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**Quotient
is Trending**

**ANNUAL REPORT
2017-2018**

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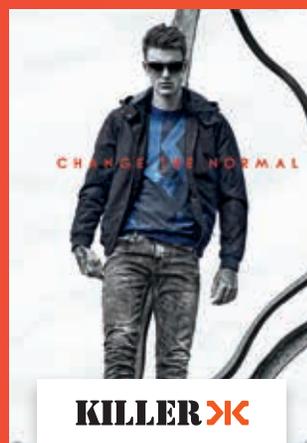
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Our Brands



Key highlights FY 2018

107,574

MRP TURNOVER
(₹ in lakhs)

45,698

NET TURNOVER
(₹ in lakhs)

7,325

PROFIT AFTER TAX
(₹ in lakhs)

2,144

EMPLOYEES

25 states

PRESENCE



The K-quotient is trending

India is a country driven by its youth. A nation led by its young and vibrant deserves a brand that resonates its character. KKCL's trendsetting, niche and bold offerings symbolise the youth of India, making us one of the most popular and preferred clothiers in the country.

Our brand proposition is essentially a multiple that adds style, value, growth and accessibility to fashion. This multiple, or the 'K-quotient', is what sets us apart and drives us.

We have a strong resolve to democratise India's fashion scenario and are characterised by a global outlook with a homegrown attitude. In everything we do, we ensure that the ultimate value offered by the K-quotient is reflected and delivered.

About KKCL

The world of style. The world of KKCL.

Kewal Kiran Clothing Limited (KKCL) was founded in 1992 with the goal of establishing a world-class house of fashion. Today, KKCL is one of the largest branded apparel manufacturers in India.

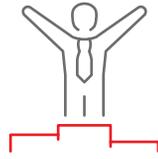
We design, manufacture and market branded denim wear, in addition to a wide range of semiformal and casual wear. A proud owner of some iconic apparel brands in India, such as Killer, Easies, LawmanPg3 and Integriti, KKCL is constantly innovating and evolving to meet the sartorial requirements of individuals across all age groups.





Vision

To be a world-class business organisation which enables value, best services and enhancement of net worth for all the stakeholders.



Mission

We will become world-class business organisation by:

- Driving excellence through its people, business partners and the other stakeholders
- Focusing on consumer satisfaction and executing the customer-centric business module
- Adopting international standards and best practices in every business operation
- Executing the business based on the following three core growth principles:
 - **Stability:** We aim to maintain steadiness in performance, thereby enabling the ability to withstand a temporary problem.
 - **Sustainability:** We focus on diversity and productivity in all operations of the business which leads to minimum impact of adverse business environment on the Company's business operations.
 - **Scalability:** Our focus is to build systems and process in such a manner that enables the Company to accommodate future business growth.

Values



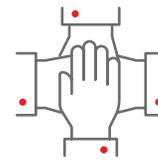
Ethos

We run the business within our set frameworks of operating principles which exhibit morality and rightness. Ethical practices are the base of our business operations.



Passion and long-term vision

We strive hard with passion and pain to meet and set the industry's benchmarks in all systems and processes and thereby to give a delightful experience to our stakeholders. Our aim is to cultivate the culture where every stakeholder shall have a long term vision and all shall work in cohesive team to achieve our shared long term vision.



Seamlessness

We work together across functional, geographical and hierarchical levels to achieve our business objectives. We exhibit openness, teamwork, shared responsibilities, and collaborative approach in our day-to-day functioning.



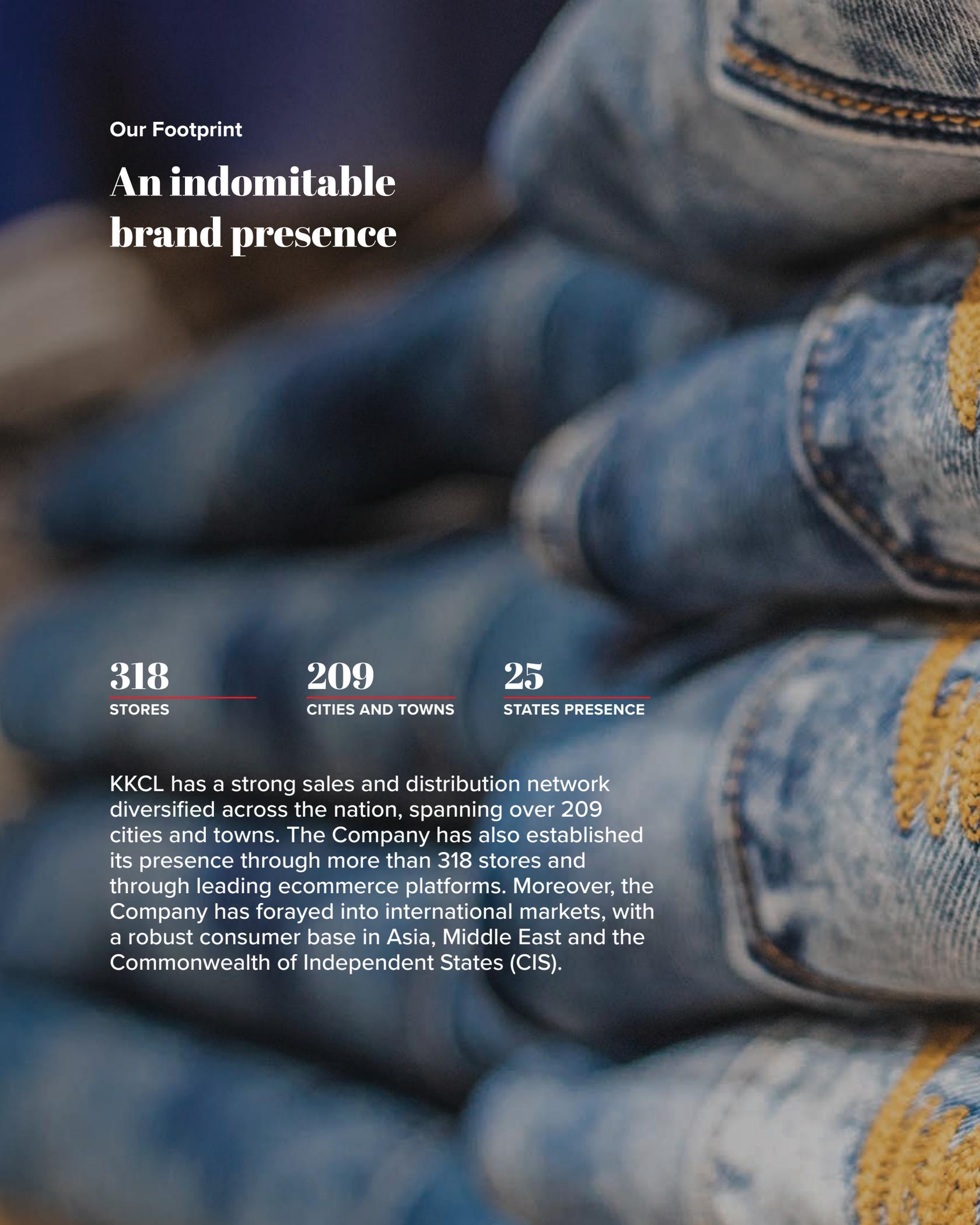
Respect and humility

Every stakeholder including employees, vendors, business partners is treated with great respect and humbleness and admits what they do not know, actively listen to idea/suggestion from people at all levels. Let their work speak instead of talking about it.



Generous thoughts

We are accountable towards stakeholders and society. We are liberal in giving back to the stakeholders to whom we are always committed. We work with them for the upliftment of society.



Our Footprint

An indomitable brand presence

318

STORES

209

CITIES AND TOWNS

25

STATES PRESENCE

KKCL has a strong sales and distribution network diversified across the nation, spanning over 209 cities and towns. The Company has also established its presence through more than 318 stores and through leading ecommerce platforms. Moreover, the Company has forayed into international markets, with a robust consumer base in Asia, Middle East and the Commonwealth of Independent States (CIS).



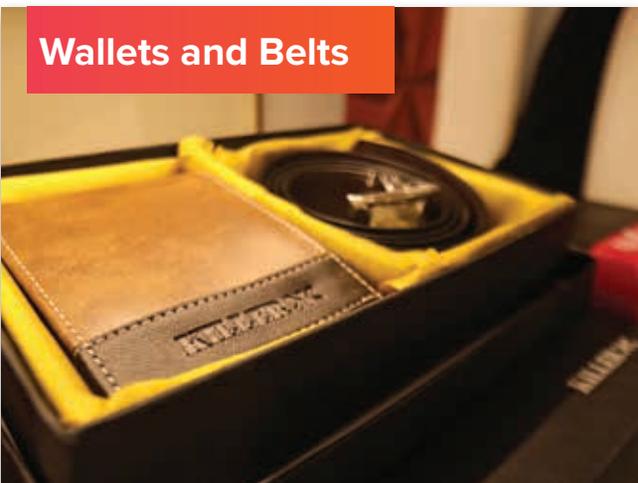
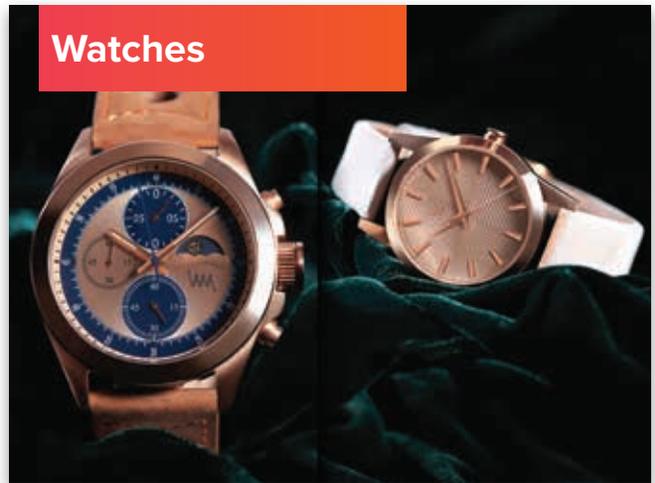
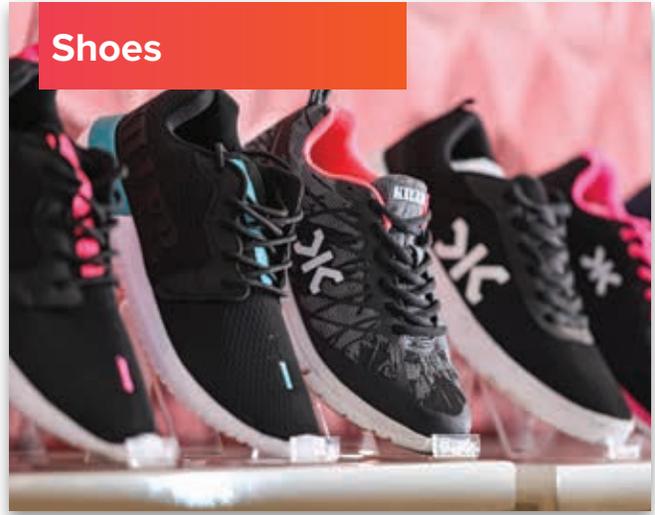
Our Product Portfolio

Exquisite styles, reimagined

KKCL caters to the continuously evolving demands of the youth of today through its plethora of apparel and accessories. The brand offers a wide range of comfortable and superior-quality clothing and chic accessories, tailor-made for a diverse consumer category. Our branded lifestyle products, ranging from daily casual wear to party and office wear, are made available at affordable price points, affirming our strong market position.

Our product categories





Our Brands

Home-grown labels, Out-of-the-world value

KKCL carved a niche for itself by creating an arena for its popular homegrown brands. This unconventional step has propelled the Company's success, making it a nationally and globally recognised name in the branded apparel industry.

Iconic brands from KKCL

Killer

Killer, the flagship brand of KKCL, imbibes in it the imagination of today's youth with its international feel and a unique style quotient. The brand represents the rebellious nature of today's youth through its innovative jeans designs and trendsetting denim collection.



LawmanPg3

LawmanPg3 is the modish brand of KKCL that is marked with a rich glamour quotient. The brand specialises in trendy denim and party wear for the very young to the ageing adult.

Integriti

The Integriti brand represents the energetic youthful spirit. Its style and affordable pricing have made the brand a preferred choice of youth. The brand ensures a complete package of fine-quality casual, semiformal and formal wear.



Easies

Easies is changing the face of corporate fashion in India through its range of semiformal menswear made of high-end quality fabric. Jeans, trousers, chinos, T-shirts, shirts and jackets manufactured under this brand are trendy and comfortable.

Addictions

Addictions, the accessories wing of KKCL, makes lifestyle products such as deodorants, watches, wallets, belts and inner wear. This segment of the business has attracted a large audience in terms of its varied stylish offerings.



K-Lounge

K-Lounge stores showcase apparel and other accessories from KKCL's brand stable. It is a one-stop-shop solution for fashion-conscious consumers.

Marketing Campaigns

Partnering and featuring with the best

To further our brand recognition and brand presence, we have partnered and featured with leading media platforms such as Bollywood movies, renowned magazines and large-scale event sponsorships.

KKCL in media



LawmanPg3

- LawmanPg3 was the Star Partner for the movie 'Munna Michael' starring Tiger Shroff.
- The CineBlitz Magazine featured the brand name on its cover of the 2017 issue. The cover presented Bollywood stars Kriti Sanon and Siddharth Malhotra posing in LawmanPg3 outfits.
- The Exhibit magazine cover of 2017 showcased Rana Daggubatti sporting LawmanPg3 attire.
- LawmanPg3 was the title sponsor for the premier event – Holi Reloaded 2017 – organised in Mumbai.
- LawmanPg3 was an official sponsor of the Gujarat Lions cricket team in the Indian Premier League (IPL) season for two consecutive years in 2016 and 2017.



Killer

- KKCL is the franchise owner of the team 'Goa Killer' in Box Cricket League (BCL), where celebrities compete in an indoor cricket game.
- Killer was the presenting sponsor of BCL Season 3, which was telecast on the television channel MTV.

Integrati

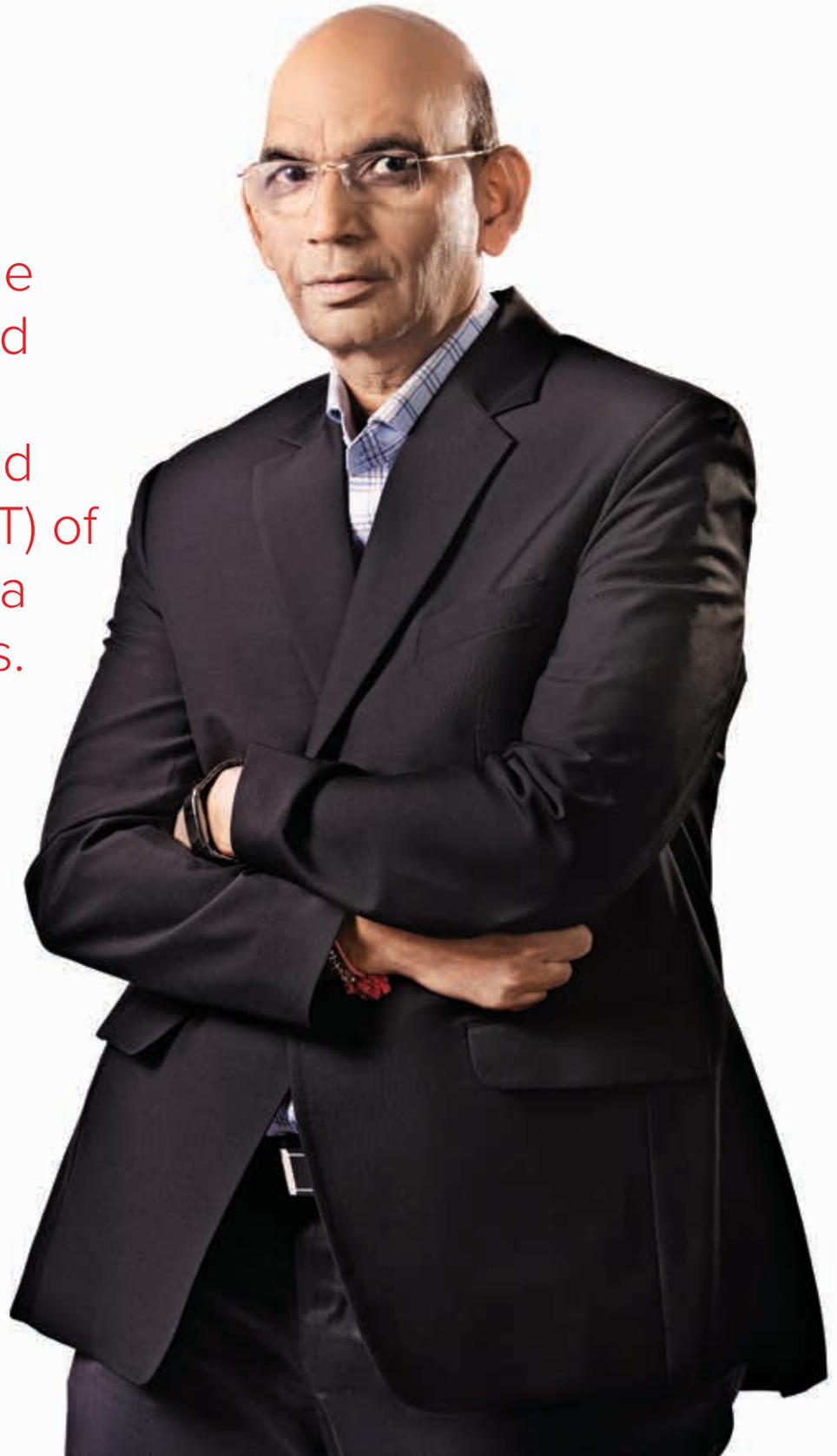
- The 'Reckless' collection was launched by Integrati in Bhubaneswar at the Fashion Runway, a fashion show.
- Integrati inaugurated Integrati Dance Music (IDM) with Diego Miranda at the Bits Pilani Goa EDM Fest.
- Integrati and IDM together organised the world's biggest guest list festival – Guestlist4good, an event with DJ Hardwell and his United We Are Foundation.

From the Chairman's Desk

A year of sustained performance

“

During the year, the Company achieved total revenue of ₹ 483.01 crores and Profit after Tax (PAT) of ₹ 73.25 crores on a consolidated basis.





KKCL, with its strong brands, robust infrastructure, well-entrenched distribution and a culture of innovation, is geared to exceed the demands and aspirations of modern, fashion-conscious consumers.

Dear Shareholders,

I take pleasure in presenting to you the 27th Annual Report of the Company for the financial year ended 31st March 2018. During the year, the Company achieved total revenue of ₹ 483.01 crores and Profit after Tax (PAT) of ₹ 73.25 crores on a consolidated basis. The Company has continued to maintain a healthy payout with a total dividend of ₹ 33 per share (including interim and final dividends). The sustained business and profitability was an outcome of the Company's strategy to pursue profitable growth. As you are aware, the country witnessed two large economic events of demonetisation and introduction of the GST within a span of nine months. Both Government initiatives were targeted towards greater formalisation of the Indian economy and increasing the level of transparency and compliance in economic transactions in the country. While the organised sector will stand to gain in the long-term with these structural reforms, measures of this magnitude led to short-term disruption, especially in trade, as they are most susceptible to liquidity flows. The branded apparel sector was severely impacted as weakened consumer sentiment and disrupted supply chain led to the liquidation of inventory.

As has now become an industry practice, several players resorted to aggressive discounting and promotions and early commencement of end-of-season sales. The Company has always guarded against over exposure in such turbulent times and maintained a tight discipline in managing and pushing inventory through various channels. FY 2017-18 was a year of consolidating and sustaining the business and financial

performance and the Company was able to successfully maintain its revenues, profitability and cash flows due to its inherent strengths built over more than two decades. KKCL is in a strong position and has nurtured all its stakeholders to create a conducive ecosystem that is resilient to volatile market conditions and primed for growth as the macro factors turn favourable. While inflation sensitivity remains high, with rising crude oil prices and a declining rupee stoking higher interest rates, the Government has taken measures for augmenting rural and farmer incomes with the objective of broad-basing the development spectrum. The branded apparel sector is well-positioned to benefit from the structural changes and the favourable demographics of our country. KKCL, with its strong brands, robust infrastructure, well-entrenched distribution and a culture of innovation, is geared to exceed the demands and aspirations of modern, fashion-conscious consumers.

The Company remains committed to its growth strategy and thanks all its stakeholders for their continued support and looks forward to a rewarding journey ahead.

With best wishes,

Kewalchand P. Jain

Chairman and Managing Director

Key Performance Indicators

Continued performance. Consistent results.

Maximum Retail Price Turnover (₹ in lakhs)



Revenue (₹ in lakhs)



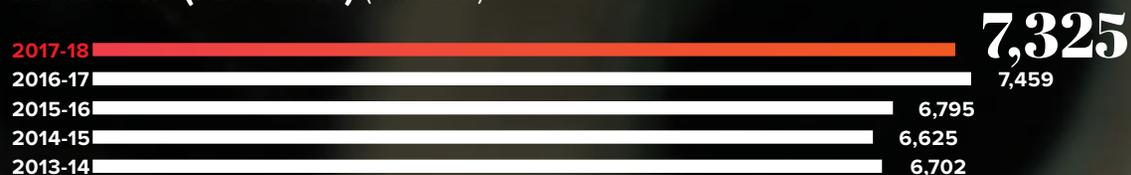
EBITDA (₹ in lakhs)

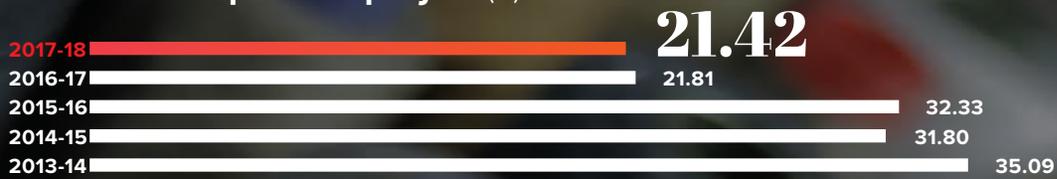


Net Profit (Before Tax) (₹ in lakhs)



Net Profit (After Tax) (₹ in lakhs)



Net Worth (₹ in lakhs)**Return on Capital Employed** (%)**Dividend Per Share** (₹)

* On payment basis

Earnings Per Share (₹)

Opportunities and Competitive Advantages

What sets us apart

Opportunities

At KKCL, we are well-prepared to make the best of the available opportunities, by catering to both the visible and latent needs of consumers. With our clear proposition of value combined with the motto of creating a stylish nation, we are ready to take on the opportunities.



An economy with a burgeoning consumption rate

More than 60% of India's GDP is a contribution of the consumption sector*. Nearly half of this is attributed to retail. The growth of organised retail is stronger than ever in the country, and fashion brands like KKCL champion this growth.

* Source: IBEF



Indian fashion industry at an inflection point

In India, the fashion industry is at a major inflection point and is expected to exponentially grow as India's per capita GDP crosses the \$2,000 mark*. This is enabled by rising disposable incomes, democratisation of technology, improved brand penetration and an aspirational target audience.

* Source: UNESCO, CLSA Report



Increased traction of organised fashion retail

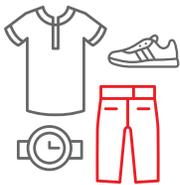
Recent years have seen Tier-II and Tier-III Indian cities welcoming significant brand penetration and traction. The rising number of young population and affluence of the middle-class is believed to be a core driver of this transformative shift towards branded fashion labels.



The value-seeking proposition

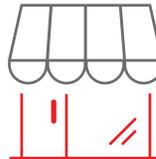
As a market, India is predominantly value-seeking. This requires unique business models like that of KKCL's to cater to the population, while sustaining profits.

Competitive Advantages



Diversified portfolio

We have been designing and manufacturing fashion apparel for people from across the nation. Our diverse range of products from denims to t-shirts to accessories are designed as per international standards with a local flavour. With iconic brands like Killer, Integriti, Lawman Pg3 and Easies, we have the advantage of catering to both the masses as well as the high-street categories.



