Information

BOARD OF DIRECTORS

Mr. Kewalchand P. Jain
Chairman & Managing Director

Mr. Hemant P. Jain
Whole-time Director

Mr. Dinesh P. Jain
Whole-time Director

Mr. Vikas P. Jain
Whole-time Director

Dr. Prakash A. Mody
Director

Mr. Nimish G. Pandya
Director

CA Mr. Yogesh A. Thar
Director

CA Ms. Drushti R. Desai
Director

CA Mr. Bhavin D. Sheth
Chief Financial Officer (w.e.f. February 6, 2016)

CA Mr. S. L. Kothari
Chief Financial Officer (upto October 10, 2015)

CS Mr. Abhijit B. Warange
Vice President - Legal & Company Secretary

STATUTORY AUDITORS

M/s. Jain & Trivedi
Chartered Accountants, Mumbai

M/s. N.A. Shah Associates LLP
Chartered Accountants, Mumbai

INTERNAL AUDITORS

M/s. Bhandarkar & Kale
Chartered Accountants, Mumbai

SECRETARIAL AUDITORS

M/s. U. P. Jain & Co.
Company Secretaries, Mumbai

LEGAL ADVISORS

Pandya Juris LLP
International Lawyers & Tax Consultants

Solomon and Co.
Solicitors & Advocates

BANKERS

Standard Chartered Bank, Mumbai,

REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compounds,
L.B.S. Marg, Bhandup (West),
Mumbai-400078

FACTORIES

Vapi
Plot No. 787/1/2A/3, 40 Shed, II Phase, G.I.D.C
Vapi: 396 195, Gujarat

Daman
697/3/5/5A/13, Near Maharani Estate,
Somnath Road, Dabel, Daman: 396 210

Mumbai
Synthofine Estate, Opp. Virwani Industrial Estate
Goregaon (East), Mumbai: 400 063

71-73, Kasturchand Mill Estate,
Bhawani Shankar Road,
Dadar (West), Mumbai: 400 028

Windmill
Land Survey No.1119/P, Village Kuchhadi,
Taluka Porbunder, District Porbunder, Gujarat

Website
<http://www.kewalkiran.com>

REGISTERED OFFICE

Kewal Kiran Estate, 460/7, I.B. Patel Road,
Goregaon (East), Mumbai: 400 063