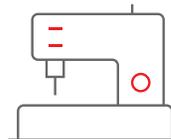
Established distribution channels

Our strength is our strong and wide network of distribution channels, dedicated sales force and established presence across retail and online stores. We have grown over the years and today are present in over 318 K-Lounge/Exclusive Brand stores, along with being available at all leading online portals, multi-brand outlets and national chain stores. These channels have not only attracted customers, but also helped KKCL keep abreast of changing requirements.



Distinctive quality

Our apparels are made of superior fabric quality. We are committed to providing a great fashion experience to each of our consumers and do not compromise on quality. All KKCL manufacturing facilities are certified ISO 9000:2008 and the Vapi facility is additionally certified ISO 14001: 2004.



Tech-led manufacturing capabilities

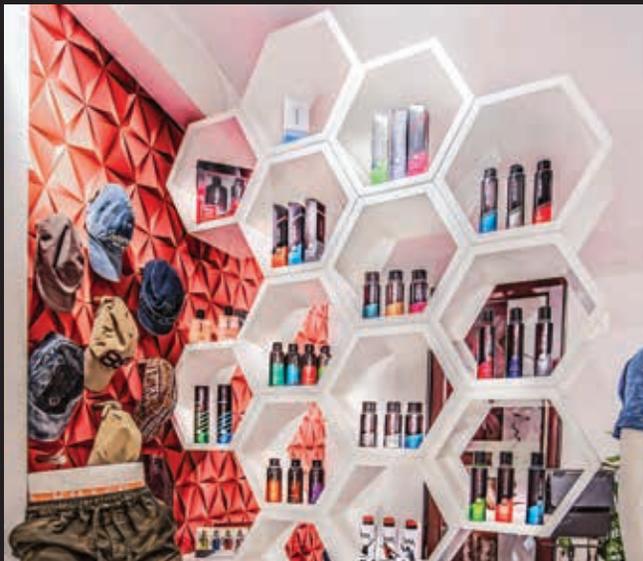
We use state-of-the-art technology in manufacturing denims and all other garments and accessories. Our units are equipped with advanced machinery, helping us offer the best products to our customers.



Experienced management team

Our success is largely attributed to the experience and expertise of our leadership team. It is under their guidance and stewardship that the Company has grown to become one of the leading fashion apparel houses in the country.

KKCL CORPORATE OFFICE AT MUMBAI





8

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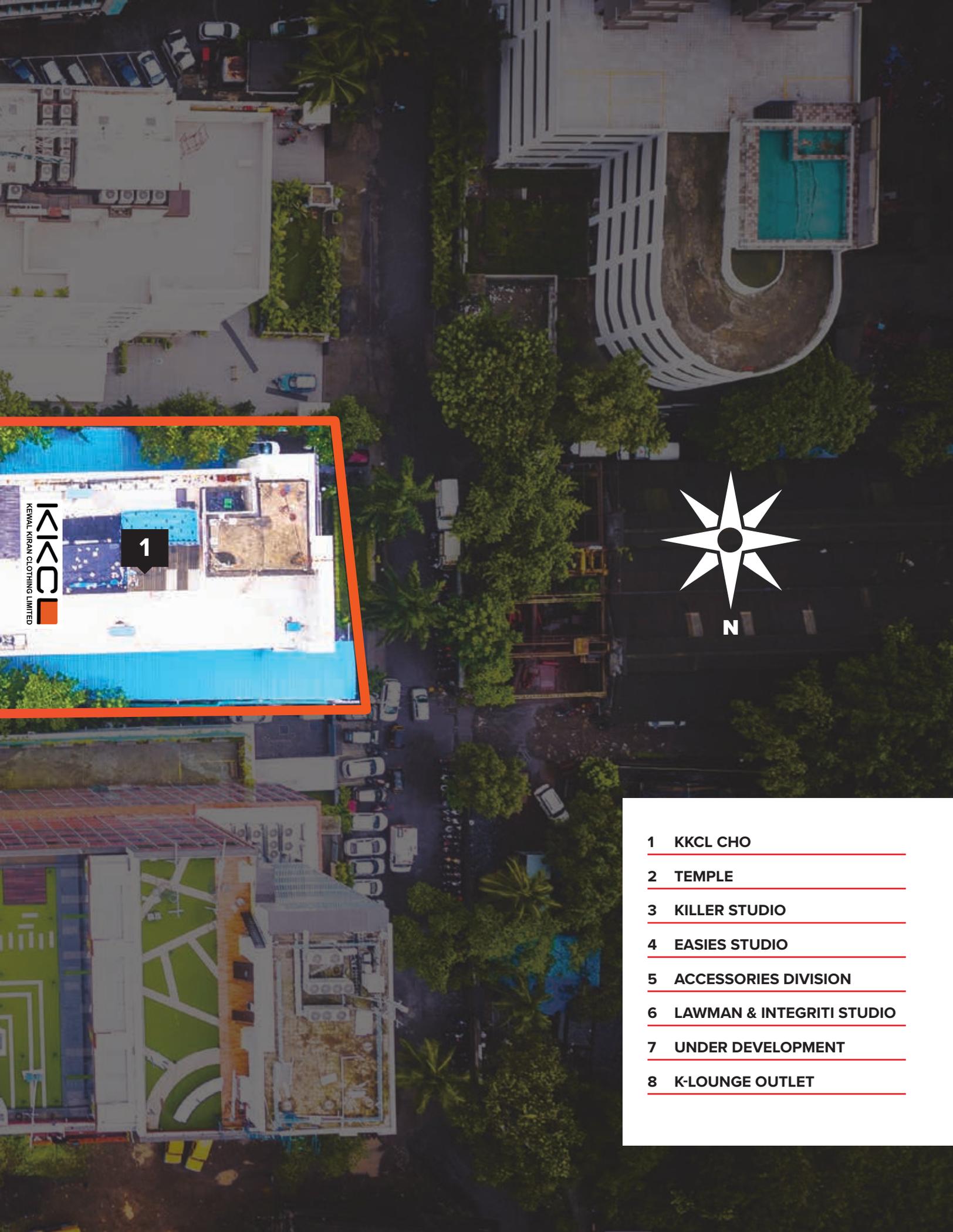
3

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4

7

5



KKCL
KEMAL KIRAN CLOTHING LIMITED

1



- 1 **KKCL CHO**
- 2 **TEMPLE**
- 3 **KILLER STUDIO**
- 4 **EASIES STUDIO**
- 5 **ACCESSORIES DIVISION**
- 6 **LAWMAN & INTEGRITI STUDIO**
- 7 **UNDER DEVELOPMENT**
- 8 **K-LOUNGE OUTLET**

◀ AERIAL VIEW OF SITE INSIDE





The Quotient of **STYLE**



We at KKCL are ardent believers in style. Style that is contemporary, but timeless. Style that is exclusive in design, but available to the aspiring.

Style is a signature that people carry with them. At KKCL, it is our aim to compliment individual personalities with our style-based offerings. We have brought the most discernible denims to the aspiring masses, from the youth to the elderly. Crafted to compete with international styles, our product range demonstrates quality and appeal across categories. This has been achieved through our intensive efforts and an undying passion.

Leveraging on the success of our denim range that was highly welcomed by our audience, we have introduced a plethora of accessories and casuals.

KKCL has thus proved to be a disruptive player in the Indian fashion industry, catapulted by our extraordinary style quotient.

Today, KKCL is one of India's favourite fashion destinations. We appeal to all categories of customers to fulfil their style requirements at a price range affordable to them. While we are cognisant of the ever-changing fabric of fashion, our trend of offering quality products at a value-based price point is always trending.

The Quotient of **VALUE**



Over the years, KKCL has grown to be synonymous with affordable style. Our trendsetting offerings come at a price affordable to every pocket, thereby becoming a favourite among the masses.

Since inception, our value proposition has been consistent. We aspire to offer great fashion at an economical price range. We have recognised the pulse of our audience in a highly price-conscious economy. To this end, we have been addressing multiple segments with the same principle of affordability.

Our growing customer base is a clear validation of our operating and marketing model. We embrace technology in our operations along with efficient processes to manufacture and market quality apparel and accessories at reasonable price points. Value thus remains and will remain a part of our core offering.

We at KKCL move in tandem with a value-seeking consumer group and are growing with our exceptional value quotient.





The Quotient of **GROWTH**



Growth is a multifaceted metric. For us at KKCL, growth manifests not only in topline expansion, but also in increased footfall, a burgeoning customer base and strengthening customer loyalty.

Since its inception in 1992 and the subsequent introduction of renowned brands, KKCL has grown to be an end-to-end solution for fashion. Our growth through the years was guided by our core, RIGHT values – Resilience, Integrity, Growth, Hard work and Trust. Today, KKCL registers a revenue of ~ ₹ 460 crores, with an operating profit of ~₹ 98 crores with a healthy cash balance.

In our journey, we have achieved several milestones, including an oversubscribed stock exchange listing, introduction of legendary brands and several accolades. Above all, we have been rewarded with exceptional customer confidence and loyalty.

All through our journey of achieving an excellent growth quotient, we have stood with our customers and their aspirations.

The Quotient of **COMPETENCY**



We believe that exquisite styles can be created only with excellent infrastructure. Staying true to this belief and with our relentless efforts at KKCL, our state-of-the-art infrastructure has become one of our core competencies.

Our success thrives on this front- and back-end infrastructure, which consists of our office space, design studios, production facilities, supply chain and our well-planned stores, all connected by digitally-enabled processes. It is this infrastructure that aids our expansive presence in 25 states of India.

Our manufacturing facilities hold capabilities to churn out world-class design using state-of-the-art technology. With a total annual capacity of ~6.5 million units, each facility is a house of innovation and a complementing factor to the styles we produce and market. We are assisted by international professionals to lead our research and technology wing. We also strive to make sure that we function in a sustainable manner, adopting a triple-digit bottom-line approach.

With such well-integrated infrastructure, KKCL's quotient of competency drives its continued market success.



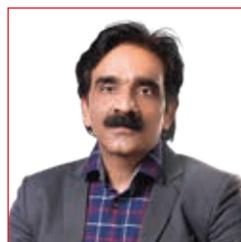
Board of Directors



Kewalchand P. Jain

Chairman and Managing Director

- A keen student of finance and a hands-on manager
- Introduced the branded apparel segment of KKCL
- Spearheads the finance function and is responsible for the overall management of the Company's affairs
- Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust



Hemant P. Jain

Whole-time Director

- Played a pivotal role in launching Killer and Easies brands
- Spearheads Killer and Easies brands
- Contributes to the retail business of the Company
- Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust



Dinesh P. Jain

Whole-time Director

- Heads the manufacturing operations of the Company
- Specialises in production, human resources (HR) and industrial relations (IR)-related issues
- Ensures optimum utilisation of the Company's production facilities, its manpower and overall development (Dadar, Goregaon, Daman and Vapi)
- Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust



Vikas P. Jain

Whole-time Director

- Spearheads the LawmanPg3 and Integriti brands
- Supervises the lifestyle accessories business under the brand 'Addictions'
- Contributes to the retail business of the Company through extensive research for new technologies in garment manufacturing
- Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust



Prakash A. Mody
Independent Director

- Doctorate (Ph.D) in Organic Chemistry from the University of Mumbai
- Pursued Marketing Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai
- A graduate alumnus of the Harvard Business School, having undergone the Owner Presidents' Management Programme
- Chairman and Managing Director of Unichem Laboratories Limited
- Rich experience in marketing, research and production
- Member of National Committee on Drugs & Pharmaceuticals of the Confederation of Indian Industry (CII)



Nimish G. Pandya
Independent Director

- An eminent lawyer and a founding partner at Pandya Juris LLP, International Lawyers & Tax Consultants and proprietor at Pandya and Co., Advocates and Notary
- Member of the Bar Council of Maharashtra and was appointed as Notary Public by the Government of Maharashtra in 1993
- 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, Conveyance and Real Estates and Family and Personal Law
- Trustee of Shree Satya Sai Trust, Maharashtra
- All-India President of Shree Satya Sai Seva Organisation



CA Yogesh A. Thar
Independent Director

- Member of the Institute of Chartered Accountants of India (ICAI)
- Senior Partner in Bansi S. Mehta & Co., a renowned Chartered Accountancy firm in Mumbai
- Over 30 years of experience in Business Mergers, Acquisitions and Restructuring, Business Valuations, Corporate Taxation and Taxation of Non-resident Citizens and Foreign Companies
- Member of the Direct Tax Committee of the Chamber of Tax Consultants



CA Drushti R. Desai
Independent Director

- Member of the Institute of Chartered Accountants of India (ICAI)
- Partner in Bansi S. Mehta & Co., a renowned Chartered Accountancy firm in Mumbai
- Over 19 years of experience in Valuation of Shares, Businesses and Intangibles and Advisory Services on schemes relating to Mergers, Acquisitions, Spin-offs and other forms of Corporate Restructuring and Family Settlements, Financial and Management Advice and Corporate and Individual Taxation (income tax, wealth tax and gift tax)

People Initiatives

The wind beneath our wings

Kewal Kiran Clothing Limited (KKCL) is an organisation that grows with its employees

The rapidly changing business dynamics calls for maintaining the competitive edge over competitors. The corporate human resource team ensures achievement of the competitive advantage through our most critical and important asset – The Human Resources.

In today's YUVA world, it has become imperative for the company to attract, develop and retain these "Y" & "Z" generation employees to ensure a stable pipeline of Company's talent pool for the future.

Accordingly, our HR mission can be characterised by:-

- To assist our employees in understanding their potential and accordingly develop themselves
- To build the right culture and capabilities to enable us to delight our customers
- Move from HR as a support function to enabling function which can drive the growth of the Company



Retail Employee Day Celebration

HR BUSINESS PARTNERING

In the volatile market scenario, the integration of HR the function with business is the need of the hour to ensure that "HR acts as an active Business Partner."

We have reengineered and embedded our HR Processes in such a way that HR always remains actively involved in business performance reviews and provides strategic inputs to the business decision-makers.

One of the key focus areas for the year was to optimise the cost and enhance employee productivity. There has been significant work done in the areas of productivity and cost optimisation through experiments with various OD interventions and manpower restructuring initiatives.

CRAFTING PERFORMANCE-DRIVEN CULTURE

We strongly believe that people growth drives business growth. We have commenced the process of talent management with an aim to identify and develop High Potential and High Performing employees.

Our performance management system is tailor made and designed to achieve holistic employee development through performance differentiation and effective evaluation.

We emphasise on ensuring that our each and every employee is aware about what is expected from them by the management, which creates an ownership and entrepreneurial approach to perform any assigned role more effectively.

We appreciate and recognise our employees for their best efforts and excellent performance achievements. This year on the eve of Retail Employees Day (RED) celebrated on 12th December 2017 we have felicitated high-performing frontend team members of National Chain Store format stores throughout India.



Customer Sales Associates training session

NURTURING HUMAN CAPITAL

Learning and development are the cornerstones of the Company's human capital initiatives. The Company provides a number of opportunities to its employees to build and upgrade their skillsets.

The Company emphasises on 'Knowledge' as a key differentiator, wherein we undertake continuous efforts for creating an environment of continuous learning which equips employees with knowledge and skills aligned to the Company's strategic objectives and business goals.

Our learning and development initiatives are also extended to the contractual staff.

EMPLOYEE HAPPINESS QUOTIENT

Celebrations have been a pivotal focus of the Company wherein we never miss any opportunity of enjoying the festivals and special days with employees. We organise fun-centric activities and contests on various occasions such as Diwali, Dussehra, X-mas, Rakshabandhan, Women's Day etc. to boost employee morale and enhance bonding between cross-functional teams.

Physical health and fitness are important elements of employee well-being and to facilitate this, the Company arranged several programmes to make the employees conscious about their health and physical fitness by



Women's Day Celebration



Traditional Day Celebration

conducting Eye Check Up and Body Mass Index (BMI) camps across all operating locations.

Protection of employees from employment injury is a major consistent objective. We ensure safe and secure workplace for employees by adhering to safety protection norms and compulsory usage of Personal Protection Equipment (PPE) by all workers. We adopt certified green chemicals, latest blue technology and energy conservation initiatives to be one of the best environment-friendly organisations.

We proudly say that our office environment is free from harassment of any nature. We undertake several measures for creating awareness through POSH and other training programmes to educate employees, managers and ICC officer bearers.

We practice a zero-tolerance approach towards issues concerning discrimination on the grounds of race, religion, gender, age, sex or any disability.



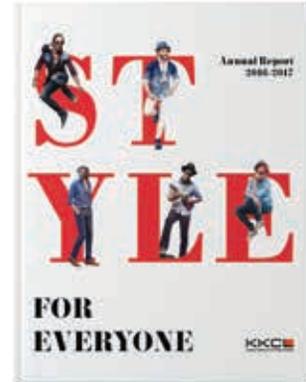
Health check-up Camp



POSH training program

Achievements

A track record of stellar accomplishments



Kewal Kiran Clothing Limited (KKCL) was honoured with the Golden Shield Award by the Institute of Chartered Accountants of India (ICAI) for Excellence in Financial Reporting for FY 2016-17.



The Vapi Manufacturing Unit of the Company won gold awards in 'FAME Excellence Award 2017' and 'Grow Care' India's Environment Award 2017'.



Corporate 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

Chief Financial Officer

CA Mr. Bhavin D. Sheth

Vice President – Legal & Company Secretary

CS Mr. Abhijit B. Warange

Statutory Auditors

M/s. Khimji Kunverji & Co.
Chartered Accountants, Mumbai

Internal Auditors

M/s. Mahajan & Aibara LLP
Chartered Accountants, Mumbai

Concurrent Auditors

M/s. Bhandarkar & Kale
Chartered Accountants, Mumbai

Secretarial Auditors

M/s. U. P. Jain & Co.
Company Secretaries, Mumbai

Legal Advisers

Pandya Juris LLP
International Lawyers & Tax
Consultants

Solomon and Co.
Solicitors and Advocates

Bankers

Standard Chartered Bank
Mumbai

Registrar & Transfer Agents

Link Intime India Private Limited,
C-101, 247 Park, LBS Marg, Vikhroli
West, Mumbai – 400 083

Factories

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, Dhabel
Daman - 396 210

Mumbai
Synthofine Estate,
Opp Virwani Industrail 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

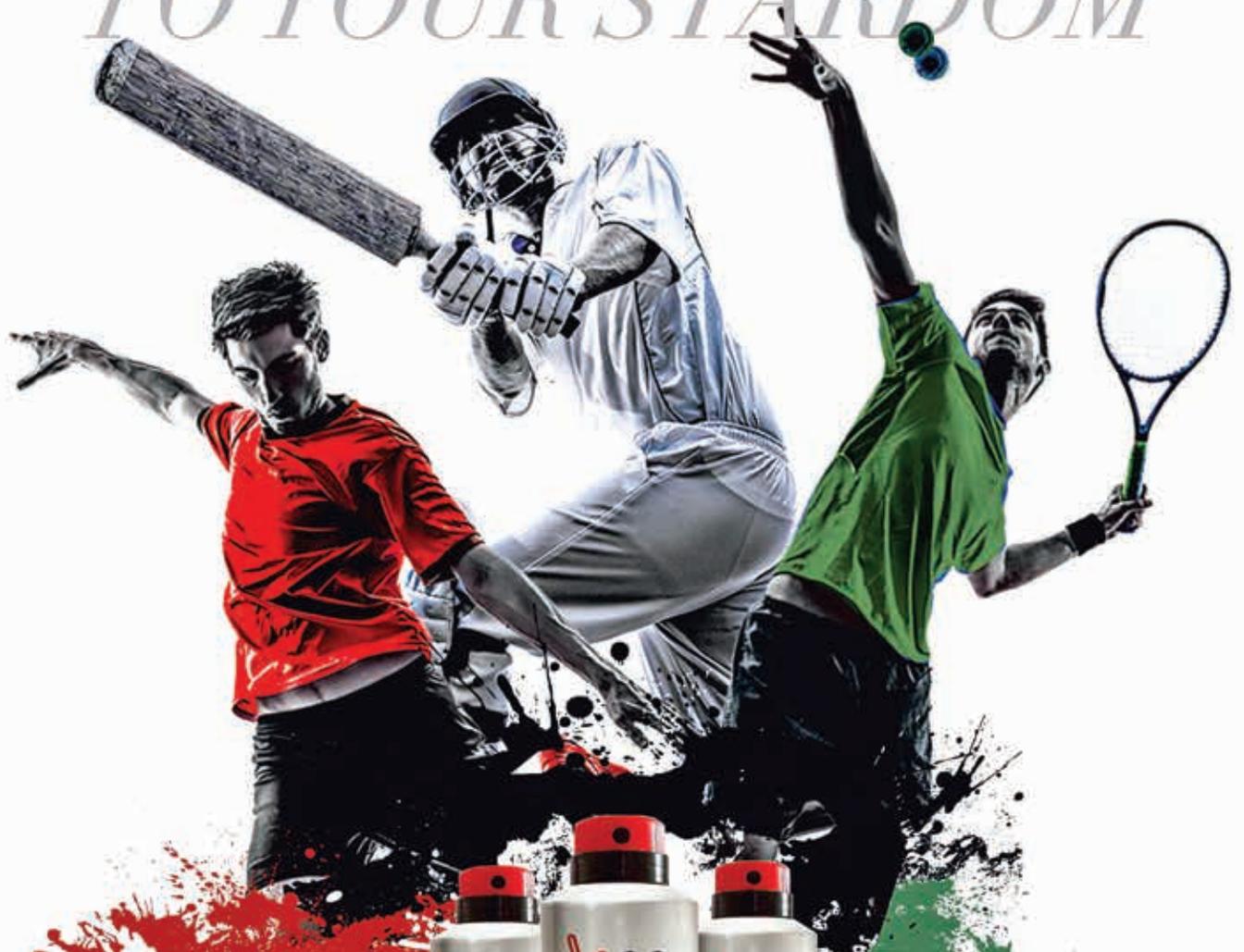
Website

www.kewalkiran.com

Registered Office

Kewal Kiran Estate, 460/7,
I.B. Patel Road, Goregaon (East),
Mumbai - 400 063

LIGHT UP THE SPARK *TO YOUR STARDOM*



DEODORANTS BY

LAWMAN Pg³

BE THE STAR

A man with short brown hair and a light beard is walking on a cobblestone street in a European-style city. He is wearing a white short-sleeved button-down shirt with a blue and black floral pattern, a plain white t-shirt underneath, and tan-colored trousers. He is looking to his left with a slight smile. The background shows blurred buildings and street lamps.

*Weekend.
Every day.*

easies

RUN BEFORE
YOU WALK



EXCLUSIVE FOOTWEAR BY

LAWMAN Pg³

BE THE STAR

KKCL FACTORY AT VAPI





6

7

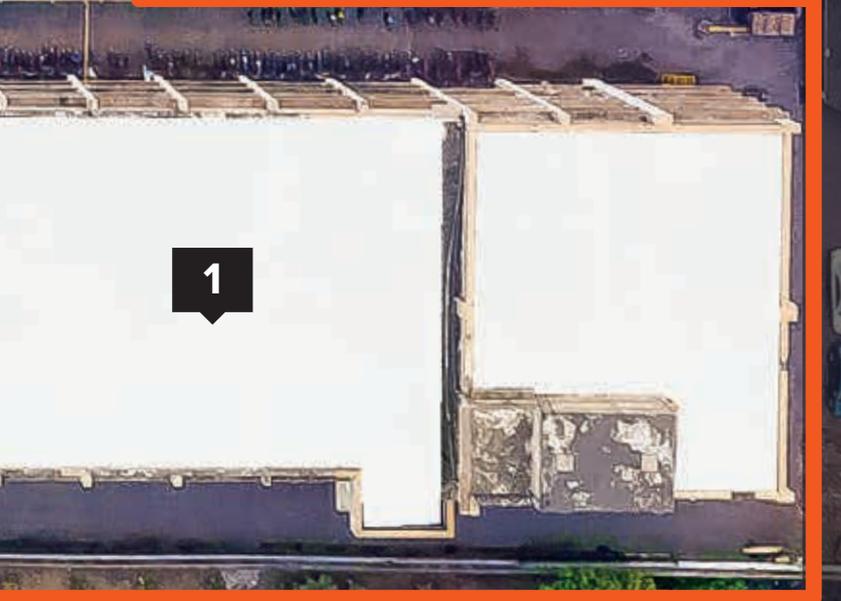
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3

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KKCL
KEWAL KIRAN CLOTHING LIMITED



1 RAW GARMENTS AND STITCHING UNIT

2 TEMPLE

3 CANTEEN

4 WAREHOUSING

5 DEVELOPMENT AND OFFICE

6 UTILITY ROOM

7 WASHING AND DRY PROCESS UNIT

◀ AERIAL VIEW OF SITE INSIDE



Management Discussion and Analysis



KEY PERFORMANCE INDICATORS:

- Total Revenue from Operations after Excise duty decreased marginally by 3.18% from ₹ 477.09 crores to ₹ 461.92 crores
- EBITDA was stable at ₹ 98.22 crores, while the EBITDA margin was higher at 21.30% compared to 20.7% in the previous year
- Profit After Tax decreased from ₹ 74.59 crores to ₹ 73.25 crores representing PAT margin of 15.91%
- Other Income increased from ₹ 17.47 crores to ₹ 21.09 crores
- Total dividend payout of ₹ 33.00 per share including interim dividends of ₹ 31.50 per share and final dividend of ₹ 1.50 per share
- The liquidity and cash position (Net of Borrowings) was strengthened during the year with ₹ 244.61 crores in current and non-trade investments and cash and cash equivalents (net of borrowings)

ECONOMIC AND INDUSTRY OVERVIEW

Macroeconomy

The financial year started against the backdrop of demonetisation and its lingering impact on consumer spending as the cash position in the economy started to improve and the disruption in the supply chain and distribution channels slowly normalised. Just as the economy was recovering from the significant impact of demonetisation, the economy was faced with the gigantic overhaul of the indirect tax system with the implementation of the Goods and Services Tax Act (GST) with effect from July 1, 2017. The introduction of GST was one more step in the formalisation of the economy with strong impetus to increase transparency, compliance and governance of the indirect tax regime. While GST is likely to benefit the economy in the medium to long term and encourage the shift from unorganised to organised sector, the shift to the new tax regime resulted in short-term impact on businesses as destocking of inventory led to reduced orders and disruption in supply chains as the economic chain transitioned to the GST framework. The multiple disturbances to the economy have impacted

the consumer spending behaviour as well as businesses as they recalibrated to the changing economic environment. Towards the end of the financial year, the Union Budget announced several initiatives targeted at improving rural incomes with increased emphasis on agriculture and farmers. These measures are likely to improve the sentiment and economic activity in rural India and promote overall development of the economy. However, the government spending will have to balance the twin objectives of promoting growth and maintaining fiscal discipline.

Industry

The Indian retail industry is considered to be an attractive long-term growth opportunity due to several favourable factors like young population, increased brand consciousness and rapid growth in organised retail across the country. Apparel is the second largest category in retailing after food and grocery and within apparel, menswear is the largest segment followed by women's wear and kids wear. Denim, active wear and t-shirts are showing promising growth along with increased acceptance of smart casuals in corporate environment. Denim wear continues to be the first choice among youth for making a fashion statement. A large size of the market remains in the unorganised sector with fragmented share being taken by Indian and global organised players. While the long-term growth potential of this sector remains robust, the short-term trend in the industry is driven by macroeconomic factors affecting consumer sentiment and competition intensity in the industry.

Demonetisation had a severe impact on the branded apparel industry, as the economy was cash starved and consumers had to give priority to spending on essentials. Just as the sector was regaining its momentum, the implementation of GST led to destocking of existing inventory and several players resorted to distress selling with aggressive discounts and promotions to offload stocks. Manufacturers had to share the burden of compensating the trade channel for the GST impact. The government has attempted to make the GST transition as neutral as possible and avoiding potential inflationary impact. In the case of branded



apparel, for products below the MRP of ₹ 1,000 the GST has been fixed at 5% while products with MRP above ₹ 1,000 attract a GST levy of 12%. For fabric manufacturers, the GST rate introduced as the exemptions and abatement in Excise and VAT have been withdrawn, but this has been compensated by allowing entire input tax credit. This ensured that there was no significant impact on pricing due to GST. The implementation of GST is likely to benefit branded apparel players in the long run as the large unorganised component of the industry enters the formal and organised set up. For the branded apparel industry, FY 2018 would be a year of sustaining business rather than growth as the sector battled the disturbances to the economy and a weak consumer sentiment. In such an environment, the competitive scenario was heightened resulting in several players (online and offline) resorting to high discounting. Such continued practices have been detrimental to the growth of the industry as it conditions consumer behaviour towards pricing alone and disorients other factors like brand, design, quality and shopping experience. While the potential for the sector considering the demographic remains huge, the micro factors and industry practices make this a challenging business that has attractive growth opportunities but requires discipline, patience and financial strength.

Overview

The year FY 2018 has been a disruptive one for the branded apparel sector with weak consumer sentiment and economic and market disruptions creating multiple headwinds for growth. Sustaining topline along with bottom-line itself was a daunting task for the industry. Considering these challenges, the Company achieved total revenue (Net of Discounts &

EBITDA was stable at
₹ 98.22 crores,
 while the EBITDA margin was
 higher at 21.30% as compared to
 20.7% in the previous year



Incentives) from operations of ₹ 461.92 crores, EBITDA of ₹ 98.22 crores and Profit After Tax of ₹ 73.25 crores.

Brands

Growth for KKCL is driven by its strong brand portfolio. Every year the Company seeks to build and strengthen its various brands with unwavering focus and keeps them in line with consumer ideology and aspirations. Each of the brands continued to contribute their respective share of revenues.

Killer – Killer has maintained its status as the flagship brand of the Company with 53% share of total sales. The brand is well-established and has a loyal following for its rebellious appeal and fashion quotient. The Killer brand achieved growth with sales increasing from ₹ 239.73 to ₹ 244.40 crores.

LawmanPg3 – LawmanPg3 is the Company's chic, iconic brand that identifies with high fashion and glamour. The brand recorded sales of ₹ 75.89 crores in FY 2018, and contributed to 17% of total sales.

Integriti – Integriti caters to the sophisticated, modern consumer seeking high-quality casual wear, semiformal and formal wear and provides a solid, sincere and trusted value proposition. Integriti is the second-largest brand in the Company and achieved sales of ₹ 95.10 crores and contributed to 21% to the total sales.

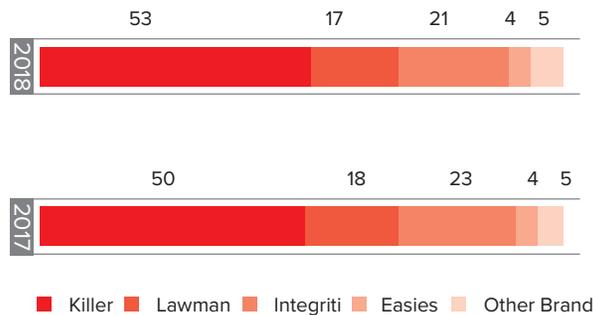


Easies – Easies is a daily casual and semiformal wear brand that includes products ranging from jeans, trousers, chinos, capris, shirts and jackets. The brand embodies the cool and comfort factor. Easies achieved sales growth of 5% with sales increasing from ₹ 17.47 to ₹ 20.18 crores.

Addictions – Addictions is the umbrella under which the Company provides a range of lifestyle and fashion accessories like deodorants, watches, wallets, belts, inner wear, etc. The Addictions business clocked sales of ₹ 21.41 crores in FY 2018.

Brand-wise Breakup of Sales:

(%)



PRODUCTS

The Company has a wide range of products that encompasses bottom wear including jeans, trousers, capris, shorts; top wear including shirts, t-shirts, jackets, pullovers and range of accessories to complement the wardrobe.

Jeans – KKCL has a deep understanding of the youth mindset and has been a pioneer in the Indian denim wear space. Keeping with its legacy, the jeans segment continues to dominate the product basket and sales during the year stood at ₹ 298.88 crores. The category contributed to 65% of the total sales.

Trousers – The Trousers segment achieved sales of ₹ 27.08 crores and constituted 6% of total sales compared to ₹ 31.90 crores in the previous year.

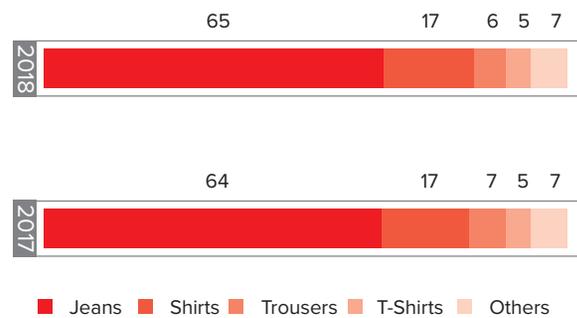
Shirts – Shirts maintained their contribution of 17% to total sales during the year. Sales stood at ₹ 77.82 crores compared to ₹ 80.64 crores in previous year.

T-Shirts – T-Shirts sales dipped marginally by around 2% with sales of ₹ 20.84 crores compared to ₹ 21.27 crores in previous year and represented 5% of total sales.

Other products – Sales of other products that include jackets, shorts and accessories were ₹ 32.36 crores and contributed 7% of total sales.

Product-wise Breakup of Sales:

(%)



SALES AND DISTRIBUTION CHANNELS

From an early period the Company has focussed on multiple distribution channels and has developed a robust distribution model to ensure customers have easy access and reach across India as well as in the overseas market. The Company has presence in [25] states and more than [209] towns and cities in India.

Multi-Brand Outlets (MBOs) – MBOs are the primary mode of distribution. It helps understand the characteristics of different regions so that they can be factored in to ensure consumers are offered the right product mix. MBOs contributed to 51% of the total sales of the Company and stood at ₹ 232.45 crores as compared to ₹ 245.32 crores in the previous year.

K-Lounges and Exclusive Brand Outlets (EBOs) – EBOs are dedicated stores for the respective brands and K-Lounge outlets are the umbrella stores that offers all brands under one roof. The stores provide visibility and a complete shopping experience. This is the second-largest sales channel with sales of ₹ 95.79 crores and contributing to 21% of total sales.

National Chain Stores (NCSs) – National Chain Stores consist of leading departmental stores that provide consumers with multiple brand options in large retail format. This channel

achieved sales of ₹ 61.00 crores compared to ₹ 72.00 crores in the previous year and its contribution to sales was 13%.

E-Commerce – E-commerce has emerged as an effective channel to increase touchpoints and reach out to wider areas across the country. The use of this channel is aligned with the Company's strategy towards gaining brand visibility and distribution. E-commerce sales stood at ₹ 13.75 crores and accounted for 3% of total sales.

Overseas – The overseas channel accounted for 5% of total sales.

Factory outlets – Sales through the Company's factory outlets grew by 63% from ₹ 19.15 crores to ₹ 31.28 crores representing 7% of total sales.

Channel-wise Breakup of Sales: (%)



EBO STORE ROLE-OUT:

During the year, the Company opened 39 new stores and closed/relocated 52 existing ones taking the total operational stores count to 318. Of these, 193 are K-Lounge stores, 124 are brand-specific EBOs and one is a factory outlet. Most of the stores are franchisee-owned franchisee-operated stores. 25 new stores were work-in-process as on March 31, 2018, taking the total store count to 343.

Store Type	Number of stores
K-Lounge	193
Killer EBO	79
LawmanPg3 EBO	11
Integriti EBO	32
LawmanPg3 + Integriti EBO	2
Factory Outlet	1
Total	318

REGIONS

Over the years, the Company has established a pan-India presence across Metros, Tier I, II and III cities as well as in international markets.

Sales from the eastern region constituted 40% of domestic sales and registered a growth of 9% from ₹ 161.57 crores to ₹ 175.86 crores. The western region was the second-largest contributor with sales clocking ₹ 88.04 crores in FY 2018 and constituted 20% of domestic sales. The northern and southern regions each accounted for a share of 16% and 17% of domestic sales. The central region sales were at ₹ 28.78 crores representing 7% of domestic sales. Sales from the overseas markets grew at 12% and stood at ₹ 22.71 crores as compared to ₹ 20.37 crores in FY 2017.

Region-wise Breakup of Sales: (%)



RESULTS OF OPERATIONS

Total Revenue

In view of the challenging business environment due to the lag effect of demonetisation and the rollout of GST, the Company achieved total revenue from operations (Net of Discounts & Incentives) of ₹ 461.91 crores compared to ₹ 477.09 crores in the previous year. Apparel sales decreased by 3.18% to ₹ 435.58 crores. Apparel sales volumes were relatively stable at 46.21 lakhs units compared to 46.64 lakhs units in the previous year. Sales realisation per unit decreased marginally by 2.49% from ₹ 967 per unit to ₹ 943 per unit.



The Business Progressive Fund was maintained at **₹ 35** crores. The objective of this fund is to maintain normal growth in sluggish market conditions and support superior growth for long-term.

Costs

Cost of Goods Sold: The Company's primary focus on cost efficiencies enabled it to decrease the cost of goods sold from ₹ 201.96 crores to ₹ 193.49 crores. As a percentage of total revenues from operations, cost of goods sold is 41.89% of total Revenue.

Personnel cost: The Company continued to invest in its human capital and personnel costs increased from ₹ 59.21 crores to ₹ 65.07 crores. As a percentage of total revenues from operations, Personnel Cost is 14.09% of total Revenue.

Manufacturing and operating expenses: Manufacturing expenses decreased from ₹ 47.77 crores to ₹ 45.35 crores in FY 2018. These expenses stood at 9.82% of total revenues.

Selling and distribution expenses: Selling and distribution expenses stood at ₹ 27.47 crores compared to ₹ 29.19 crores in the previous year. Selling and distribution expenses were stable at 5.95% of total revenue from operations.

Administrative and other expense: Administrative and other expenses stood at ₹ 30.61 crores compared to ₹ 29.53 crores in the previous year and constituted 6.63% of total revenue from operations.

PROFITABILITY

EBITDA and EBITDA Margin: The Company achieved an EBITDA of ₹ 98.22 crores and increased the EBITDA margin from 20.72% to 21.28% despite a marginal decline in sales. This was achieved due to strong focus on cost-efficiencies and judicious spending. The focus of the Company on pursuing

profitable growth continued with profitability being maintained despite lower sales and a challenging business environment.

Profit before Tax (PBT): The PBT of the Company was slightly higher at ₹ 108.55 crores compared to ₹ 108.28 crores in the previous year and PBT Margin stood at 23.50% compared to 22.70%. The PBT was higher despite increase in depreciation and finance costs as other income compensated for the increased expenses.

Profit after Tax (PAT): The Net Profit of the Company remained stable at ₹ 73.25 crores as compared to ₹ 74.59 crores in previous year. Net Profit Margin for FY 2018 stood at 15.85% against 15.63% in the previous year.

Earnings per Share: The EPS of the Company stood at ₹ 59.43 per share compared to ₹ 60.52 per share in the previous year.

Financial Position and Cash flows: The Company has strengthened its financial and liquidity position with investments and cash and cash equivalents (net of borrowings) aggregating to ₹ 244.61 crores compared to ₹ 231.06 crores in the previous financial year, an increase of 9.7%. This was achieved through the continued ability of the Company to maintain the working capital cycle. The Debtors Turnover ratio was at 84 days compared to 82 days, Inventory Turnover ratio was at 41 days compared to 39 days and Creditors Turnover ratio was 46 days compared to 45 days in the previous financial year. The current ratio stood at 2.11. The Company distributed ₹ 31.50 per share through interim dividends and a final dividend of ₹ 1.50 per share aggregating to total dividend of ₹ 33.00 per share for FY 2018.

Business Progressive Fund: The Business Progressive Fund was maintained at ₹ 35 crores. The objective of this fund is 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 and promoting new products, advertisement campaigns, promotional schemes and initial support to master stockists and franchisees for development of retail business, reinforce existing channels of sales, etc.



CREDIT RATING

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

ADVERTISING AND BRANDING INITIATIVES

- 1) LawmanPg3 integrated its brand with two cine stars on CineBlitz cover in 2017, namely Kriti Sanon and Siddharth Malhotra. This endeavour generated great enthusiasm amongst the users of the magazine and on Social Media Channels.
- 2) LawmanPg3 integrated its brand with Rana Duggabatti on the cover of Exhibit magazine in 2017 having him pose in LawmanPg3 garments – Rana Duggabatti was all the rage with his movie Bahubali doing great business at the Box Office.
- 3) LawmanPg3 was the title sponsor of Holi Reloaded 2017, premier event hosted at Mumbai that is aimed at youngsters to celebrate the festival of colour with some engaging international music.
- 4) Integriti launched Reckless (a collection that is aimed at youth) on Fashion Runway, a fashion show held in Bhubaneswar.
- 5) LawmanPg3 was the Star Partner for Tiger Shroff's film Munna Michael with in-film integration in the most prominent scene of the movie.
- 6) KKCL participated in the Cars and Lifestyle Products Expo Big Boys Toys at MMRDA Mumbai.
- 7) LawmanPg3 was the Star Partner for the film Tera Intezaar with in-film placement of LawmanPg3 products and visit of the stars of the film to the Company's Borivali store.
- 8) Integriti launched IDM (Integriti Dance Music) with Bits Pillani Goa EDM Fest with Diego Miranda.
- 9) Integriti & IDM Presented World's Largest Guest List Event 'Guestlist4good' with world biggest DJ., DJ Hardwell.
- 10) IDM presented International EDM artist Zyphyrone at IIM Lucknow powered by Integriti.
- 11) IDM presented EDM Night at the Great Orange Festival Nagpur powered by Integriti.
- 12) IDM presented International EDM artist Zaeden Powered by Integriti at Mithibai College Mumbai.
- 13) Timeout 72, the biggest multi-genre International artists Festival, was powered by Integriti with an exclusive IDM stage in Goa.
- 14) IDM presented international EDM artist Aron Chuppa, powered by Integriti at IIT Bhubaneswar.
- 15) IDM presented EDM artist Sartek powered by Integriti at IIT Varanasi.
- 16) IDM presented India's biggest EDM artist Nucleya Powered by Integriti at Belgaum.
- 17) IDM presented international EDM artist Diego Miranda powered by Integriti at IIT Kharagpur.
- 18) IDM presented international EDM artist Jack Eye Jones powered by Integriti at IIT Patna.
- 19) IDM presented EDM artist Nina Suerte Powered by Integriti at IIM Kozikode.
- 20) IDM presented international EDM artist Carnivore and Base & Guns powered by Integriti at ICT, Mumbai.
- 21) KKCL is the franchise owner of 'Goa Killer', the most entertaining team in the Box Cricket League, a TV Celebrity Cricket League.
- 22) Killer was also the Presenting Sponsor of the entire Box Cricket League Season 3 show that was televised on the youth channel MTV for 7 Weeks and garnered fabulous TRPs. The Box Cricket League consists of over 150 TV celebrities actively participating in the cricket matches and the traction for the brand Killer from the social media handles of all these celebrities and that of the channel MTV was enormous.
- 23) IDM hosted a Boat Party aboard Mumbai Maiden, a fresh new concept, on a yacht parked in the middle of the Arabian Sea close to the Worli Sealink with Techno Music event onboard, an experience of a lifetime for the young audience.
- 24) IDM presented international EDM artists Carnivore and Regulo powered by Integriti at Amity University, Gwalior.
- 25) IDM presented international EDM artist Jack Eye Jones powered by Integriti at BITS Goa.
- 26) IDM presented international EDM artist Rave and Crave powered by Integriti at NIT Goa.
- 27) IDM presented India's biggest EDM artist Nucleya powered by Integriti at VIT Mumbai.
- 28) IDM presented international EDM artist Zaeden powered by Integriti at JMC Delhi.
- 29) IDM presented international EDM artist Club Banditz powered by Integriti at NIT Raipur.



30) IDM presented international EDM artist Aron Chupa and Tony Junior powered by Integriti at BITS Hyderabad.

AWARDS

The Company was awarded the 'GOLDEN SHIELD AWARD' by the Institute of Chartered Accountants of India for Excellence in Financial Reporting for the financial year 2016-17.

The Vapi manufacturing unit of the Company won the Gold awards in 'Grow Care India's Environment Award 2017' and 'FAME Excellence Award 2017'.

OUTLOOK

The consumer sentiment remained weak for a major portion of the year and increased selling through frequent and high discounts have become a regular factor for the industry. The Company has sustained its performance in the midst of two major disruptions during the last two financial years, and despite headwinds, it has strengthened its business and financial position. The inflationary environment was stable during this period and interest rates were on declining trend. Going forward, the macroeconomic environment will continue to play a vital role with crude oil prices, rupee movement and interest rate trends impacting the revival of consumer sentiment. The formalisation of the economy provides long-term advantages to organised players and the Company is well-poised to resume its growth trajectory as the opportunities unfold.

OPPORTUNITIES AND THREATS

Rising incomes are a key factor for improvement in domestic demand in the branded apparel sector. The organised retail formats have developed at a fast pace and provide a strong platform for enhanced spends by consumers towards branded products. With increased focus on rural development and farm incomes, the rural economy is expected to provide a thrust to renewed demand. The Company has strong brands distinctly



The Company has strong brands distinctly positioned to cater to various consumer segments and can deliver high-quality products through its well-established nationwide network.

positioned to cater to various consumer segments and can deliver high-quality products through its well-established nationwide network.

The potential hurdle to growth continues to be the disregard for pricing discipline across industry players with sales growth being pursued through aggressive promotions and price reductions throughout the year. The continued practice eventually results in consumer behaviour orienting itself to such trends with price parameters overlooking other product features. This has resulted in the inability of the industry to create the financial strength required to drive the next level of growth.

RISKS AND CONCERNS

The biggest risk in recent times has been the impact of macro events on consumer sentiments. Fashion wear is a discretionary expenditure and in times of liquidity crisis the impact on the consumer confidence has a protracted impact on discretionary spending. India has witnessed a strong recovery but with rising volatility in global markets, the risk of financial contagion can potentially undermine the consumer sentiment which has revived.

Increasing competition can result in pricing pressure as other players offer discounts and extend sale periods to drive revenue growth. The Indian markets have attracted foreign brands who spend heavily on advertisement and promotion to establish their presence thereby increasing costs for the Company to maintain its visibility in the market.

The branded apparel industry needs continuous product innovation to track fashion trends and changes in consumer preferences. The ability to create products in line with changing trends at affordable price points is critical to maintaining the brand pull and connect with the consumer. With shifts in consumer tastes the Company may be left with unsold inventory or mark down in value of stocks.

KKCL is uniquely placed in the sector with an integrated business model that encompasses design, manufacturing and sourcing, distribution and logistics and retailing. The Company has an in-house team of designers that track national and

international trends to create innovative fashionable products that customers would relate to. The Company has state-of-the-art manufacturing facilities that ensure quality and timely deliveries.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Sound internal control systems are a prerequisite for building and enhancing shareholder value in the long run. The Company has a sound system of internal controls commensurate with the size of the Company and the nature of its business to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised and recorded reported correctly and adequately. The Company's internal controls are supplemented by internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets.

The key constituents of the internal control system are:

- Establishment and review of business plans
- Identification of key risks and opportunities
- Clear and well defined organisational structure and limits of financial authority
- Continuous identification of area requiring strengthening of internal controls
- Operating procedures to ensure effectiveness of business process
- Systems of monitoring compliance with statutory regulations
- Well-defined principles and procedures for evaluation of new business proposals, capital expenditure
- A robust management information system
- A robust internal audit and review system

The Company has appointed an independent firm as Internal Auditors and Concurrent Auditors to monitor the Internal Control systems and their implementation.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvement for strengthening them. The Company has a strong Management Information System which is an integral part of the control mechanism.

ENVIRONMENT AND SAFETY

The Company is committed to the need for environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial



requirements for environment protection and conservation and sustainable use of natural resources.

HUMAN RESOURCES

The performance of KKCL is driven by a highly motivated and professional team of employees. KKCL is focussed on attracting, retaining and grooming the best talent available. Despite challenging conditions in the beginning of the financial year, the Company continued to invest in building competence in the organisation through employee training and development and compensation structure that rewards performance. The Company has also taken steps to further strengthen employee morale by enhancing internal communication mechanism and aligning employees with the Company's strategic vision and initiatives to promote business excellence.

The Company continued to maintain excellent industrial relations with all its employees at manufacturing facilities. Adequate safety and welfare measures are in place and we will continue to improve them ongoing basis.

As on March 31, 2018, the Company had 2,144 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.

Directors' Report

To the Members

Your Board of Directors are pleased to present the 27th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2018.

FINANCIAL RESULTS (STANDALONE)

(Amount in lakhs)

Sr. No.	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
1	Net Sales/Income from operations	46,191.77	47,709.48
2	Other Income	2,109.05	1,746.78
3	Total Expenditure	37,445.56	38,627.56
4	Profit (Before deducting any of the following)	11,930.92	11,631.55
a)	Finance charges	498.31	327.18
b)	Depreciation/Amortisation	577.35	475.67
c)	Tax provision	3,530.00	3,369.67
5	Net profit for the Period	7,325.25	7,459.02
6	Other Comprehensive Income	84.28	22.58
7	Total of Comprehensive Income (Net of Tax)	7,409.53	7,436.44
i)	Prior Period Expenses (Net of Tax)	Nil	Nil
ii)	Closing Balance	26,325.70	23,087.43
8	Appropriation of profit	4,895.27	4,171.26
i)	Bonus shares issued during the year	Nil	Nil
ii)	Proposed Dividend (Including Dividend Tax)	222.88	222.51
iii)	Transfer to General Reserve	Nil	852.77
9	Dividend (in ₹) per ordinary share	33	19
10	Paid up Equity capital	1,232.50	1,232.50
11	Reserves except revaluation reserve	17,302.40	17,302.40
12	Surplus c/f	21,430.44	18,916.17

OVERALL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The Company achieved total revenues of ₹ 483.01 crores compared to ₹ 494.56 crores in the previous year. The EBITDA was ₹ 98.22 crores compared to ₹ 98.84 crores and Profit After Tax stood at ₹ 73.25 crores resulting in an EPS of ₹ 59.43 per share. The market conditions remained sluggish with the lagged impact of demonetisation and disruption in market due to roll out of GST. During the year the Company focussed on consolidating and fortifying the Company's business presence and profitability. All key brands of the Company showed resilience and performed well despite uncertainty in the market and soft consumer sentiment. The strategy of the Company to pursue sustainable and profitable growth has enabled it to achieve revenues and profits and enhancing its profitability margins.

DIVIDEND

The total dividend for the year ended March 31, 2018 (including interim and final dividends) stood at ₹ 33 per share as compared to ₹ 19 per share in the previous year.

The Board of Directors had in their meeting held on April 25, 2017 declared the first 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 May 8, 2017 and the said interim dividend was paid in May 2017.

The Board of Directors had in their meeting held on October 14, 2017 declared the second interim dividend of ₹ 10/- (100%) per equity share absorbing a sum of ₹148,341,245/- including dividend



distribution tax. The record date for the purpose of payment of interim dividend was October 27, 2017 and the said interim dividend was paid in November 2017.

The Board of Directors had in their meeting held on January 18, 2018 declared the third interim dividend of ₹ 9.5/- (95%) per equity share absorbing a sum of ₹140,924,183/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was January 31, 2018 and the said interim dividend was paid in February 2018.

The Board of Directors had in their meeting held on March 10, 2018 declared the fourth interim dividend of ₹ 5/- (50%) per equity share absorbing a sum of ₹74,170,623/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was March 21, 2018 and the said interim dividend was paid in March 2018.

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, 2018.

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 ₹22,287,727/- including dividend distribution tax.

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Dividend Distribution Policy is disclosed in the Corporate Governance Report and on the Website of the Company.

TRANSFER TO RESERVES

During the year under review no amount 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

As per IMF's World Economic Outlook Update, India's GDP growth rate has been forecast at 7.4% for 2018 and 7.8% for 2019 making India the fastest growing major economy. While the

performance at micro level is showing signs of improvement, the macro economy is facing headwinds in the form of rising crude oil prices and weakening rupee potentially leading to rising inflation and higher interest rates. The branded apparel sector is closely linked to these factors as they have a direct impact on consumer sentiment and spending behaviour. Against this, the roll out of GST and government measures to revive the rural and agricultural economy are likely to bolster economic growth going ahead. The Company is well positioned to navigate through this period of cross winds and steer ahead on its long term growth trajectory.

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 and separate audited accounts in respect of joint venture, 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 2017-18.

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.

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 March 31, 2018 forms a part of this Annual Report.

The total dividend for the year ended March 31, 2018 (including interim and final dividends) stood at

₹ 33 per share as compared to ₹ 19 per share in the previous year.



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:

- in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgements 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;
- 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;
- the directors had prepared the accounts for the financial year ended March 31, 2018 on a 'going concern' basis;
- 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.

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 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 judgement, 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 Sections 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during Financial Year 2017-18.

AUDIT COMMITTEE

In accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2018 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 behaviour, actual or suspect fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimisation 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 RETURN

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 5 (Five) 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

Retire by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Hemant P. Jain (DIN: 00029822), Director of your Company would retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

Re-appointment of Whole-time Directors

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to



the approval of the Members, approved the re-appointment and remuneration of Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain as Whole-time Director of the Company for a period of 5(five) years w.e.f. September 1, 2019 to August 31, 2024.

Re-appointment of Independent Non-Executive Directors

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved for a second consecutive term of 5 consecutive years the re-appointment of Mr. Yogesh A. Thar, Dr. Prakash A. Mody and Mr. Nimish G. Pandya w.e.f. April 1, 2019 to March 31, 2024 respectively and Ms. Drushti R. Desai w.e.f. August 28, 2019 to August 27, 2024 as Independent Non-Executive Directors of the Company.

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

The Company has recognised 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. Bhavin Sheth – Chief Financial Officer
6. Mr. Abhijit Warange – Vice President – Legal & Company Secretary

AUDITORS

The Members of the Company in the 26th Annual General Meeting held on September 7, 2017 had appointed M/s. Khimji Kunverji & Co., Chartered Accountants, (Firm Registration No. 105146W) as the Statutory Auditors of the Company for a period of five years i.e. to hold office from the conclusion of 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2022.

AUDIT REPORT

There are no Qualification or Adverse Remark in the Auditors report which require any explanation from the Board of Directors. 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, no frauds were 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 are no Qualification, Reservation and Adverse Remark in the Secretarial Audit report which require 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 and Concurrent 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 and Concurrent 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 team and Concurrent 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.

the Internal Audit and Concurrent 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 and Concurrent 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 organisation 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 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 behaviours 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/wp-content/uploads/2015/09/news/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



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.

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

The Company has zero tolerance for Sexual Harassment at workplace. The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition 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. Khimji Kunverji & Co., 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.

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Business Responsibility Report 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 SEBI (Employees Stock Option scheme) Regulations and SEBI (Share Based Employee Benefit) Regulation, 2014.
4. Issue of shares on Preferential basis pursuant to Section 62 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. The Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India on Meetings of Board of Directors and General Meeting.



PENDING SHARES UPLOAD

Your Company was holding 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. The dividend on the said shares in the suspense account has not been paid or claimed for seven consecutive years.

Pursuant to the provisions of Section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund. The Company has accordingly transferred all the shares issued pursuant to the Initial Public Offer(IPO), which remained unclaimed despite the best efforts of the Company and Registrar to issue to the Investor Education and Protection Fund in accordance with the aforesaid requirement.

- i) Number of Shareholders outstanding at the beginning of the year: 6
Outstanding shares in the demat suspense account at the beginning of the year: 165
- ii) Number of shareholders who approached the Company for transfer of shares from suspense account during the year: 0
- iii) Number of shareholders to whom shares were transferred from suspense account during the year: 0
- iv) Aggregate number of shareholders outstanding at the end of the year: 0
Outstanding shares in the suspense account lying at the end of the year: 0
- v) The voting rights on these shares are frozen till the rightful owner of such shares claims the shares.

The above mentioned 165 shares belonging to 6 shareholders were transferred from the demat suspense account to Investor Education and Protection Fund.

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 2010-11	September 6, 2011	October 12, 2018
1 st Interim Dividend 2011-12	October 20, 2011	November 26, 2018
2 nd Interim Dividend 2011-12	March 2, 2012	April 8, 2019
Final Dividend 2011-12	August 3, 2012	September 8, 2019
1 st Interim Dividend 2012-13	November 7, 2012	December 14, 2019
2 nd Interim Dividend 2012-13	February 13, 2013	March 22, 2020
3 rd Interim Dividend 2012-13	May 11, 2013	June 17, 2020
Final Dividend 2012-13	August 22, 2013	September 28, 2020
1 st Interim Dividend 2013-14	October 19, 2013	November 25, 2020
2 nd Interim Dividend 2013-14	January 24, 2014	March 1, 2021
3 rd Interim Dividend 2013-14	May 10, 2014	June 16, 2021
Final Dividend 2013-14	August 28, 2014	October 4, 2021
1 st Interim Dividend 2014-15	September 10, 2014	October 17, 2021
2 nd Interim Dividend 2014-15	October 17, 2014	November 24, 2021
3 rd Interim Dividend 2014-15	January 31, 2015	March 9, 2022
4 th Interim Dividend 2014-15	May 14, 2015	June 22, 2022
Final Dividend 2014-15	August 31, 2015	October 8, 2022
1 st Interim Dividend 2015-16	June 16, 2015	July 24, 2022
2 nd Interim Dividend 2015-16	November 6, 2015	December 14, 2022
3 rd Interim Dividend 2015-16	February 6, 2016	March 14, 2023
4 th Interim Dividend 2015-16	March 9, 2016	April 16, 2023
Final Dividend 2015-16	September 7, 2016	October 14, 2023
1 st Interim Dividend 2016-17	October 27, 2016	December 3, 2023
2 nd Interim Dividend 2016-17	January 27, 2017	March 6, 2024
Final Dividend 2016-17	September 7, 2017	October 14, 2024
1 st Interim Dividend 2017-18	April 25, 2017	June 2, 2024
2 nd Interim Dividend 2017-18	October 14, 2017	November 20, 2024
3 rd Interim Dividend 2017-18	January 18, 2018	February 26, 2025
4 th Interim Dividend 2017-18	March 10, 2018	April 16, 2025
1 st Interim Dividend 2018-19	July 21, 2018	August 27, 2025

Your Company had declared Final Dividend for the financial year ended 2009-10 in the Annual General Meeting held on August 5, 2010, 1st Interim Dividend in the Board Meeting held on October 27, 2010 and 2nd Interim Dividend in the Board Meeting held on April 2, 2011. The unencashed dividend amounts lying unclaimed, became due for transfer to the Investor Education and Protection Fund. The Company has accordingly during the year under review transferred the unpaid and unclaimed dividend amounts pertaining to Final Dividend 2009-10 of ₹ 26,670/-, 1st Interim Dividend 2010-11 of ₹ 34,340/- and 2nd Interim Dividend 2010-11 of ₹ 20,017/- 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, 2018 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: July 21, 2018
Place: Mumbai

Annexure I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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	30 th 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 – 400 063 Tel No.: - 26814400 E-mail: grievanceredressal@kewalkiran.com Website: www.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 101, 247 Park, LBS Marg, Vikhroli (West) Mumbai - 400 083. Tel No.: 49186000 Fax No.: 49186060 E-mail: 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	95.18

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 – 400 063	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 April 1, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/ HUF	9,144,178	0	9,144,178	74.19	9,147,178	0	9,147,178	74.22	0.03
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	4,295	0	4,295	0.03	0.01
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	9,146,473	0	9,146,473	74.21	9,151,473	0	9,151,473	74.25	0.04
(2) Foreign	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	9,146,473	0	9,146,473	74.21	9,151,473	0	9,151,473	74.25	0.04
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	1,073,892	0	1,073,892	8.71	1,152,844	0	1,152,844	9.35	0.64
b) Banks / FI	0	0	0	0	1,382	0	1,382	0.01	0.01
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	1,597,103	0	1,597,103	12.96	1,469,916	0	1,469,916	11.93	(1.03)
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):-	2,670,995	0	2,670,995	21.67	2,624,142	0	2,624,142	21.29	(0.38)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	92,802	0	92,802	0.75	145,853	0	145,853	1.18	0.43
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	284,688	58	284,746	2.31	290,546	58	290,604	2.36	0.05
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	81,699	0	81,699	0.66	68,270	0	68,270	0.55	(0.11)
c) Others (specify)									
Non-Resident Indians	14,570	0	14,570	0.12	14,777	0	14,777	0.12	0
Clearing Members	8,794	0	8,794	0.07	1,515	0	1,515	0.01	(0.06)
Office Bearer	640	0	640	0.01	640	0	640	0.01	0
Independent Director	336	0	336	0	336	0	336	0	0
Hindu Undivided Family	23,982	0	23,982	0.2	27,221	0	27,221	0.22	0.02
IEPF	0	0	0	0	206	0	206	0	0
Sub-total (B)(2):-	507,511	58	507,569	4.12	549,364	58	549,422	4.46	0.34
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3,178,506	58	3,178,564	25.79	3,173,506	58	3,173,564	25.75	(0.04)
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs									
	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12,324,979	58	12,325,037	100	12,324,979	58	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			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	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	690,611	5.61	0	0.01
3	Hemant P. Jain	690,915	5.61	0	691,915	5.61	0	0
4	Dinesh P. Jain	728,831	5.91	0	729,831	5.92	0	0.01
5	Vikas P. Jain	721,321	5.85	0	721,821	5.86	0	0.01
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 K. Jain	16,000	0.13	0	16,000	0.13	0	0
15	Hitendra H. Jain	16,000	0.13	0	16,000	0.13	0	0
16	Kewal Kiran Finance Private Limited	2,295	0.02	0	4,295	0.03	0	0.01
	TOTAL	9,146,473	74.21	0	9,151,473	74.25	0	0.04

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

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
1.	Mr. Kewalchand P. Jain				
	At the beginning of the year	690,111	5.60		
	Increase/Decrease during the year date-wise:				
	January 31, 2018	500	0.01	690,611	5.61
	At the end of the year			690,611	5.61
2.	Mr. Hemant P. Jain				
	At the beginning of the year	690,915	5.61		
	Increase/Decrease during the year date-wise:				
	January 31, 2018	500	0	691,415	5.61
	February 5, 2018	500	0	691,915	5.61
	At the end of the year			691,915	5.61
3.	Mr. Dinesh P. Jain				
	At the beginning of the year	728,831	5.91		
	Increase/Decrease during the year date-wise:				
	January 31, 2018	49	0	728,880	5.91
	February 1, 2018	451	0	729,331	5.91
	February 5, 2018	500	0.01	729,831	5.92
	At the end of the year			729,831	5.92
4.	Mr. Vikas P. Jain				
	At the beginning of the year	721,321	5.85		
	Increase/Decrease during the year date-wise:				
	February 1, 2018	500	0.01	721,821	5.86
	At the end of the year			721,821	5.86

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
5.	Kewal Kiran Finance Private Limited				
	At the beginning of the year	2,295	0.02		
	Increase/ Decrease during the year date-wise:				
	March 15, 2018	1,000	0	3,295	0.02
	March 16, 2018	500	0	3,795	0.02
	March 20, 2018	500	0.01	4,295	0.03
	At the end of the year			4,295	0.03

Note:

- Change in shareholding was on account of market purchase.
- Increase/decrease in shareholding, as indicated above, are based on disclosures received from the Promoters.

D. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs:

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
1	Nalanda India Fund Limited	1,200,000	9.74	1,179,081	9.57
2	Kotak Emerging Equity Scheme	216,040	1.75	428,402	3.48
3	SBI Magnum Global Fund	313,469	2.54	390,469	3.17
4	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Dividend Yield Plus	253,919	2.06	246,563	2.00
5	Pinebridge Global Funds – Pinebridge India Equity Fund	0	0	179,644	1.46
6	Ambit Capital Private Limited	0	0	125,100	1.02
7	DSP Blackrock Small Cap Fund	97,253	0.79	87,410	0.71
8	Government of Singapore – E	0	0	71,599	0.58
9	N. S. Raghvan	42,270	0.34	42,270	0.34
10	LOBCO Limited	0	0	35,261	0.29

* The shares of the Company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number(PAN) of the shareholder.

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		
	Increase/Decrease during the year date-wise:				
	January 31, 2018	500	0.01	690,611	5.61
	At the end of the year			690,611	5.61

2	Shareholding of Hemant P. Jain, Whole-time 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		
	Increase/Decrease during the year date-wise:				
	January 31, 2018	500	0	691,415	5.61
	February 5, 2018	500	0	691,915	5.61
	At the end of the year			691,915	5.61

3	Shareholding of Dinesh P. Jain, Whole-time 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		
	Increase/ Decrease during the year:				
	January 31, 2018	49	0	728,880	5.91
	February 1, 2018	451	0	729,331	5.91
	February 5, 2018	500	0.01	729,831	5.92
	At the end of the year			729,831	5.92

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		
	Increase/ Decrease during the year:				
	February 1, 2018	500	0.01	721,821	5.86
	At the end of the year			721,821	5.86

5	Shareholding of Yogesh A. 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	NIL	NIL	NIL
	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.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

6	Shareholding of Nimish G. 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	NIL	NIL	NIL
	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.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

7	Shareholding of Prakash A. 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 R. 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	NIL	NIL	NIL
	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.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

Shareholding of Key Managerial Personnel:

9	Shareholding of Abhijit B. 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	NIL	NIL	NIL
	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.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

10	Shareholding of Bhavin D. 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
	At the beginning of the year	NIL	NIL	NIL	NIL
	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.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

Note:

- Change in shareholding was on account of market purchase.
- Increase / decrease in shareholding, as indicated above, are based on disclosures received from the Directors.

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	330,050,415	75,000,000	0	405,050,415
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	133,253	0	0	133,253
Total (i+ii+iii)	330,183,668	75,000,000	0	405,183,668
Change in Indebtedness during the financial year				
* Addition	0	250,100,822	0	250,100,822
* Reduction	172,186,268	0	0	172,186,268
Net Change	172,186,268	250,100,822	0	79,914,554
Indebtedness at the end of the financial year				
i) Principal Amount	157,864,147	325,100,822	0	482,964,969
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	1,023,733	0	1,023,733
Total (i+ii+iii)	157,864,147	326,124,555	0	483,098,222

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	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	7,950,000	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	89,490,400				

B. Remuneration to other directors

Sr. No.	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	660,000	300,000	760,000	760,000	2,480,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	660,000	300,000	760,000	760,000	2,480,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	660,000	300,000	760,000	760,000	2,480,000
	Total Managerial Remuneration (A+B)					34,438,400
	Ceiling as per the Companies Act 2013	98,439,440				

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Mr. Abhijit Warange, Company Secretary	Mr. Bhavin Sheth, Chief Financial Officer	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961*		3,500,012	4,900,006	8,400,018
	(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		3,500,012	4,900,006	8,400,018

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offenses during the year ended March 31, 2018.

Annexure II

A. CONSERVATION OF ENERGY

Your Company had taken 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. Old air conditioners were replaced by 5 Star ones: 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 optimise 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 minimised 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. ₹ 10,00,000/-

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	₹ 232,725,849/-
Total Foreign Exchange outgo	₹ 18,907,095/-

Annexure III

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 M/s. Pandya & Company. Mr. Nimish Pandya, Non-Executive Independent Director is the proprietor of Pandya & Co.

- (a) Name(s) of the related party and nature of relationship: M/s. Pandya & Co. Mr. Nimish Pandya, Non Executive Independent Director is the proprietor of Pandya & Co.
- (b) Nature of contracts/ arrangements/ transactions – Professional fees for representing the Company before the Hon'ble Courts in the litigation matters with an illegal occupier on the property acquired by the Company being situated at Gautam Chemical Compound, I.B. Patel Road, Goregaon (East), Mumbai - 400 063.
- (c) Duration of the contracts/ arrangements/ transactions – Payment of professional fees from time to time an amount not exceeding ₹20,00,000/- to Pandya & Co. Out of the aforesaid amount of ₹ 20,00,000/- the Company has paid an aggregate amount of ₹ 9,10,260/- till date of which an amount of ₹ 5,50,260/- was paid during the financial year 2017-2018.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any – To pay professional fees to M/s. Pandya & Co. from time to time an amount not exceeding ₹20,00,000/- to represent the Company before the Hon'ble Courts in the litigation matters against an illegal occupants occupying a portion of land on the property acquired by the Company being situated at Gautam Chemical Compound, I.B. Patel Road, Goregaon (East), Mumbai : 400 063.

(e) Justification for entering into such contracts or arrangements or transactions – M/s. Pandya & Co. is a Legal firm and has an extensive experience in real estate sector.

(f) Date(s) of approval by the Board – May 14, 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

Revision in remuneration payable to Mr. Pankaj K. Jain, 'President – Retail' being relative of the Executive Directors

- (a) Name(s) of the related party and nature of relationship: Mr. Pankaj K. Jain. Son of Mr. Kewalchand P. Jain, Chairman and Managing Director of the Company and nephew of Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain, Wholetime Directors of the Company
- (b) Nature of contracts/ arrangements/ transactions – Related Party Employment
- (c) Duration of the contracts/ arrangements/ transactions – from May 1, 2017
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any – The Board has revised the remuneration payable to Mr. Pankaj K. Jain from annual CTC of ₹ 25,00,000/- to ₹ 28,00,000/- to be paid from May 1, 2017
- (e) Justification for entering into such contracts or arrangements or transactions – Mr. Jain is a qualified Chartered Accountant and has experience in finance and retail operation and the Company will be benefitted with his expertise.
- (f) Date(s) of approval by the Board – April 25, 2017.
- (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

revised the remuneration payable to Mr. Hitendra Jain from annual CTC of ₹ 20,00,000/- to ₹ 24,00,000/- to be paid from May 1, 2017

Revision in remuneration payable to Mr. Hitendra H. Jain, 'President – Addictions' being relative of the Executive Directors

- (a) Name(s) of the related party and nature of relationship: Mr. Hitendra H. Jain. Son of Mr. Hemant P. Jain, Wholetime Director of the Company and nephew of Mr. Kewalchand P. Jain, Chairman and Managing Director and Mr. Dinesh P. Jain and Mr. Vikas P. Jain, Wholetime Directors of the Company
- (b) Nature of contracts/ arrangements/ transactions – Related Party Employment
- (c) Duration of the contracts/ arrangements/ transactions – from May 1, 2017
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any – The Board has
- (e) Justification for entering into such contracts or arrangements or transactions – Mr. Jain holds a Masters of Science in International Business from the Leeds University Business School and has experience in retail operation and the Company will be benefitted with his expertise.
- (f) Date(s) of approval by the Board – April 25, 2017.
- (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 contracts or arrangements or transactions at arm's length basis – Nil

Annexure IV

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2018

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

To,
The Members,
Kewal Kiran Clothing Limited
Kewal Kiran Estate, 460/7, I. B. Patel Road,
Near Western Express Highway, Goregaon (East),
Mumbai – 400 063

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 authorised 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, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- 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, 2018**, 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;
- II. We further report that the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.
- III. 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.
- IV. 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.
- V. 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:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to the extent applicable;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the extent applicable.
 - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.
- (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, to the extent applicable;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the extent applicable.
 - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

- (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.
- VI. 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.
- VII. 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 year under review.
- VIII. 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.
- IX. 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: July 21, 2018
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, 2018)

To,
The Members,
KEWAL KIRAN CLOTHING LIMITED
Kewal Kiran Estate, 460/7, I. B. Patel Road,
Near Western Express Highway, Goregaon (East),
Mumbai - 400 063

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 Account 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: July 21, 2018
Place: Mumbai

Corporate Social Responsibility Report

Annexure V

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 organisation must maintain highest standards of corporate behaviour 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 ₹ 24,700,000/- during the financial year 2017-18. The details of the donations made during the year ended March 31, 2018 are detailed below:

Sr. No.	Name of the Party	Amount (₹)	Purpose
1.	Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	9,700,000	Promoting Health care including Preventive Health care
2.	Magic Bus India Foundation	15,000,000	Education for under privileged children

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:
₹ 966,656,731

4. Prescribed CSR Expenditure: (2% of the amount as in item no. 3): ₹ 19,333,135/-

5. Details of CSR spent during the financial year: 2017-2018

a. Total amount to be spent for the financial year –
₹ 19,333,135/-

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. Direct expenditure on programs or projects 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Contribution towards operating hospital	Promoting Health care including Preventive Health care	Sadri, Rajasthan	9,700,000	9,700,000	9,700,000	Implementing Agency - Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust
2	Contribution towards Education of Children	Promoting Education for under Privileged Children	Pan India	15,000,000	15,000,000	15,000,000	Implementing Agency - Magic Bus India Foundation.

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

Annexure VI

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 MANGERIAL 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 2017-18 and the percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 are as under:-

Sr. No	Name of Director/ KMP and Designation	Remuneration of the Director/ KMP for the financial year 2017-18 (In Rupees)	% increase in remuneration in the financial year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Kewalchand P. Jain, Chairman & Managing Director	7,989,600	Nil	35: 1
2	Mr. Hemant P. Jain, Whole Time Director	7,989,600	Nil	35: 1
3	Mr. Dinesh P. Jain, Whole Time Director	7,989,600	Nil	35: 1
4	Mr. Vikas P. Jain, Whole Time Director	7,989,600	Nil	35: 1
5	Mr. Bhavin Sheth Chief Financial Officer	4,900,006	4.25	21:1
6	Mr. Abhijit Warange, Company Secretary	3,500,012	16.66	15:1

Notes:

Gross Remuneration figures are based on cost to company (CTC) and does not include gratuity to be paid at the time of separation or retirement from services.

The Non Executive Independent Directors are paid only sitting fees which is not considered as remuneration.

- (ii) The Median remuneration of employees of the Company during the financial year was ₹ 2.28 lakhs.
- (iii) In the financial year, there was increase of 4.88% in the median remuneration of the employees.
- (iv) There were 2144 permanent employees including Piece rate employees on the rolls of Company as on March 31, 2018.
- (v) Average percentage increase made in the salaries of the employees (excluding wages) other than Key Managerial Personnel(s) in the last financial year 2017-18 was 10.99% whereas, the increase in Key Managerial remuneration was 9.09%.
- (vi) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel(s) and other employees.

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	56	January 30, 1992	35	7,989,600	Keval Kiran & Co/ Partners
2	Hemant P. Jain	Wholetime Director	Permanent	Marketing - Killer & Easies	Under Graduate	54	January 30, 1992	33	7,989,600	Keval Kiran & Co/ Partner
3	Dinesh P. Jain	Wholetime Director	Permanent	Production	Under Graduate	49	October 2, 1997	28	7,989,600	Keval Kiran & Co/ Partner
4	Vikas P. Jain	Wholetime Director	Permanent	Marketing Lawman & Integrity K-Lounge Stores	B.Com	47	October 2, 1997	25	7,989,600	N.A
5	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.	51	May 8, 2014	32	5,381,061	Gitanjali Gems Ltd- Head HR GMR Energy Ltd GM Head HR GVK Power & Infrastructure Ltd GM & Head HR
6	Bhavin Sheth	Chief Financial Officer	Permanent	Financial Operations & Control	1.B.Com 2.C.A. 3.D.I.S.A.	42	January 15, 2016	19	4,900,006	GTL Limited – Joint CFO
7	Abhijit Warange	Vice President – Legal and Company Secretary	Permanent	Legal and Secretarial Work	1.B.Com 2.C.S. 3.L.L.B	40	November 1, 2009	16	3,500,012	Zodiac Clothing – Assistant Manager – Secretarial
8	Nimesh Anandpara	Deputy General Manager	Permanent	Financial Operations	1.B.Com 2.C.A.	36	January 7, 2008	15	3,471,391	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	45	April 1, 2014	25	3,147,546	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	33	October 19, 2008	9	2,726,154	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.
- Gross Remuneration figures are based on Cost to Company (CTC) as on 31st March 2018 and does not include gratuity to be paid at the time of separation or retirement from service.



SUN-WASHED
KILLERX
this is us

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide for stricter disclosure and protection of investor rights by listed entities. The regulations 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 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 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 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, 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, 2018 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, 2018 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	8	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	1	1
Mr. Nimish G. Pandya (DIN – 00326966)	Director	Independent Non-Executive	6	2
Ms. Drushti R. Desai (DIN – 00294249)	Director	Independent Non-Executive	6	8

Note:

Details of other directorships (excluding directorship in Kewal Kiran Clothing Limited)/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 five (5) meetings of the Board of Directors were held on the following dates:

April 25, 2017, July 28, 2017, October 14, 2017, January 18, 2018 and March 10, 2018. 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, 2018 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	5 of 5	Present
Mr. Hemant P. Jain	5 of 5	Present
Mr. Dinesh P. Jain	5 of 5	Present
Mr. Vikas P. Jain	5 of 5	Present
Mr. Yogesh A. Thar	5 of 5	Present
Dr. Prakash A. Mody	3 of 5	Absent
Mr. Nimish G. Pandya	4 of 5	Absent
Ms. Drushti R. Desai	5 of 5	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, 2018

Name of the Directors	Number of shares held
Mr. Kewalchand P. Jain*	7,06,611
Mr. Hemant P. Jain*	7,07,915
Mr. Dinesh P. Jain*	7,45,831
Mr. Vikas P. Jain*	7,37,821
Mr. Yogesh A. Thar	Nil
Dr. Prakash A. Mody	336
Mr. Nimish G. Pandya	Nil
Ms. Drushti R. Desai	Nil

61,53,000 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 77,161 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 78,400 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 100,401 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 92,336 shares held j/w Kesar V. Jain.



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.

Familiarisation Programme for Independent Directors:-

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter alia 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.

During the financial year 2017-18 the Independent Directors have attended familiarization programme conducted by the company and the web-link for the details of familiarization programme is <http://www.kewalkiran.com/wp-content/uploads/2018/04/20180412170513579.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, 2018 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 had 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.
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

The Board Members while discharging their duties, avoid conflict of interest in the decision making process.

(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, 2018, four (4) Audit Committee meetings were held on April 25, 2017, July 28, 2017, October 14, 2017 and January 18, 2018. 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	3 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 devise 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, 2018 one (1) Nomination and Remuneration Committee meeting was held on April 25, 2017. 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	1 of 1
Mr. Yogesh A. Thar	1 of 1
Dr. Prakash A. Mody	1 of 1
Ms. Drushti R. Desai	1 of 1

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation 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.



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.

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 thereunder 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, 2018.

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	₹ 75,00,000	₹ 4,89,600	Nil	₹ 79,89,600
Mr. Hemant P. Jain	Nil	₹ 75,00,000	₹ 4,89,600	Nil	₹ 79,89,600
Mr. Dinesh P. Jain	Nil	₹ 75,00,000	₹ 4,89,600	Nil	₹ 79,89,600
Mr. Vikas P. Jain	Nil	₹ 75,00,000	₹ 4,89,600	Nil	₹ 79,89,600
Mr. Yogesh A. Thar	₹7,60,000	Nil	Nil	Nil	₹7,60,000
Dr. Prakash A. Mody	₹3,00,000	Nil	Nil	Nil	₹3,00,000
Mr. Nimish G. Pandya	₹6,60,000	Nil	Nil	Nil	₹6,60,000
Ms. Drushti R. Desai	₹7,60,000	Nil	Nil	Nil	₹7,60,000

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, 2018 no Stakeholders Relationship and Shareholder/ Investor Grievance Committee meeting was held.

Status report of the complaints received and resolved to the satisfaction of the shareholders/investors during the year ended March 31, 2018.

No. of complaints received	0
No. of complaints resolved	0
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.

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 to 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 to 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, 2018 one (1) Corporate Social Responsibility Committee meeting was held on October 14, 2017. 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 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. Bhavin Sheth, Chief Financial Officer	Member
Dr. Sanjeev Chauhan, Head - Human Resource	Member & Secretary
Mr. Abhijit Warange, Vice President Legal and Company Secretary	Member

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;

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

- Performing such other functions as may be necessary or appropriate.

Meetings of the Risk Management Committee:-

During the year ended March 31, 2018 three (3) Risk Management Committee meetings were held on April 17, 2017, July 18, 2017 and January 10, 2018. 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	3 of 3
Mr. Hemant P. Jain	2 of 3
Mr. Nimish G. Pandya	3 of 3
Mr. Abhijit B. Warange	2 of 3
Mr. Bhavin Sheth	3 of 3
Dr. Sanjeev Chauhan	3 of 3

VIII. INVESTMENT COMMITTEE

Composition of Committee:

The Investment Committee comprises of the following members:

Mr. Kewalchand P. Jain, Chairman & Managing Director	Chairman
Mr. Hemant P. Jain, Whole-time Director	Member
Mr. Dinesh P. Jain, Whole-time Director	Member
Mr. Vikas P. Jain, Whole-time Director	Member

The Investment Committee is responsible for investing idle funds of the Company not immediately required for the business of the company and to monitor the investments made for the benefit of the Company.

Meetings of the Investment Committee:-

During the year ended March 31, 2018 one (1) Investment Committee meeting was held on March 20, 2018. The attendance of Investment Committee meeting is given hereunder:

Name of the Investment Committee Member	No. of meetings attended
Mr. Kewalchand P. Jain	1 of 1
Mr. Hemant P. Jain	1 of 1
Mr. Dinesh P. Jain	1 of 1
Mr. Vikas P. Jain	1 of 1

IX. BORROWING COMMITTEE

Composition of Committee:

The Borrowing Committee comprises of the following members:

Mr. Kewalchand P. Jain, Chairman & Managing Director	Chairman
Mr. Hemant P. Jain, Whole-time Director	Member
Mr. Dinesh P. Jain, Whole-time Director	Member
Mr. Vikas P. Jain, Whole-time Director	Member

Role and Responsibilities of the Committee includes the following:-

The Committee is responsible for considering the need of borrowing and utilization of the borrowed fund to meet various requirements of the Company. It is also responsible to determine and balance the debt and equity ratio for the benefit of the Company.

Meetings of the Borrowing Committee:-

During the year ended March 31, 2018 two (2) Borrowing Committee meetings were held on August 14, 2017 and December 26, 2017. The attendance of Borrowing Committee meeting is given hereunder:

Name of the Borrowing Committee Member	No. of meetings attended
Mr. Kewalchand P. Jain	2 of 2
Mr. Hemant P. Jain	2 of 2
Mr. Dinesh P. Jain	2 of 2
Mr. Vikas P. Jain	2 of 2

X. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on March 10, 2018 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.

XI. 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 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

XII. RELATED PARTY TRANSACTION POLICY

The Company has adopted a Related Party Transaction policy, as recommended by the Audit Committee pursuant to 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

The Company has adopted the Vigil Mechanism/ Whistle Blower Policy pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015



XIII. 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
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
2015-16	Wednesday, September 7, 2016	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
2016-17	Thursday, September 7, 2017	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:

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

25th Annual General Meeting: At this meeting there were no Special Resolutions passed by the members of the Company.

26th 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.

XIV. 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 ₹5,50,260/- by way of professional fees to Pandya & Company, Advocates and Notary to represent the company in a matter before the Hon'ble High Court and Hon'ble Small Causes Court. Mr. Nimish Pandya, Non Executive Independent Director is the proprietor of Pandya & Co.
- (vi) The company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including 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 months was sent to shareholders.
- (viii) In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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, 2018.
- (ix) The Company has formulated policy on archival and preservation of documents in terms of Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- (x) The Company has formulated policy for determination of materiality of event in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xi) The Company has formulated Dividend Distribution policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual dividend consists of few interim dividend and a final dividend at the year end. The Board of Directors seeks to balance member's need of the returns and company's requirement of long term growth. After meeting internal cash balance towards any strategic investments, the Company will endeavor to return the rest of the free cash generated to shareholders through regular dividend.

The said policy as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the Dividend Distribution Policy is <http://kewalkiran.com/wp-content/uploads/2016/policy/dividend.pdf>.

XV. MEANS OF COMMUNICATION

The Annual Financial Results of the company for the financial year ended March 31, 2018 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.

XVI. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting:

Day, Date and Time

Tuesday, September 4, 2018 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, 2017 to March 31, 2018

c) Dates of Book Closure: September 1, 2018 to September 4, 2018 (both days inclusive).

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 2017-2018 are as under:

Months	BSE		NSE	
	High	Low	High	Low
April 17	1855.00	1,645.00	2,006.80	1,650.00
May 17	1,848.95	1,686.00	1,882.20	1,679.00
June 17	1,750.00	1,670.00	1,749.00	1,635.60
July 17	1,860.00	1,703.00	1,839.00	1,695.00
August 17	1,720.00	1,575.00	1,706.00	1,607.00
September 17	1,740.00	1,622.00	1,797.00	1,601.00
October 17	1,980.00	1,600.00	2,008.80	1,605.50
November 17	1,940.00	1,800.00	1,950.00	1,826.00
December 17	1,910.00	1,832.00	1,930.00	1,836.25
January 18	2,199.95	1,680.00	2,143.50	1,690.00
February 18	1,715.00	1,500.00	1,728.50	1,530.65
March 18	1,624.15	1,442.00	1,630.00	1,439.00

d) Dividend payment date:

Dividend if declared by the shareholders will be made payable on or after September 7, 2018.

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.

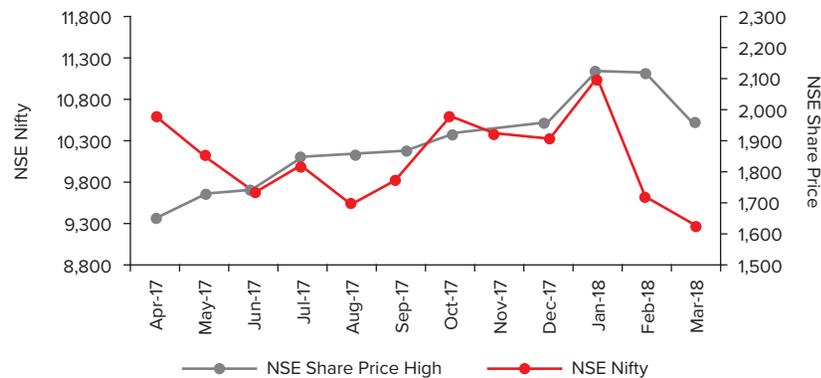
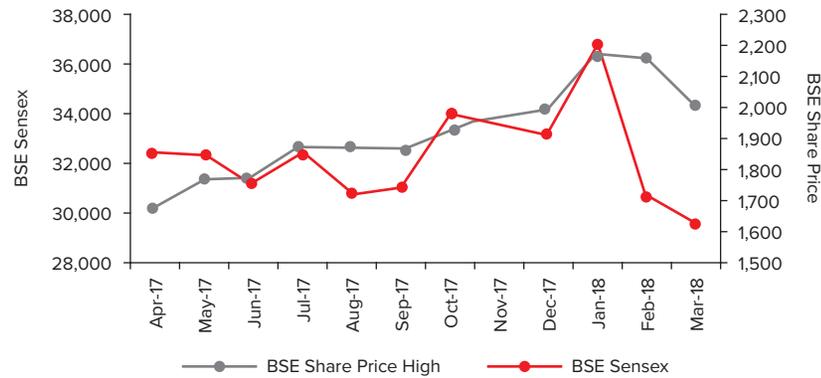
Note:

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

h) Performance in comparison to broad based indices:



i) Registrar & Share Transfer Agents:

Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai-400083
Tel: +91 22 49186000
Fax: +91 22 49186060
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 Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificates with stock exchange(s).

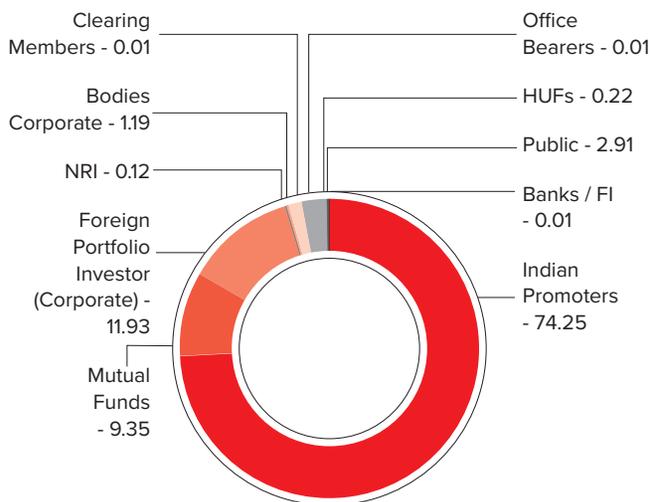
k) Distribution Pattern of shareholding as on March 31, 2018:

No of equity shares	Number of shareholders	% of shareholders	Number of shares held	% of shareholding
1-500	4969	97.40	167722	1.36
501-1000	41	0.80	31443	0.26
1001-2000	23	0.45	35955	0.29
2001-3000	15	0.29	35035	0.28
3001-4000	1	0.02	3157	0.03
4001-5000	6	0.12	26273	0.21
5001-10000	13	0.25	87451	0.71
10001 & above	34	0.67	11938001	96.86
Total	5102	100	12325037	100

Shareholding Pattern as on March 31, 2018:

Category	No. of Shares	% to total
Indian Promoters	9151473	74.25
Mutual Funds	1152844	9.35
Foreign Portfolio Investor(Corporate)	1469916	11.93
Investor Education and Protection Fund (IEPF)	206	0.00
NRI	14777	0.12
Bodies Corporate	145853	1.19
Independent Director	336	0.00
Clearing Members	1515	0.01
Office Bearers	640	0.01
HUFs	27221	0.22
Public	358874	2.91
Banks / FI	1382	0.01
Total	12325037	100.00

Shareholding pattern graph as on March 31, 2018



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, 2018.

Liquidity:-

KewalKiranClothingLimited'ssharesareactivelytraded 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, Dhabel
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-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai-400083
Tel: +91 22 49186000
Fax: +91 22 49186060
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	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
Porwal Jain 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

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

Name of the Company	Board Position Held
Enlighten Lifestyle 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	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

Name of the Company	Board Position Held
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	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

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
Corvus Sports Private Limited	Director
Streamcast Studios Private Limited	Director
Streamcast Media Private Limited	Director
Streamcast Education Services Private Limited	Director
Streamcast Logitech Private Limited	Director
Streamcast Cloud Private Limited	Director

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
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates 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
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Audit Committee	Member
MT Educare Limited	Stakeholder Relationship Committee	Member
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Stakeholder Relationship Committee	Chairman

Auditors' Certificate on Corporate Governance

To

The Members of Kewal Kiran Clothing Limited

We have examined the compliance of conditions of Corporate Governance by Kewal Kiran Clothing Limited (the 'Company'), for the year ended March 31, 2018, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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
Khimji Kunverji & Co
Chartered Accountants
ICAI Firm Registration Number: 105146W

Hasmukh Dedhia
Partner
Membership Number: 033494

Mumbai
Date: July 21, 2018

Certificate of Compliance with the Code of Conduct

I, Kewalchand P. Jain, Chairman & Managing Director of the company, hereby declare that the 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 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 : April 23, 2018

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

No. Particulars	Company Information
1 Corporate Identity Number (CIN) of the Company	L18101MH1992PLC065136
2 Name of the Company	Kewal Kiran Clothing Limited
3 Registered address	Kewal Kiran Estate, 460/7, I.B. Patel Road, Near Western Express Highway, Goregoan(East) Mumbai: 400063
4 Website	http://www.kewalkiran.com/
5 E-mail id	abhijit.warange@kewalkiran.com
6 Financial Year reported	Year ended on March 31, 2018 (FY18)
7 Sector(s) that the Company is engaged in (industrial activity code-wise)	Apparels- NIC code 141- Manufacturing of wearing apparels, except fur apparels
8 List three key products/services that the Company manufactures/provides (as in balance sheet)	Product includes Garment under its 4 iconic brands i.e. Killer, Easies, LawmanPg3 and Integriti, and also extensive range of branded Lifestyle Accessories
9 Total number of locations where business activity is undertaken by the Company	
9.1 Number of International Locations	KKCL does not have any manufacturing unit outside India
9.2 Number of National Locations	Manufacturing facilities at Vapi, Daman and Mumbai
10 Markets served by the Company – Local/State/ National/International	Company serves Local, State, National & International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

No. Particulars	Company Information
1 Paid up Capital (INR)	1232.50 lakhs (12,325,037 equity shares of ₹ 10 each)
2 Total Turnover (INR)	45696.89 lakhs
3 Total profit after taxes (INR)	7,325.25 lakhs
4 Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	247.00 lakhs which is 3.37% of profit after tax
5 List of activities in which expenditure in 4 above has been incurred	Education for needy People Promoting Health care Rehabilitate sick and needy animals Health care for needy People

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

No the company doesn't have a subsidiary although it has an associate company called White Knitwear Private Limited (WKPL).

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Not applicable since the company doesn't have any subsidiary company.



3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The company has not mandated any entities e.g. suppliers, distributors etc. of the Company for participating in the BR initiatives of the Company. However going forward company will encourage them to adopt BR initiatives of the company.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Company Information
1	DIN Number	00029730
2	Name	Kewalchand Pukhraj Jain
3	Designation	Chairman and Managing Director

b. Details of BR head

No.	Particulars	Company Information
1	DIN Number	00029730
2	Name	Kewalchand Pukhraj Jain
3	Designation	Chairman and Managing Director
4	Telephone number	022-26814400
5	E-mail id	kewaljain@kewalkiran.com

2. Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy/policies

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Products Lifecycle Sustainability [P2]

Principle 3: Employees' Well-being [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Environment [P6]

Principle 7: Policy Advocacy [P7]

Principle 8: Inclusive Growth [P8]

Principle 9: Customer Value [P9]

a. The response regarding the above 9 principles (P1 to P9) is given below

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify.	All the policies are compliant with respective principles of NVG guidelines								
4	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.kewalkiran.com/policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. All policies are communicated to internal stakeholders and are available on internal network. Policies applicable to external stakeholders are available on the Company's website								
8	Does the company have in-house structure to implement the policy/policies	Yes. There is an in-house structure with clearly defined roles and responsibilities that are periodically reviewed.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	While the company has not carried out independent audit of the policies, the internal audit function periodically looks at the implementation of the policies.								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									Not applicable
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility (BR):

No.	Questions	Information
1	Frequency of review, by the BR Committee to assess the BR performance. Within 3 months, 3-6 months, Annually, More than 1 year	The management of the company periodically accesses the BR performance of the company
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the second Business Responsibility Report of the company and the company would publish BRR annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Business with ethics evokes the feeling of trust in the minds of its stakeholders. At Kewal Kiran Clothing Limited (KKCL), we have always traversed the ethical growth path guided by a principled leadership team, robust governance mechanisms and transparent accounting platforms. This has helped us to boost shareholder trust, gain competitive advantage as well as remain responsible towards our employees, our communities and the environment.

To ensure that these principles translate into consistent practice, the below enablers lead us towards high standards of business conduct.

- a. **Whistle Blower Policy** – To provide an avenue for directors and employees to inform about any wrongdoing in the company and reassurance that they will be protected from reprisals or victimization for whistle blowing.
- b. **Policy for Determining Materiality of Events and Information** – The objective of this Policy is: (a) to ensure disclosure of any event or information which, pursuant to SEBI regulations is material, (b) to determine whether an event or information is material or not, and (c) to ensure timely, accurate, uniform and transparent disclosure.
- c. **Code of Conduct for Directors and Senior Management** – To ensure, inter alia, protection of confidential information, preventing conflict of interest, ensuring that anti-bribery

and corruption laws are complied with, and ensure compliance with all the applicable laws, regulations and Company's policies.

- d. Company's Code of Conduct on (prevention of) Insider Trading** – In order to protect the interest of investors, the company has mechanism to prevent insider trading and protect unpublished price sensitive information (UPSI).
- e. Policy on prevention of sexual harassment** – The Company has instituted processes and mechanisms to ensure that issues relating to sexual harassment are effectively addressed. In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committees (ICC) has been constituted. These Committees are

intended to facilitate open and structured discussions on sexual harassment complaints, and to ensure their resolution in a fair and justified manner. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there were no complaints reported to the ICC.

- f. Anti-bribery and anti-corruption policy** – KKCL is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt and unethical business practices. It is our policy to conduct our business activities with honesty, integrity, and the highest possible ethical standards while vigorously enforcing our business practice of not engaging in bribery or corruption across our operations.

Information with reference to BRR framework:

No.	Questions	Information
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	The Code of Conduct of KKCL provides guidelines on ethics, bribery and corruption. It is binding to all KKCL's senior management and employees. The guidelines are also communicated to most of our key associates to encourage fair practices in all activities.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Two complaints were pending at the end of the financial year before the District Consumer Forum and the same will be decided in due course in accordance the provisions of the law for the time being in force.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company's strategic intent to create enduring value by investing in its strong and competitive capabilities in R&D, innovation and technology and an array of institutional strengths including deep consumer insights, brand building capability, trade marketing and distribution infrastructure, focus on quality and world-class manufacturing practices, strong rural linkages and outstanding human resources.

The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle. This involves an end-to-end analysis of the product, taking into account all raw materials, transport, production processes, usage and disposal of the product.

The company has continuously achieved reduction in specific energy consumption, and increased share of renewable energy sources.

Environment, Health and Safety – the company has consciously followed the importance of environmentally clean and safe operations. Our 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.

Waste Management – The principles underlying waste separation are:

- to reduce the volume of hazardous waste,
- to maintain safety standards during handling, transportation and treatment,
- to eliminate the need for waste separation at disposal sites, and
- to facilitate the recycling process.

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

Information with reference to BRR framework:

No.	Questions	Information
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	Although the company has not designed any product taking into concern socio-environment factors however it has made efforts to reduce carbon footprints by taking several measures and used alternate sources of energy effectively and also taken utmost care to produce quality products.
2.2	Does the company have procedures in place for sustainable sourcing (including transportation)?	The company doesn't have prescribed mechanism for sustainable sourcing however it endeavours to source the raw materials sustainably.
2.3	Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?	The company as of now is not procuring any goods and services from the local communities although it is constantly working for the capacity development of the surrounding coterie.
2.4	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste	The Company has always strived to reduce waste associated with its products and try to recycle it as far as possible.

Principle 3: Businesses should promote the wellbeing of all employees

Physical health and fitness are important elements of employee well-being and to facilitate this, the company arranged several programs to make the employees health and fitness conscious. In order to do that we had organized Eye Check Up, Body Mass Index (BMI) camp for employees across all operating locations.

Protection of employees from employment injury is a major continuing objective. We continue to enhance safety and security at the workplace by prescribing policies and procedures, creating awareness and imparting trainings.

We proudly say that our office environment is free from harassment of any nature. We had undertaken several measures for creating awareness through POSH and other Training programmes for the employees, managers and ICC officer members to educate and equip them to effectively

handle any such untoward situation, if any in the company.

A zero-tolerance approach is adopted towards issues concerning discrimination on the grounds of race, religion, gender, age, sexual or any disability.

Company always emphasises on 'Knowledge' as a key differentiator, wherein we undertake continuous efforts for creating an environment of continuous learning which equips employees with knowledge and skills aligned to the Company's strategic objectives and business goals.

We never miss any single opportunity of enjoying the festivals and special days at KKCL family. We organizes fun-centric activities and contests on various occasions such as Diwali, Dussehra, X-mas, Rakshabandhan, Women's Day etc. to boost the employee morale and enhance bonding between cross functional teams.

Information with reference to BRR framework:

No.	Questions	Information
3.1	Please indicate the Total number of employees.	2144
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	727
3.3	Please indicate the Number of permanent women employees.	202
3.4	Please indicate the Number of permanent employees with disabilities	None
3.5	Do you have an employee association that is recognized by management.	None
3.6	What percentage of your permanent employees is members of this recognized employee association?	Not applicable

3.7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
3.7.1	Child labour/forced labour	Nil	Nil
3.7.2	Involuntary labour	Nil	Nil
3.7.3	Sexual harassment	Nil	Nil
3.7.4	Discriminatory employment	Nil	Nil

3.8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

No.	Employee Categories	% trained on Safety & Skill up-gradation
a	Permanent employees	40%
b	Permanent women employees	65%
c	Contract employees	35%
d	Employees with disabilities	Not applicable

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

We strive hard with passion to meet and set industry benchmarks in our systems and processes to ensure insightful experiences for our stakeholders. 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.

KKCL recognises employees, business associates (network of suppliers, stockists and dealers), customers, shareholders/ investors and communities surrounding our operations and regulating authorities as key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc.

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.

Information with reference to BRR framework:

4.1 Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the company has mapped its internal and external stakeholders into following categories:

1. Employees and their families,
2. Local community and society,
3. Customers and their families,
4. Investors and Shareholders,
5. Dealers, suppliers and other business partners,
6. Government and Regulators,
7. Environment and regulatory authorities, Financial Institutions and related service providers.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?
As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis for the upliftment of the society as a whole.

4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

For socio-economically disadvantaged sections of the society, the Company through its CSR programmes has donated funds to various trust and foundation for CSR activities like eradicating hunger, poverty and malnutrition, promoting health care, rehabilitated sick and needy animals and education for needy people.

Beside this the safety of workers is of utmost importance and a culture of safety is brought in, not just for the Company's employees but also for the other stakeholders. The initiatives adapted at all the units resulted in curtailing fatalities to one fatality in the last financial year.

Principle 5: Businesses should respect and promote human rights

Human rights are fundamental rights and we adhere to this principle in the most earnest spirit. Confirming our commitment is our Human Rights Policy which spans various principles ranging from freedom of association to freedom from harassment, and applies across our operations.

Not only our intentions, but also our actions are compliant with all the statutory laws and regulations. In the financial year, there were no human rights violation complaints relating either to child, forced and involuntary labour, or sexual harassment / discriminatory employment, against the Company.

KKCL respects and promotes human rights for all individuals. The Company's commitment to human rights and fair treatment is set in its Policy on Human Rights. The policy provides to conduct the operations with honesty, integrity and openness with respect for human rights and interests of employees.

KKCL supports freedom of association and collective bargaining as a part of our commitment to support the fair and equitable treatment of our workers. All workers, regardless of rank or job grade, have the right to form and join trade unions of their choice, and to bargain collectively. This approach helps in building, strengthening and sustaining harmonies between employer and the employees.

Information with reference to BRR framework:

No.	Questions	Information
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company's Anti sexual harassment policy applies to all KKCL employees, customers, vendors, consultants, and anyone else doing business on the company premises, as well as those involved in activities in which company's name is associated.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Two complaint were pending at the end of the financial year before the District Consumer Forum and the same will be decided in due course in accordance the provisions of the law for the time being in force.

Principle 6: Business should respect, protect, and make efforts to restore the environment

KKCL has been working systematically to reduce its impact on the Environment. We take seriously our impact on the natural resources in the communities where we operate and have put in place measures to not merely comply with regulations but to responsibly take care of the Planet, preserve its beauty and resources for future generations.

Clean air, fresh water, rich biodiversity and abundant natural resources is imperative to human health and well-being. At KKCL we are aware of the environmental challenges that resource depletion pose and are converting them into business opportunities by taking systematic conservation measures. Reducing our dependence on scarce resources is not only easing the pressure on the planet but also improving our operational cost.

Measures for carbon footprint reduction – The practice of monitoring of the air conditioning equipment was adopted at all the factories, offices which resulted in both improved performance and energy saving. 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.

Lighting Energy Conservation measures adopted by checking illumination levels at all locations, excess lights were removed and lights were switched on only when required. Also energy efficient lights were adopted, including the use of LEDs.

The company has saved fuel consumption of factory boilers by regular monitoring of the various parameters important for maintaining high efficiency in boilers.

Improved the efficiency of Driers, Washers, Steam Irons, etc.at the factories by regular monitoring of the various parameters important for maintaining high efficiency. In Washers steam usage was restricted to those cycles where temperature required was 90 degree Celsius.

Information with reference to BRR framework:

6.1 Does the policy related to Principle 6 cover only the company or extends to the Group /Joint Ventures/ Suppliers/Contractors/NGOs/others.
 Many facets of environment protection are embedded in the company's operations as also in its products. The

company has not mandated its applicability to its group companies and suppliers although it encourage the adoption of best environmental practices.

6.2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

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

6.3 Does the company identify and assess potential environmental risks? Y/N

The company doesn't have any mechanism regarding assessment of potential environment risks however company has initiated several measures to conserve our fossil fuels consumptions.

6.4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company has not undertaken any project related to Clean Development Mechanism however the Company has been working systematically to reduce its impact on the Environment. We take seriously our impact on the natural resources in the communities where we operate and have put in place measures to not merely comply with regulations but to responsibly take care of the Planet, preserve its beauty and resources for future generations.

6.5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.Y/N. If yes, please give hyperlink for web page etc.

The company has invested in green energy. Prime amongst them is the investment in generation of wind energy. One of our facilities is dedicated towards harnessing the power of wind to generate energy. The Company has a 600 KW Wind Generator in Gujarat which provides most of the electricity at Company's Vapi Factory.

6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/ waste generated by the Company are within the permissible limits given by CPCB/SPCB and are reported on periodic basis.

- 6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
None

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

KKCL has representation in national and international industry and trade associations. Some of the trade/business associations where KKCL is a member are listed below.

1. Federation of Indian Chambers of Commerce and Industry.
2. Apparel Export Promotion Council
3. Retailers Association of India
4. Indo German Chamber

KKCL hasn't advocated/lobbied through above associations for the advancement or improvement of public good.

Principle 8: Businesses should support inclusive growth and equitable development

We support the principles of inclusive growth and equitable development through our corporate social responsibility initiatives. KKCL believes that social, environmental and economic values are interlinked and we belong to an Interdependent Ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society. We are committed to ensure a positive impact of our existence on all these stakeholders. It's our continuous endeavour to integrate sustainability considerations in all our business decisions.

Information with reference to BRR framework:

No.	Questions	Information
8.1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes the Company has formulated a well- defined CSR policy, which focuses on issues like Education, health care, environment, rural development, etc.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	The programmes/ projects are undertaken through in-house teams/ our foundation to serve areas of community growth and sustainable development.
8.3	Have you done any impact assessment of your initiative?	Yes the Company has conducted impact assessment of its CSR initiatives.
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the year under review, the Company has spent an amount of ₹ 247.00 lakhs on CSR activities mainly on education, health care, environment, rural development, etc.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, Initiatives conducted under the CSR are tracked to determine the outcome achieved and the benefits to the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company is committed to providing products and services that offer best-in-class quality and user experience. All businesses of the Company comply with all regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling customers to make informed purchase decisions.

Information with reference to BRR framework:

No.	Questions	Information
9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The Company has a well-defined system of addressing customer complaints. All complaints are appropriately addressed and resolved. Two complaint were pending at the end of the financial year before the District Consumer Forum and the same will be decided in due course in accordance with the provisions of the law for the time being in force.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	KKCL adheres to all the applicable regulations regarding product labelling and displays relevant information on it. The product details are also given on the website of the Company.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	None
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	The company maintains visitor's books for comments, suggestions, and complaints and it reviews consumer feedbacks periodically.

A man with dark hair and sunglasses, wearing a blue denim shirt and jeans, is captured in a dynamic, mid-air pose. He is surrounded by thick, white smoke that fills the scene. In the foreground, there is a laboratory setup with a large, rusted metal sphere, a test tube rack containing various colored liquids, and other glassware. The background is dark and industrial, with a large fan or motor visible on the right. The overall atmosphere is gritty and cinematic.

SMOKE
WASH

LAWMAN Pg³
BE THE STAR

81 55



JUST

KKCL FACTORY AT DAMAN



1 UNDER CONSTRUCTION

2 CANTEEN

3 MANUFACTURING UNIT

4 ACCESSORIES

5 FINISHING UNIT

6 WAREHOUSING

7 OFFICE

8 LOGISTICS

1

2

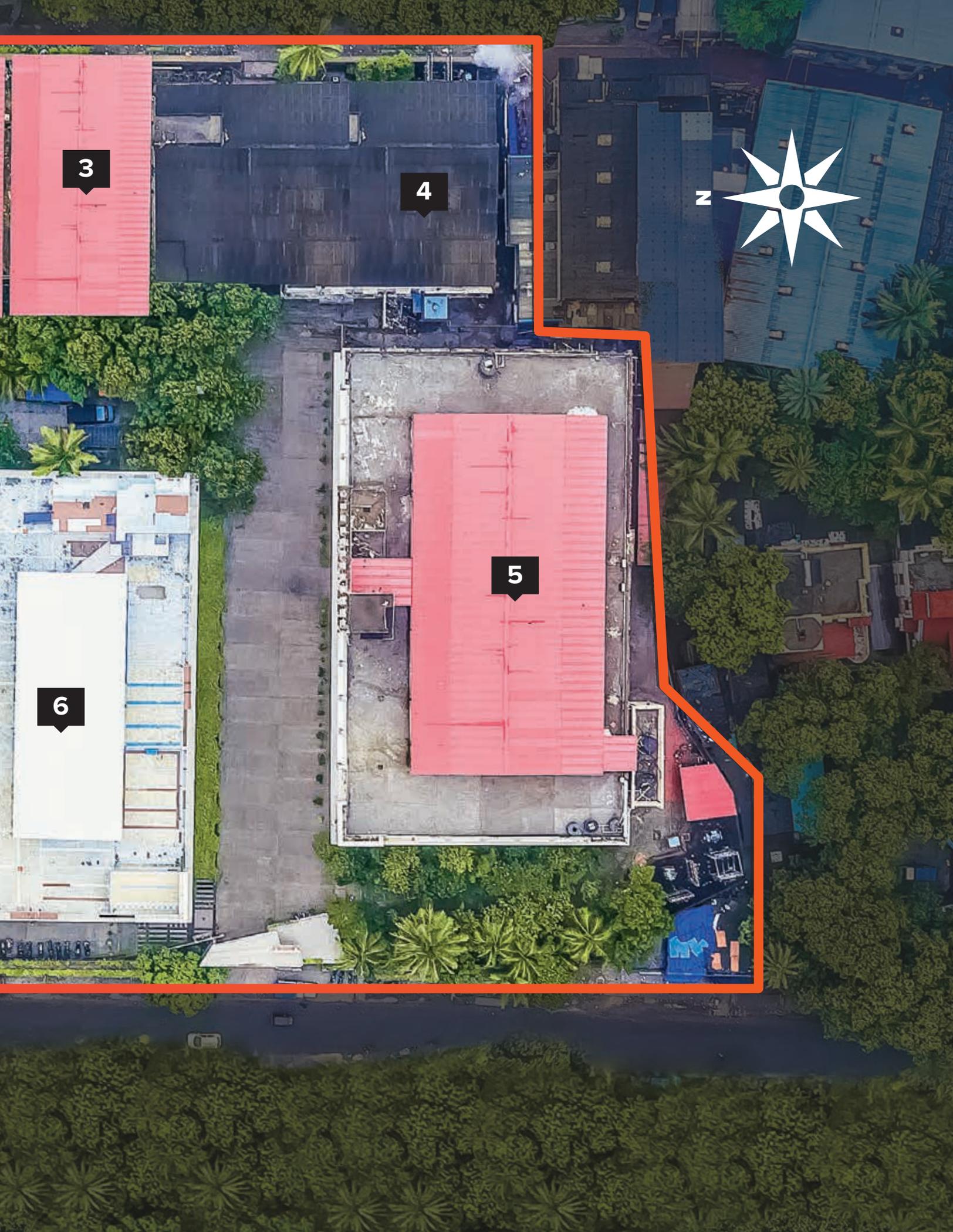
7

8

KKCL

KEWAL KIRAN CLOTHING LIMITED





3

4

5

6



◀◀ AERIAL VIEW OF SITE INSIDE



Independent Auditor's Report

To
The Members of
Kewal Kiran Clothing Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

1. We have audited the accompanying standalone Ind AS financial statements of Kewal Kiran Clothing Limited ("the Company"), which comprise of Balance Sheet as at March 31, 2018, Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash flow Statement for year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

2. The Company's Management and Board of Directors is responsible for the preparation and presentation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards as specified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 3 of Companies (Indian Accounting Standards Rules), 2015. 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Standalone Ind AS financial statements, the management is responsible for assessing the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITORS RESPONSIBILITY

3. Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Ind AS financial statements 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and Board of Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

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

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

OPINION

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the Company as at March 31, 2018, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

OTHER MATTERS

7. The comparative financial information for the year ended March 31, 2017 and the transition date opening Balance sheet as at April 1, 2016 included in the Standalone Ind AS financial statements are based on the previously issued Standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as audited by N.A Shah Associates LLP, Chartered Accountants and Jain & Trivedi Chartered Accountants, ("the erstwhile joint auditors"), whose reports for the year ended March 31, 2017 and March 31, 2016 vide audit report dated April 25, 2017 and May 23, 2016 respectively, expressed an unmodified opinion on these standalone financial statements, as adjusted for the differences in the accounting by the Company on transition to Ind AS, which have been subjected to audit by us. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. 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 A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. 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 including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

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

(f) With respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditors' 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 the financial position in its Standalone Ind AS financial statements
- ii. The Company did not have any long-term contracts including derivatives 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 **Khimji Kunverji & Co**
Chartered Accountants
Firm Regn. No: 105146W

Hasmukh B. Dedhia
Partner
Membership Number: 033494
Place: Mumbai
Date: April 23, 2018

Annexure A to the Independent Auditors' Report.

(Referred to in paragraph 8 under the heading "Report on Other Legal and Regulatory Requirements "of our report of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- 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;
- c) According to the information and explanations given to us and based on our examination of the records of the company, the title deeds of immovable properties are held in the name of company.
- 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 from such third parties and discrepancies therein were not material. 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.
- 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.
- 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.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposits within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. 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 in respect of this matter.
- 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 it.
- vii. In respect of statutory dues:
 - 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, Goods & Service 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 March 31, 2018 for a period of more than six months from the date they became payable.

- b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed Income tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax as on 31st March, 2018 which have not been deposited except the following disputed dues which have not been deposited since the matters are pending with the relevant forum:

Name of the Statute	Nature of the dues	Period	Forum where dispute is pending	Amount (₹)
The Income Tax Act, 1961 (*)	Income Tax and Interest	AY 2005-06	Bombay High Court (Appeal filed by the department)	68,94,195
The Income Tax Act, 1961 (**)	Income Tax and Interest	AY 2011-12	ITAT, Mumbai	8,85,540
The Income Tax Act, 1961	Income Tax and Interest	AY 2012-13	ITAT, Mumbai	6,89,290
The Income Tax Act, 1961 (**)	Income Tax and Interest	AY 2013-14	CIT (Appeal) – Mumbai	7,79,065
The Income Tax Act, 1961	Income Tax and Interest	AY 2014-15	CIT (Appeal) – Mumbai	5,01,765

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

(**) Adjusted against the refund of assessment year 2013-14

- viii. Based on our audit procedures and as per the information and explanations given by the management, 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. Hence, clause (ix) of paragraph 3 of the Order is not applicable to it.
- x. During the course of our examination of the books of account and records of the Company and according to information and explanation given to us, we have neither noticed nor have we been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.
- 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. The provisions of clause (xii) of paragraph 3 of the Order are not applicable to it.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with the applicable provisions of Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- 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. Hence, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to it.
- 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 them.
- xvi. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Khimji Kunverji & Co
Chartered Accountants
Firm Regn. No: 105146W

Hasmukh B. Dedhia
Partner
Membership Number: 033494
Place: Mumbai
Date: April 23, 2018

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 9 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls over financial reporting of Kewal Kiran Clothing Limited ("the Company") as at March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Regn. No: 105146W

Hasmukh B. Dedhia
Partner
Membership Number: 033494
Place: Mumbai
Date: April 23, 2018

Standalone Balance Sheet

as at 31st March 2018

Corporate Identification Number- L18101MH1992PLC065136

(Amount ₹ in lakhs)

Particulars	Note	As at	As at	As At
		31st March 2018	31st March 2017	01st April 2016
		Audited	Audited	Audited
ASSETS				
1) Non-Current Assets				
a) Property, Plant and Equipment	2.1	6,755.62	6,249.72	5,710.61
b) Capital Work in Progress		908.51	724.49	263.56
c) Investment Property	2.11	151.59	160.35	-
d) Other Intangible Assets		50.06	45.14	73.58
e) Intangible Assets under Development		15.35	2.86	-
f) Financial Assets				
i) Investments	2.2	13,712.52	12,929.20	6,513.36
ii) Loans		-	-	-
iii) Other Financial Assets	2.3	251.70	190.25	180.86
g) Deferred Tax Assets(Net)		-	-	49.78
h) Other Non-Current Assets	2.4	232.05	533.22	934.17
		22,077.40	20,835.23	13,725.92
2) Current Assets				
a) Inventories	2.5	5,285.01	5,126.20	5,617.51
b) Financial Assets				
i) Investments	2.6	9,329.67	7,582.84	12,171.48
ii) Trade Receivables	2.7	13,616.68	10,615.39	10,896.61
iii) Cash & Cash Equivalents	2.8	6,154.29	6,556.03	2,214.88
iv) Bank balances other than iii above	2.9	94.45	88.03	104.68
v) Loans		-	-	-
vi) Other Financial Assets	2.10	144.27	132.70	165.20
c) Current Tax Assets (Net)		-	-	-
d) Other Current Assets	2.11	529.40	377.38	271.46
		35,153.77	30,478.57	31,441.82
TOTAL ASSETS		57,231.17	51,313.80	45,167.74
EQUITY & LIABILITIES				
Equity				
a) Equity Share Capital	2.12	1,232.50	1,232.50	1,232.50
b) Other Equity	2.13	38,732.83	36,218.57	31,600.62
		39,965.33	37,451.07	32,833.12
Liabilities				
1) Non-Current Liabilities				
a) Financial Liabilities		-	-	-
b) Provisions	2.14	6.50	7.58	13.00
c) Deferred Tax Liability (net)	2.15	459.99	112.72	-
d) Other non - current liabilities	2.16	159.44	-	-
		625.93	120.30	13.00
2) Current Liabilities				
a) Financial Liabilities				
i) Borrowings	2.17	4,829.65	4,050.50	2,888.76
ii) Trade Payables	2.18			
- Due to Micro and Small Enterprises		25.39	20.46	89.91
- Due to Others		4,325.26	3,926.20	4,598.45
iii) Other financial liabilities	2.19	717.69	961.71	378.86
b) Other Current Liabilities	2.20	4,437.54	2,592.16	2,709.80
c) Provisions	2.21	2,233.38	2,105.51	1,455.62
d) Current Tax Liabilities (Net)	2.22	71.00	85.89	200.22
		16,639.91	13,742.43	12,321.62
TOTAL EQUITY AND LIABILITIES		57,231.17	51,313.80	45,167.74

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
Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

Abhijit Warange
Company Secretary

Standalone Statement of Profit and Loss

for the year ended 31st March, 2018

Particulars	Note	(Amount ₹ in lakhs)	
		For the Year Ended 31st March 2018 Audited	For the Year Ended 31st March 2017 Audited
INCOME			
Revenue from Operations	2.23	46,191.77	47,709.48
Other Income	2.24	2,109.05	1,746.78
		48,300.82	49,456.26
EXPENDITURE			
Changes in inventories of Finished goods, Stock in trade and Work in progress	2.25	(267.64)	787.74
Cost of Material Consumed	2.26	17,992.90	17,782.16
Purchase of Trading Items: Lifestyle Accessories/ Products		1,622.86	1,626.28
Excise Duty on sales		164.28	1,059.49
Employee Benefit Expenses	2.27	6,507.23	5,921.46
Finance cost	2.28	498.30	327.18
Depreciation/ Amortization	2.1	577.35	475.67
Manufacturing and Operating Expenses	2.29	4,535.25	4,776.82
Administrative and Other Expenses	2.30	3,067.95	2,951.79
Selling and Distribution Expenses	2.31	2,747.09	2,918.97
		37,445.57	38,627.56
Net Profit Before Tax		10,855.25	10,828.70
Tax Expense			
Current Tax		3,182.72	3,212.03
Deferred Tax		347.28	162.50
(Excess)/Short Provision for Taxes of Earlier Years		-	(4.85)
Net Profit for the Period		7,325.25	7,459.02
Other Comprehensive Income (OCI)			
Items that will not be reclassified to Profit and Loss			
Effect [(gain) / loss] of measuring equity instruments at fair value through OCI		(51.62)	(0.14)
Remeasurement (gain) / loss on net defined benefit liability		(49.94)	34.75
Income tax relating to items that will not be reclassified to profit and loss		17.28	(12.03)
Total Comprehensive Income for the year		7,409.53	7,436.44
Earnings per Share - Basic and Diluted (Face Value of ₹ 10 each fully paid up)		59.43	60.52
Weighted Average Number of Shares used in computing Earnings per Share -Basic and Diluted		12,325,037	12,325,037

Significant accounting policies and notes on accounts

1&2

The notes referred to above form integral part of Statement of Profit and Loss

As per our audit report of even date

For and on behalf of

Khimji Kunverji & Co

Chartered Accountants

Registration No.:105146W

Hasmukh Dedhia

Partner

Membership No.: 33494

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: 23rd April 2018

Bhavini Sheth

Chief Financial Officer

Abhijit Warange

Company Secretary

Standalone Cash Flow Statement

for the year ended 31st March 2018

Particulars	(Amount ₹ in lakhs)	
	For the Year Ended 31st March 2018 Audited	For the Year Ended 31st March 2017 Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxes as per Statement of Profit and Loss	10,855.25	10,828.70
Adjustments for:		
Depreciation/ Amortization	577.35	475.67
(Gain)/Loss on Sale / discard of Property plant & equipment (Tangible Assets) (Net)	-	(27.87)
Proportionate Lease premium charged	3.06	3.00
Effect of fair value measurement of investments	(1,939.22)	(1,613.99)
Sundry Balance (written back)/written off (Net)	(14.57)	(0.58)
Finance costs	441.96	288.38
Dividend Income	(3.15)	(17.66)
Provision/(Reversal of provision) for Doubtful Debts, Advances, Deposits and Investments	(18.62)	150.45
Provision for share of loss in Joint Venture reversed	-	(6.50)
Provision/(Reversal of provision) for Contingent Rent/ Joint Venture	(1.08)	1.08
Provision/(Reversal of provision) for Contingencies	-	5.89
Provision/ (Reversal of Provision) of Exchange Rate Fluctuation (Net)	(5.33)	2.86
Interest Income	(38.96)	(46.60)
	(998.56)	(785.87)
	9,856.69	10,042.83
Changes in Current & Non-current Assets and Liabilities		
Trade Receivable and Other Assets	(3,188.95)	123.70
Inventories	(158.81)	502.73
Trade Payables, Liabilities and Provisions	2,103.54	297.14
	(1,244.22)	923.57
Net Cash Inflow from Operating Activities	8,612.47	10,966.40
Less: Income Tax paid (Net of Refund) (refer note 1 below)	(3,046.94)	(2,955.45)
Net Cash Inflow/(outflow) from Operating Activities	5,565.53	8,010.95
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment (including Capital Advances)	(949.81)	(1,487.22)
Sale of Property Plant & Equipment	45.02	52.84
Purchase of Investments	(5,983.41)	(13,323.49)
Redemption of Investments- (net of income tax of ₹47 lakhs (P.Y. ₹86.71 lakhs))	5,448.79	13,764.28
Bank Deposit offered as Security	(66.33)	(142.97)
Maturity of Bank Deposit offered as Security	83.12	137.13
Dividend Income	3.15	17.66
Interest received on Bank Deposits	19.08	68.08
Less: Income Tax Paid (refer note 1 below)	(10.11)	(16.13)
Net Cash inflow /(Outflow) from Investing Activities	(1,410.50)	(929.81)

Standalone Cash Flow Statement

for the year ended 31st March 2018

(Amount ₹ in lakhs)

Particulars	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
	Audited	Audited
C. CASH FLOW FROM FINANCING ACTIVITIES		
Working Capital Demand Loan (Net)	779.14	1,782.95
Interest and Finance Charges	(440.65)	(366.76)
Payment of Dividend (Including Dividend Tax)	(4,895.26)	(4,153.56)
Net Cash Inflow/(Outflow) from Financing Activities	(4,556.77)	(2,737.37)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(401.74)	4,343.77
CASH AND CASH EQUIVALENTS - OPENING (refer note 2.8)	6,556.03	2,214.88
	6,154.29	6,558.65
Effect of Exchange(Gain)/Loss on Cash and Cash Equivalents	-	2.62
CASH AND CASH EQUIVALENTS - CLOSING (refer note 2.8)	6,154.29	6,556.03

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 ₹3,103.67 lakhs (P.Y. ₹3,058.29 lakhs).

As per our audit report of even date

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

Abhijit Warange
Company Secretary

Statement of Standalone Change in Equity

for the year ended 31st March 2018

A) EQUITY SHARE CAPITAL

(Amount ₹ in lakhs)

	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the reporting year	1,232.50	1,232.50
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	1,232.50	1,232.50

B) OTHER EQUITY

(Amount ₹ in lakhs)

	General Reserve	Retained Earning	Securities premium	Business Progressive fund	Equity Instruments through OCI	Total
Balance as at 01st April 2016 (I)	4,522.86	15,650.99	8,426.77	3,000.00	-	31,600.62
Profit for the year	-	7,459.02	-	-	-	7,459.02
Items of OCI for the year, net of tax	-	-	-	-	-	-
Remeasurement of net defined benefit liability	-	(22.73)	-	-	-	(22.73)
Effect of measuring equity instruments at fair value through OCI	-	-	-	-	0.14	0.14
Total Comprehensive income from the year (2016-17) (II)	-	7,436.29	-	-	0.14	7,436.44
Dividends	-	(2,341.76)	-	-	-	(2,341.76)
Tax on dividends	-	(476.73)	-	-	-	(476.73)
Transfer to Business Progressive Fund	-	(500.00)	-	500.00	-	-
Transfer to General Reserve	852.77	(852.77)	-	-	-	-
Total (III)	852.77	(4,171.26)	-	500.00	-	(2,818.49)
Balance as at 31st March 2017 (IV) = I+II+III	5,375.63	18,916.02	8,426.77	3,500.00	0.14	36,218.56
Profit for the year	-	7,325.25	-	-	-	7,325.25
Items of OCI for the year, net of tax	-	-	-	-	-	-
Remeasurement of net defined benefit liability	-	32.65	-	-	-	32.65
Effect of measuring equity instruments at fair value through OCI	-	-	-	-	51.62	51.62
Total Comprehensive income from the year (2017-18) (V)	-	7,357.90	-	-	51.62	7,409.53
Dividends	-	(4,067.26)	-	-	-	(4,067.26)
Tax on dividends	-	(828.00)	-	-	-	(828.00)
Total (VI)	-	(4,895.26)	-	-	-	(4,895.26)
Balance as at 31st March 2018 (VII) = IV+V+VI	5,375.63	21,378.67	8,426.77	3,500.00	51.77	38,732.83

As per our audit report of even date
For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

Abhijit Warange
Company Secretary

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

A. Corporate Information

Kewal Kiran Clothing Limited ("the Company") is a Public Limited Company incorporated in India having its registered office at Mumbai, Maharashtra. The Company is engaged into manufacturing, marketing and retailing of branded readymade garments and finished accessories.

B. Statement of Compliance and Basis of Preparation

(i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

For all periods up to and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with Accounting Standards as specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

These financial statements for the year ended March 31, 2018 are the first financial statements that the Company has prepared in accordance with Ind AS. Refer Note 2.53 for information about how the transition from previous GAAP to Ind AS has affected the Company's Balance sheet, Statement of profit & loss and Statement of cash flows.

(ii) Basis of Preparation and presentation

Basis of Preparation:

The financial statements have been prepared on a historical cost basis, except the following assets and liabilities which have been measured at fair value

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments)
- Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable

or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency:

The financial statements are presented in Indian Rupees and all values are rounded to the nearest Lakh (INR 00,000), except otherwise indicated.

C. Summary of Significant Accounting Policies

1.1 Classification of Assets and Liabilities into Current/ Non-Current:

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- a) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is expected to realise the asset within twelve months after the reporting period; or
- d) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is classified as current if:

- a) It is expected to be settled in the normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is due to be settled within twelve months after the reporting period; or
- d) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

1.2 Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Following initial recognition, items of PPE are carried at its cost less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all PPE are measured using cost model. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. PPE are eliminated from financial statement either on disposal or when retired from active use. Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

1.3 Expenditure during construction period:

a) Expenditure / Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

b) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for

disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

1.4 Depreciation:

a) Depreciation on the property, plant and equipment (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 Act except certain class of assets specified in table (i) below, based on internal assessment estimated by the management of the Company, where the useful life is lower than as mentioned in said Schedule II.

Assets where useful life is lower than useful life mentioned in Schedule II

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
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase

b) The range of useful lives of the property, plant and equipment not covered in table above and are in accordance with Schedule II are as follows:

Particulars	Useful life
Factory buildings	30 years
Other buildings (RCC structure)	60 years
Other Plant and Machinery	15 years
Computers	3 years
Furniture & fittings	10 years
Motor vehicles	8 years
Windmill	22 years

c) In case of assets purchased, sold or discarded during the year, depreciation on such assets is

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

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) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- 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 useful life 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.

1.5 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company for its own business, is classified as investment property. Investment properties are measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building held as Investment Properties is provided over its useful life (of 60 years) using the straight line method.

1.6 Intangible Assets and Amortisation:

- a) 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.
- b) Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.
- c) Intangible assets under development comprises of cost incurred on intangible assets under

development that are not yet ready for their intended use as at the Balance Sheet date.

- d) Class of intangible assets and their estimated useful lives are as under:

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

- e) Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.
- f) In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

1.7 Non-current assets (or disposal Company) classified as held for disposal:

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell.

To classify any Asset as "Asset held for disposal" the asset must be available for immediate sale and its sale must be highly probable. Such assets are presented separately in the Balance Sheet, in the line "Assets held for disposal". Once classified as held for disposal, intangible assets and PPE are no longer amortised or depreciated, but carried at lower of cost or NRV.

1.8 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories:

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.

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).

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 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, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings and 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.

1.11 Provisions, Contingent Liabilities and Contingent Assets:

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

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

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

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

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

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

1.12 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- 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 is measured at the fair value of consideration received or receivable taking net off the amount of goods and services tax (GST), sales tax, rebates, 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 period/year in which the right to receive the same is established.
- d) Service income is recognized upon rendering of services. Service income is recorded net of service tax/GST.
- 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/GST

- 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 principally comprises of Duty Drawback, merchandise exports from India scheme and refund of state levies based on guidelines formulated for the respective scheme by the government authorities. These incentives are recognized as income on accrual basis in Statement of Profit and Loss in only to the extent that realisation/utilisation is certain.
- h) Rental income (net of taxes) on assets given under operating lease arrangements is recognized on a straight-line basis over the period of the lease unless the receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

1.13 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 charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

1.14 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.

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

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. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. Re-measurement gains or losses arising from experience adjustments changes in actuarial assumptions is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss in the subsequent period.

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 fulfil the Company's obligation for the above mentioned plan, the Company has taken Company term policy from an insurance company. The annual

premium for insurance cover is recognized in Statement of Profit and Loss.

1.15 Income Taxes:

- 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) Current Tax is measured on the basis of estimated taxable income for the current accounting period with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.
- c) Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable

1.16 Earnings per Share:

Basic earnings per share (EPS) are calculated by dividing the net profit or loss (after tax) for the year

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(₹ in lakhs except as otherwise stated)

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.

1.17 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 carried at fair value are translated at the rates prevailing at the date when the fair value was determined. Foreign currency non-monetary items measured in terms of historical cost are translated using the exchange rate as at the date of initial transactions.
- 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 on those foreign currency borrowings.

1.18 Financial Instruments:

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

Measurement

At initial recognition, the Company measures a financial asset and financial liabilities at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial

recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

Fair Value through OCI (FVOCI):

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

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

Fair Value through Profit or Loss (FVTPL):

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

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

Equity instruments:

The Company subsequently measures its specific equity investments other than investments in joint venture at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies 'simplified approach' as specified under Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience and is adjusted for forward looking estimates.

Derecognition of financial assets:

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

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

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Subsequent measurement: Financial Liabilities

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under

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effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

1.19 Cash Flow Statement and 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 (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. 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.

1.20 Dividend distribution:

Final equity dividends on shares are recorded as a liability on the date of approval by the shareholders and interim equity dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.21 Segment Reporting:

Operating 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. These operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM").

1.22 Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Critical judgements and estimates in applying accounting policies:

1) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2) Estimation of Defined benefit obligation:

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 2.40

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3) Sales Returns:

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

4) Fair value measurement of Financial Instruments: Refer Note 2.50

5) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating

unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

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Property, Plant and Equipment and Intangible Assets 2.1:

Sr. No.	Description of the Block of Assets	Gross Block			Depreciation / Amortisation			Net Block		
		As at 01/04/2017	Additions	Deductions/ Discarded	As at 31/3/2018	As at 01/04/2017	Depreciation	Deductions/ Discarded	As at 31/3/2018	As at 31/03/2017
Property Plant & Equipment (Tangible Assets)										
1	Free Hold Land	1,603.42	93.93	-	1,697.35	-	-	-	1,697.35	1,603.42
2	Building	2,729.08	-	-	2,729.08	113.88	105.13	219.01	2,510.07	2,615.20
3	Furnitures & Fixtures	62.57	33.70	-	96.27	15.26	8.24	23.50	72.77	47.31
4	Plant and Machinery	1,870.81	758.16	51.72	2,577.25	209.75	290.35	8.15	2,085.30	1,661.06
5	Computer	139.96	36.82	9.08	167.70	42.41	57.77	7.63	75.15	97.55
6	Office Equipments	99.05	146.46	-	245.51	26.38	47.62	-	171.51	72.67
7	Vehicles	177.87	20.30	-	198.17	25.37	29.33	-	143.47	152.51
	Total of Property Plant & equipment (A)	6,682.76	1,089.37	60.80	7,711.33	433.04	538.45	15.78	6,755.62	6,249.72
Intangible Assets (other than internally generated)										
1	Software (Acquired)	77.39	35.08	-	112.46	35.85	26.55	-	50.06	41.54
2	Membership Rights	7.20	-	-	7.20	3.60	3.60	-	-	3.60
	Total of Intangible Assets (B)	84.59	35.08	-	119.66	39.45	30.15	-	50.06	45.14
Capital Work in Progress (CWIP)										
1	Plant and Machinery	233.35	244.54	420.87	57.02	-	-	-	57.02	233.35
2	Building	491.15	360.34	-	851.49	-	-	-	851.49	491.15
	Total CWIP	724.50	604.88	420.87	908.51	-	-	-	908.51	724.50
Intangible Assets under development										
1	Software (Acquired)	2.86	12.49	-	15.35	-	-	-	15.35	2.86
	Total CWIP (C)	727.36	617.37	420.87	923.86	-	-	-	923.86	727.36
Investment Properties (2.1.1)										
1	Building	255.91	-	-	255.91	95.56	8.76	-	151.59	160.35
	Total Investment properties (D)	255.91	-	-	255.91	95.56	8.76	-	151.59	160.35
	Grand total (A+B+C+D)	7,750.62	1,741.82	481.67	9,010.76	568.05	577.35	15.78	7,881.13	7,182.57

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2.1.1a Investment Properties

Particulars	31st March18	31st March17*
Rental income derived from Investment properties	89.51	6.09
Direct operating expenses (Including repair and maintenance)	2.58	0.10
Income arising from Investment properties before depreciation	86.93	5.99
Depreciation	8.76	0.15
Income from Investment properties (Net)	78.17	5.84

*Expenses is for the proportionate period for which property was given on operating lease.

The Fair value of investment properties as at 31st March 2018 is ₹ 516.11 lakhs (P.Y. ₹ 284.86 lakhs)

2.1.2 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.10) share of ₹ 50 each in Gautam Chemical Industrial Premises CHS Ltd.

2.1.3 Balance useful life of membership rights as at year end is Nil (P.Y. 12 months).

2.1.4 Building includes building constructed on lease hold land having Gross block of ₹ 226.65 lakhs (P.Y. ₹ 226.65 lakhs)

2.1.5 In the year 2014-15, the company has acquired freehold land with integrated structures for a composite value whose conveyance is registered and municipal records updated. The value of the structure is determined based on estimated depreciated value of structures and the balance is considered as the value of the land. In respect of the land, the company has undivided share in land. Also an insignificant portion of land is unlawfully occupied by an illegal occupant and the said occupant had raised some illegal structures which were demolished by the Municipal Corporation during the year under review. The said illegal occupant has filed a suit in the Hon'ble High Court for his alleged claim in respect of the portion of the land illegally occupied by him. The company has refuted the alleged claim of the illegal occupant and is defending the suit. The Company has filed an Eviction suit against the illegal occupant in the Hon'ble Small Causes Court. Both the said matters are sub-judiced. There is insignificant impact of these litigations on the financial position of the company.

2.1.6 Amount capitalised under building block includes Nil (P.Y. ₹198.40) being the amount of capital expenditure incurred on self-constructed assets. Further such amount included under CWIP is aggregating to ₹851.49 lakhs (P.Y. ₹491.15 lakhs).

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Property, Plant and Equipment and Intangible Assets 2.1:

Sr. No.	Description of the Block of Assets	Gross Block			Depreciation / Amortisation			Net Block As at 31/3/2017	
		As at 01/04/2016	Additions	Deductions/ Discarded	As at 31/3/2017	As at 01/04/2016	Depreciation		Deductions/ Discarded
Property Plant & Equipment (Tangible Assets)									
1	Free Hold Land	1,540.45	62.98	-	1,603.42	-	-	-	1,603.42
2	Building	2,530.68	198.40	-	2,729.08	113.88	-	113.88	2,615.20
3	Furnitures & Fixtures	62.57	-	-	62.57	15.26	-	15.26	47.31
4	Plant and Machinery	1,140.81	755.12	25.12	1,870.81	212.49	2.74	209.75	1,661.06
5	Computer	78.15	63.21	1.40	139.96	42.65	0.24	42.41	97.55
6	Office Equipments	56.67	42.38	-	99.05	26.38	-	26.38	72.67
7	Vehicles	140.93	39.20	2.26	177.87	26.18	0.82	25.36	152.51
	Total of Property Plant & equipment (A)	5,550.25	1,161.30	28.78	6,682.77	436.84	3.80	433.04	6,249.72
Intangible Assets (other than internally generated)									
1	Software (Acquired)	66.38	11.01	-	77.39	35.85	-	35.85	41.54
2	Membership Rights	7.20	-	-	7.20	3.60	-	3.60	3.60
	Total of Intangible Assets (B)	73.58	11.01	-	84.59	39.45	-	39.45	45.14
Capital Work in Progress (CWIP)									
Intangible Assets Under Development									
1	Software (Acquired)	-	2.86	-	2.86	-	-	-	2.86
	Total CWIP (C)	263.56	1,056.87	593.08	727.35	-	-	-	727.35
Investment Properties (2.1.1)									
1	Building	29.21	226.70	-	255.91	8.76	-	95.56	160.35
	Total Investment properties (D)	29.21	226.70	-	255.91	8.76	-	95.56	160.35
	Grand total (A+B+C+D)	5,916.60	2,455.88	621.86	7,750.62	485.05	3.80	568.05	7,182.56

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(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
INVESTMENTS	2.2			
Non Current Investments (refer note 1.18)				
a) Trade Investments (Unquoted)				
Investment in Joint Venture White Knitwear Private Limited (Refer Note 2.2.1)				
In Equity Shares				
330,000 (P.Y. 330,000) Shares of face value ₹ 10 each, fully paid up.		33.00	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	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.		1.63	2.17	2.23
7,500 (P.Y. 7,500) HCL Technologies Ltd Shares of face value ₹ 2 each fully paid up.		72.71	65.55	61.06
25,000 (P.Y. 25,000) Tech Mahindra Ltd Shares of face value ₹ 5 each fully paid up.		159.58	114.58	118.86
In Fixed Maturity Plan				
Investment in unquoted Mutual Funds				
In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up				
Birla Sunlife FTP Series OF Growth [Units: 9,510,574 (31/03/17 - 9,510,574, 01/04/16 - NIL)]		1,035.25	956.72	-
DHFL Pramerica FMP Series 45 Growth [Units: NIL (31/03/17 - 2,000,000, 01/04/16 - 2,000,000)]		-	262.97	240.73
DHFL Pramerica FMP Series 86 Growth [Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]		-	608.65	549.81
DSP Blackrock FMP-Series 209-37M-Growth [Units: 3,000,000 (31/03/17 - 3,000,000, 01/04/16 - NIL)]		319.55	300.34	-
HDFC FMP 372D Feb 2014-1 Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	604.09
HDFC FMP 1199D Jan 2017(1) - Growth [Units: 10,000,000 (31/03/17 - 10,000,000, 01/04/16 - NIL)]		1,093.19	1,010.49	-
HDFC FMP 1178D Feb 2017(1) - Growth [Units: 3,252,951 (31/03/17 - 3,252,951, 01/04/16 - NIL)]		356.79	328.79	-
ICICI Pru FMP Series 79 - 1120D Plan J - Growth [Units: 9,763,702 (31/03/17 - 9,763,702, 01/04/16 - NIL)]		1,101.11	1,030.40	-
ICICI Pru FMP Series 80 - 1170D Plan I - Growth [Units: 5,253,506 (31/03/17 - 5,253,506, 01/04/16 - NIL)]		575.87	528.72	-
Kotak FMP Series 187 - Growth [Units: 1,000,000 (31/03/17 - 1,000,000, 01/04/16 - 1,000,000)]		120.56	111.51	101.24
Kotak FMP Series 202 - Growth [Units: 5,000,000 (31/03/17 - 5,000,000, 01/04/16 - NIL)]		534.75	501.07	-
Principal PNB FMP Series B14 390 Days Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	597.89
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 1,197,116.241)]		-	-	141.49
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth		-	-	824.36

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(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
[Units: NIL (31/03/17 - NIL, 01/04/16 - 7,500,000)]				
Reliance Fixed Horizon Fund XXXI - Series 13 - Growth [Units: 15,179,080 (31/03/17 - 15,179,080, 01/04/16 - NIL)]		1,692.85	1,534.36	-
Reliance Fixed Horizon Fund XXXII - Series 2 - Growth [Units: 1,600,000 (31/03/17 - 1,600,000, 01/04/16 - NIL)]		178.91	164.18	-
Reliance Fixed Horizon Fund XXXII - Series 2 - Regular-Growth [Units: 1,000,000 (31/03/17 - 1,000,000, 01/04/16 - NIL)]		110.64	102.29	-
Reliance Fixed Horizon Fund XXXII - Series 5 - Growth [Units: 2,000,000 (31/03/17 - 2,000,000, 01/04/16 - NIL)]		217.73	203.92	-
Reliance Fixed Horizon Fund XXXIII - Series 2 - Growth [Units: 2,000,000 (31/03/17 - 2,000,000, 01/04/16 - NIL)]		219.83	200.91	-
Reliance Fixed Horizon Fund XXXIII - Series 5 - Growth [Units: 6,006,447.403 (31/03/17 - 6,006,447.403, 01/04/16 - NIL)]		657.33	600.64	-
Sundaram FTP GJ 3 Year - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	582.89
UTI Fixed Term Income Fund Series XIX-XVIII - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	584.29
UTI Fixed Term Income Fund Series XXI-VII - Growth [Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]		-	604.45	551.21
UTI Fixed Term Income Fund Series XXI-VIII - Growth [Units: NIL (31/03/17 - 6,000,000, 01/04/16 - 6,000,000)]		-	722.76	659.50
UTI Fixed Term Income Fund Series XXI-X - Growth [Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]		-	600.02	548.24
UTI Fixed Term Income Fund Series XXV-VII - Growth [Units: 1,600,000 (31/03/17 - 1,600,000, 01/04/16 - NIL)]		175.88	164.76	-
UTI Fixed Term Income Fund Series XXV-XII - Growth [Units: 2,000,000 (31/03/17 - 2,000,000, 01/04/16 - NIL)]		218.17	203.84	-
UTI Fixed Term Income Fund Series XXVI-I - Growth [Units: 3,019,459.258 (31/03/17 - 3,019,459.258, 01/04/16 - NIL)]		325.86	304.39	-
UTI Fixed Term Income Fund Series XXVI-II - Growth [Units: 10,000,000 (31/03/17 - 10,000,000, 01/04/16 - NIL)]		1,076.41	1,004.87	-
Franklin India FMP-Sereis 2-Plan A - Growth [Units: 1,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		101.40	-	-
Franklin India FMP-Sereis 2-Plan B - Growth [Units: 1,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		101.68	-	-
HDFC FMP 1165D April 2017 (1) [Units: 6,542,049 (31/03/17 - NIL, 01/04/16 - NIL)]		697.64	-	-
HSBC FTS 130 Growth 1204 days [Units: 1,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		101.70	-	-
ICICI Pru FMP Series 81 1205 Days - Growth [Units: 1,500,000 (31/03/17 - NIL, 01/04/16 - NIL)]		159.57	-	-
Reliance Fixed Horizon Fund XXXV - Series 7 - Growth [Units: 2,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		203.19	-	-
UTI FTIF-Series XXVII-VI - Growth [Units: 3,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		310.04	-	-
Reliance Fixed Horizon Fund XXXVI-Series 6 [Units: 7,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		707.41	-	-
Reliance Fixed Horizon Fund XXXVI-Series 6		303.02	-	-

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
[Units: 3,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
In the units of Fixed Maturity Plan (FMP'S) of ₹ 1000/- each fully paid				
DHFL Pramerica Fixed Duration Fund-Series AF-Growth		323.97	300.37	-
[Units: 30,000 (31/03/17 - 30,000, 01/04/16 - NIL)]				
Kotak India Whizdom Fund				
Capital Contribution		112.81	50.00	-
		13,712.52	12,929.20	6,513.36
Aggregate Market / Net asset Value				
- Quoted		233.92	182.29	182.15
- Unquoted		13,478.60	12,746.91	6,331.21
The Company had invested in aggregate ₹ 34,550,000 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 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 14.03.2013 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.	2.2.1			
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.				
OTHER FINANCIAL ASSETS	2.3			
(Unsecured considered good)				
Security Deposits (Net of provision of ₹9.86 Lakhs(P.Y.₹ 9.86 lakhs))		186.58	129.29	139.39
Loan to Employees		53.36	26.05	29.92
Rent Deposits to Related Parties (refer note 2.41(b))		7.83	7.83	7.83
Bank Deposits offered as Security		3.76	26.26	3.29
Interest receivables on Bank Deposits		0.17	0.82	0.43
		251.70	190.25	180.86
DEFERRED TAX ASSET	2.15			
Deferred tax Asset		-	-	49.78
OTHER NON CURRENT ASSETS	2.4			
Capital Advances		5.04	192.97	357.80
Prepaid Expenses		22.96	21.88	3.75
Prepaid lease rental (Leasehold Property)		204.05	207.11	210.16
Advance Tax / Tax deducted at source (Net of Provision)		-	111.26	362.46
		232.05	533.22	934.17
INVENTORIES	2.5			

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Finished goods		2,651.93	2,449.57	1,832.75
Work-in-Progress		1,624.01	1,556.62	2,950.24
Raw material		722.98	830.72	522.08
Traded goods		127.58	153.12	156.01
Packing material & accessories		87.33	58.81	103.56
Stores, chemicals and consumables		71.18	77.36	52.87
		5,285.01	5,126.20	5,617.51
In terms of Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India (ICAI) excise duty of ₹ NIL (P.Y. ₹23.43 lakhs) is considered as an element of cost for valuation of finished goods inventory.	2.51			
CURRENT INVESTMENTS (Refer Note 1.18)	2.6			
(includes current maturity of non current investment)				
Investment in unquoted Mutual Funds				
In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up				
(Current Portion of Long Term Investments)				
Birla Sunlife FTP Series JA Growth		-	-	611.11
[Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]				
Birla Sunlife FTP Series KD Growth		-	-	601.55
[Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]				
DSP Blackrock FMP Series 111-12 Month - Growth		-	-	151.67
[Units: NIL (31/03/17 - NIL, 01/04/16 - 1,196,613.851)]				
HDFC FMP 371D Dec 2013-2 Growth		-	-	365.69
[Units: NIL (31/03/17 - NIL, 01/04/16 - 3,000,000)]				
HDFC FMP 369D Jan 2014-1 Growth		-	-	614.60
[Units: NIL (31/03/17 - NIL, 01/04/16 - 5,091,849)]				
HDFC FMP 372D Feb 2014-1 Growth		-	652.40	-
[Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]				
ICICI Pru FMP Series 68-369D Plan I		-	-	953.89
[Units: NIL (31/03/17 - NIL, 01/04/16 - 7,464,604)]				
ICICI Pru FMP Series 72-368D Plan A		-	-	242.21
[Units: NIL (31/03/17 - NIL, 01/04/16 - 2,000,000)]				
IDFC FTP Series 49 Growth		-	-	244.47
[Units: NIL (31/03/17 - NIL, 01/04/16 - 2,002,581)]				
IDFC Yearly Series Interval Fund - Series 1 - Growth		-	-	2,005.69
[Units: NIL (31/03/17 - NIL, 01/04/16 - 15,249,970.718)]				
Kotak FMP Series 111 Growth		-	-	20.34
[Units: NIL (31/03/17 - NIL, 01/04/16 - 160,000)]				
Kotak FMP Series 116 Growth		-	-	139.87
[Units: NIL (31/03/17 - NIL, 01/04/16 - 1,100,000)]				
Kotak FMP Series 128 Growth		-	-	242.72
[Units: NIL (31/03/17 - NIL, 01/04/16 - 2,002,583)]				
Kotak FMP Series 136 Growth		-	-	602.77
[Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]				
Principal PNB FMP Series B14 390 Days Growth		-	648.32	-
[Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]				
Reliance Fixed Horizon Fund - XXIV - Series 15 Growth		-	-	1,465.27
[Units: NIL (31/03/17 - NIL, 01/04/16 - 11,500,000)]				
Reliance Yearly Interval Fund - Series 4 - Growth		-	-	546.06

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
[Units: NIL (31/03/17 - NIL, 01/04/16 - 4,164,896.586)]				
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth		-	152.81	-
[Units: NIL (31/03/17 - 1,197,116.241, 01/04/16 - 1,197,116.241)]				
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth		-	900.85	-
[Units: NIL (31/03/17 - 7,500,000, 01/04/16 - 7,500,000)]				
Sundaram FTP GJ 3 Year - Growth		-	633.55	-
[Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]				
UTI Fixed Term Income Fund Series XIX-XVIII - Growth		-	637.66	-
[Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]				
TATA FMP Series 43 Scheme C Growth		-	-	140.67
[Units: NIL (31/03/17 - NIL, 01/04/16 - 1,100,000)]				
TATA FMP Series 46 Scheme I Growth		-	-	603.65
[Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]				
DHFL Pramerica FMP Series 45 Growth		281.74	-	-
[Units: 2,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
DHFL Pramerica FMP Series 86 Growth		655.84	-	-
[Units: 5,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
UTI Fixed Term Income Fund Series XXI-VII - Growth		649.12	-	-
[Units: 5,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
UTI Fixed Term Income Fund Series XXI-VIII - Growth		775.44	-	-
[Units: 6,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
UTI Fixed Term Income Fund Series XXI-X - Growth		643.37	-	-
[Units: 5,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
Investment in unquoted Mutual Funds				
In the units of Income Funds of ₹ 10/- each fully paid				
UTI Short Term Income Fund Growth		-	-	63.33
[Units: NIL (31/03/17 - NIL, 01/04/16 - 348,585.093)]				
SBI Dynamic Bond Fund Growth		-	-	175.32
[Units: NIL (31/03/17 - NIL, 01/04/16 - 967,105.518)]				
Edelweiss Short Term Income Fund - Growth		-	-	122.22
[Units: NIL (31/03/17 - NIL, 01/04/16 - 709,975.151)]				
BOI Axa Corporate Credit Spectrum Fund - Growth		220.04	201.83	-
[Units: 1,642,184.434 (31/03/17 - 1,642,184.434, 01/04/16 - NIL)]				
HDFC Medium Term Opportunities Fund - Growth		700.54	656.13	-
[Units: 3,609,580.445 (31/03/17 - 3,609,580.445, 01/04/16 - NIL)]				
ICICI Pru Regular Savings Fund -Direct - Growth		272.04	254.38	-
[Units: 1,464,514.806 (31/03/17 - 1,464,514.806, 31/03/17 - NIL)]				
ICICI Pru Regular Savings Fund - Growth		280.99	260.40	-
[Units: 1,442,895.749 (31/03/17 - 1,442,895.749, 01/04/16 - NIL)]				
IDFC Credit Opportunities Fund - Growth		654.05	608.52	-
[Units: 6,030,225.274 (31/03/17 - 6,030,225.274, 01/04/16 - NIL)]				
IDFC Corporate Bond Fund -Direct - Growth		240.46	225.30	204.59
[Units: 2,008,786.449 (31/03/17 - 2,008,786.449, 01/04/16 - 2,008,786.449)]				
IDFC Corporate Bond Fund -Regular - Growth		276.17	259.52	-
[Units: 2,323,070.357 (31/03/17 - 2,323,070.357, 01/04/16 - NIL)]				
Principal Short Term Income Fund - Growth		823.77	121.80	-

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
[Units: 410,650.895 (31/03/17 - 410,650.895, 01/04/16 - NIL)]				
Tata Short Term Bond Fund - Growth		161.49	151.62	-
[Units: 481,575.842 (31/03/17 - 481,575.842, 01/04/16 - NIL)]				
Birla Sunlife Dynamic Bond Fund-Retail Growth		-	-	196.21
[Units: NIL (31/03/17 - NIL, 01/04/16 - 732,544.24)]				
BOI Axa Corporate Credit Spectrum Fund - Growth		261.44	-	-
[Units: 1,958,572.279 (31/03/17 - NIL, 01/04/16 - NIL)]				
DSP Blackrock Low Duration Fund - Growth		256.33	-	-
[Units: 2,011,489.629 (31/03/17 - NIL, 01/04/16 - NIL)]				
Franklin India Low Duration Fund - Growth		257.13	-	-
[Units: 1,266,804.157 (31/03/17 - NIL, 01/04/16 - NIL)]				
IIFL Dynamic Bond Fund - Growth		100.42	-	-
[Units: 704,061.732 (31/03/17 - NIL, 01/04/16 - NIL)]				
L&T Short Term Opportunity Fund - Growth		258.05	-	-
[Units: 1,517,515.16 (31/03/17 - NIL, 01/04/16 - NIL)]				
Mirae Asset Dynamic Bond Fund - Growth		151.89	-	-
[Units: 1,446,717.398 (31/03/17 - NIL, 01/04/16 - NIL)]				
BNP Paribas Corporate Bond Fund - Growth		100.54	-	-
[Units: 514,461.513 (31/03/17 - NIL, 01/04/16 - NIL)]				
In the units of Equity Funds of ₹ 10/- each fully paid				
Edelweiss Arbitrage Fund - Div Reinvestment		-	-	272.23
[Units: NIL (31/03/17 - NIL, 01/04/16 - 2,627,648.977)]				
Edelweiss Arbitrage Fund - Growth		1,032.96	967.88	512.39
[Units: 7,827,072.075 (31/03/17 - 7,826,257.707, 01/04/16 - 4,441,522.909)]				
Edelweiss Absolute Return Fund - Growth		275.85	249.88	224.27
[Units: 1,213,592.233 (31/03/17 - 1,213,592.233, 01/04/16 - 1,213,592.233)]				
Investment in unquoted Alternate Investment Funds				
In the units of Income Funds of ₹ 1000/- each fully paid				
Ambit Alpha Fund Scheme I		-	-	848.68
[Units: NIL (31/03/17 - NIL, 01/04/16 - 80,000)]				
		9,329.67	7,582.84	12,171.48
Aggregate Market / Net asset Value		9,329.67	7,582.84	12,171.48
TRADE RECEIVABLES	2.7			
a) Debtors (Secured against Customer Security Deposit)				
i) Over Six Months from the date they are due for payment		67.82	27.86	216.28
ii) Others		1,404.81	686.75	960.09
		1,472.63	714.61	1,176.37
b) Debtors (Unsecured)				
i) Over Six Months from the date they are due for payment				
a) Considered Good		4,837.82	1,117.44	1,324.95
b) Doubtful		245.59	212.00	61.24

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
ii) Others				
a) Considered Good		7,306.23	8,783.34	8,395.29
b) Doubtful		97.41	98.00	193.76
		12,487.05	10,210.78	9,975.24
Less: Provision for Doubtful Debts (based on Expected Credit Loss model)				
i) Over Six Months from the date they are due for payment		245.59	212.00	61.24
ii) Others		97.41	98.00	193.76
		343.00	310.00	255.00
		13,616.68	10,615.39	10,896.61
CASH & CASH EQUIVALENT	2.8			
Cash on Hand		21.32	16.08	14.67
Balances with Banks:-				
In Current Accounts		289.95	144.29	156.33
In EEFC Account (USD 169.54) (P.Y.USD 2,23,840.94)		0.11	150.95	2.89
In Bank Deposits		334.54	13.89	353.00
In Bank Deposits with more than 12 months maturity		100.00	426.94	5.62
Liquid Mutual Funds (refer 2.8.1)		5,408.37	5,803.88	1,682.37
		6,154.29	6,556.03	2,214.88
OTHER BANK BALANCES	2.9			
Earmarked balances in bank				
In Unclaimed Dividend Accounts		5.62	4.91	4.43
In Bank Deposits offered as Security (Maturity of less than 12 Months)		88.83	83.12	100.25
		94.45	88.03	104.68
Details of Current Investments in Liquid Mutual Funds(Unquoted) as given below:	2.8.1			
a) Face Value of ₹ 10/- each fully paid up				
Franklin India Ultra Short Bond Fund - Growth [Units: 2,259,366.203 (31/03/17 - 2,259,366.203, 01/04/2016 - NIL)]		545.43	504.51	-
HDFC Cash Management Fund -- TP - Growth [Units: NIL (31/03/17 - 575,417.033, 01/04/16 - NIL)]		-	203.85	-
HDFC Banking and PSU Debt Fund - Growth [Units: 1,532,179.602 (31/03/17 - 1,532,179.602, 01/04/16 - NIL)]		215.40	202.48	-
ICICI Pru Ultra Short Term - Growth [Units: 1,785,278.593 (31/03/17 - 1,785,278.593, 01/04/16 - NIL)]		326.59	305.50	-
IIFL Cash Opportunities Fund [Units: NIL (31/03/17 - 1,775,347.524, 01/04/16 - NIL)]		-	202.13	-
Sundaram Banking and PSU Debt Fund [Units: 1,498,935.756 (31/03/17 - NIL, 01/04/16 - NIL)]		409.91	-	-
Total (a)		1,497.33	1,418.47	-
b) Face Value of ₹ 100/- each fully paid up				
Birla Sunlife Savings Fund - Growth [Units: 371,478.043 (31/03/17 - 371,478.043, 01/04/16 - 131,990.410)]		1,277.60	1,189.14	343.27
Birla Sunlife Treasury Optimizer Plan - Growth [Units: 96,032.789 (31/03/17 - 96,032.789, 01/04/16 - NIL)]		212.78	199.93	-
ICICI Pru Flexible Income - Growth [Units: 98,488.109 (31/03/17 - 98,488.109, 01/04/16 - NIL)]		330.02	307.85	-
Total (b)		1,820.40	1,696.92	343.27

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
c) Face Value of ₹ 1,000/- each fully paid up				
Axis Treasury Advantage Fund - Growth [Units: 46,486.382 (31/03/17 - 46,486.382, 01/04/16 - 46,487.062)]		900.22	844.22	782.83
Baroda Pioneer Treasury Advantage Fund - Growth [Units: 25,056.297 (31/03/17 - 25,056.297, 01/04/16 - NIL)]		518.09	481.68	-
Kotak Floater Short Term - Growth [Units: 5,628.3282 (31/03/17 - 5,628, 01/04/16 - NIL)]		160.52	150.24	-
Kotak Low Duration Fund - Growth [Units: NIL (31/03/17 - 25,887.578, 01/04/16 - NIL)]		-	525.67	-
Principal Debt Opportunities Fund Corporate Bond Plan - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 4,713.449)]		-	-	111.81
Principal Low Duration Fund - Growth [Units: 7,708.116 (31/03/17 - 7,708.116, 01/04/16 - NIL)]		-	204.80	-
Tata Ultra Short Term Fund - Growth [Units: 19,418.844 (31/03/17 - 19,418.844, 01/04/16 - 19,418.844)]		256.22	481.89	444.46
Mirae Asset Saving Fund - Growth [Units: 17,064.708 (31/03/17 - NIL, 01/04/16 - NIL)]		255.59	-	-
Total (c)		2,090.64	2,688.50	1,339.10
Aggregate Market / Net asset Value		5,408.37	5,803.88	1,682.37
OTHER FINANCIAL ASSETS	2.10			
(Unsecured, Considered Good)				
Advance to Employees		22.03	36.48	40.03
Loans to Employees		23.44	18.47	21.53
Prepaid Expenses		54.12	53.61	57.62
Interest receivables on Bank Deposits		44.68	24.14	46.02
		144.27	132.70	165.20
OTHER CURRENT ASSETS	2.11			
Export Incentive Receivable		72.57	44.75	57.14
Prepaid lease rental (Leasehold Property)		3.06	3.06	3.06
Other Receivable		5.99	11.83	1.93
Advance for gratuity		60.54	110.96	65.32
Advance to Suppliers		387.24	206.78	144.01
		529.40	377.38	271.46

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
SHARE CAPITAL	2.12			
Authorized Capital		2,000.00	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	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.

Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2018		As at 31st March 2017		As at 01st April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	12,325,037	123,250,370	12,325,037	123,250,370	12,325,037	123,250,370
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	12,325,037	123,250,370	12,325,037	123,250,370	12,325,037	123,250,370
Details of the shareholders holding more than 5% shares in the Company		2.12.3				

Name of Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain(equity shares held in their capacity as trustees/beneficiaries of P.K.Jain Family Holding Trust)	6,153,000	49.92	6,153,000	49.92	6,153,000	49.92
Mr.Dinesh P Jain	729,831	5.92	726,651	5.90	726,651	5.90
includes 100,401 (31/03/2017 - 99,401, 01/04/2016 - 99401) shares jointly held with Mrs Sangeeta D. Jain						
Mr.Vikas P Jain	721,821	5.86	718,086	5.83	718,086	5.83
includes 92,336 (31/03/2017 -91,836, 01/04/2016 - 91836) shares jointly held with Mrs Kesar V. Jain						
Mr. Hemant P Jain	691,915	5.61	688,650	5.59	688,650	5.59
includes 78,400 (31/03/2017 - 77,400, 01/04/2016 - 77,400) shares jointly held with Mrs Lata H. Jain						
Mr. Kewalchand P Jain	690,611	5.60	687,911	5.58	687,911	5.58
includes 77,161(31/03/2017 - 76,661, 01/04/2016 - 76,661) shares jointly held with Mrs Veena K. Jain						
Nalanda India Fund Limited	1,179,081	9.57	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. However, there are no preferential amounts inter-se equity shareholders. 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.)

2.12.4

For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

- No shares have been allotted as fully paid-up without payment being received in cash.
- No shares have been allotted as fully paid-up by way of bonus shares.
- No shares have been bought back by the company.

2.12.5

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
OTHER EQUITY	2.13			
Securities Premium Reserve		8,426.77	8,426.77	8,426.77
(As per Last Balance Sheet)				
General Reserve				
Opening Balance		5,375.63	4,522.86	4,522.86
Add: Amount transferred from Balance in the Statement of Profit and Loss		-	852.77	-
		5,375.63	5,375.63	4,522.86
Balance in Statement of Profit and Loss				
Opening balance		18,916.17	15,650.99	15,650.99
Add: Net profit after tax transferred from Statement of Profit and Loss		7,409.53	7,436.44	-
		26,325.70	23,087.43	15,650.99
Less: Appropriations				
Proposed Dividend		184.88	184.88	-
Interim Dividend		3,882.39	2,156.88	-
Tax on Proposed Dividend		37.64	37.64	-
Tax on Interim Dividend		790.36	439.09	-
Transfer to Business Progressive Fund		-	500.00	-
Transfer to General Reserve		-	852.77	-
		21,430.43	18,916.17	15,650.99
Business Progressive Fund				
Opening Balance		3,500.00	3,000.00	3,000.00
Add: Amount transferred from Balance in the Statement of Profit and Loss		-	500.00	-
Less: Amount retransferred to Balance in the Statement of Profit and Loss		-	-	-
		3,500.00	3,500.00	3,000.00
		38,732.83	36,218.57	31,600.62

The Board of Directors have recommended a payment of final dividend of Re.1.5 per equity share of ₹ 10/- each for the financial year ended 31st March 2018. The Payment is subject to the approval of shareholders at the Annual General Meeting of the Company.

2.13.1

The Company has created "Business Progressive Fund" by appropriating a sum of ₹ Nil (P.Y. ₹5) Crores out of its profits 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 liquid mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Indian Accounting Standard (AS) -37 in normal course of business. INDAS-37 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.

2.13.2

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.

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
PROVISIONS	2.14			
(Long term)				
Other Long Term Provisions		6.50	6.50	13.00
Other Provision		-	1.08	-
		6.50	7.58	13.00
DEFERRED TAX	2.15			
Deferred Tax Assets:				
Provision for Assets		145.46	133.34	-
Others		128.40	91.63	-
Depreciation		-	-	-
Deferred Tax Liability				
Depreciation		(345.17)	(269.95)	-
Tax on LTCG on Mutual fund		(388.68)	(67.74)	-
Deferred Tax Asset/(Liabilities)		(459.99)	(112.72)	-
Tax effect of share issue expenses eligible for the Income tax deduction, under section 35D, credited to securities premium reserve account	2.15.1			
Deferred tax asset is recognized only on those temporary 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.	2.15.2			
OTHER NON CURRENT LIABILITIES	2.16			
Deferred income on EPCG (i.e. Government Grant)		159.44	-	-
		159.44	-	-
BORROWINGS	2.17			
Secured Loan				
Cash Credit from Bank (payable on demand) (Secured by pari-passu first charge on Stock and Trade Receivables)		1,578.64	2,899.87	2,738.76
Preshipment Export Loan from Bank (Secured by pari-passu first charge on Stock and Trade Receivables)		-	400.63	-
		1,578.64	3,300.50	2,738.76
Unsecured Loan (payable on demand)				
Working Capital Loan from Bank		3,251.01	750.00	150.00
		4,829.65	4,050.50	2,888.76
TRADE PAYABLES	2.18			
a) Micro and Small Enterprises (refer note 2.18.1)				
Materials		25.39	20.46	89.91
b) Other than Micro and Small Enterprises				
Materials		3,004.34	2,559.44	3,406.18
Expenses		1,320.92	1,366.77	1,192.26
		4,350.65	3,946.67	4,688.35

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Disclosure U/s 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)	2.18.1			
a) Principal amount remaining unpaid to micro and small enterprises (trade payable)		25.39	20.46	89.91
b) Principal amount remaining unpaid to micro and small enterprises (creditors for capital goods)		-	-	-
c) Principal amount paid beyond due date		-	-	-
d) Amount of Interest paid u/s 16 of MSMED Act		-	-	0.04
e) Amount of Interest due and remaining unpaid		-	-	-
f) Amount of Interest accrued and remaining unpaid		-	-	-
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 FINANCIAL LIABILITIES	2.19			
Other Liabilities				
Security Deposits		701.83	955.47	374.31
Interest accrued but not due on borrowings		10.24	1.33	0.12
Unclaimed Dividend		5.62	4.91	4.43
		7 17.69	961.71	378.86
OTHER CURRENT LIABILITIES	2.20			
Security Deposits		1,779.34	498.92	1,354.85
Other Payables				
Capital Goods		64.64	40.86	56.82
Salary and Wages payable		561.79	618.78	510.89
Employee Benefits (refer note 2.20.1)		275.73	274.20	259.50
Statutory Liabilities		207.10	162.53	149.14
Advance from Customers		1,548.94	996.87	378.60
		4,437.54	2,592.16	2,709.80
Upon the enactment of 'The payment of Bonus (Amendment) Act 2015' during the year 2017-18, the company had made additional provision for bonus amounting to ₹ Nil (P.Y. ₹ Nil, 2015-16 ₹45 lakhs) pertaining to financial year 2014-15 Payment against the provision of ₹45 lakhs is not made pending final judgement from judicial authorities.	2.20.1			
PROVISIONS	2.21			
(Short Term)				
Provision for Margin on Sales Return (refer note 2.44)		152.08	151.74	119.31
Provision for Employee Benefit		349.31	318.30	143.93
Provision for Contingencies (refer note 2.44)		423.87	363.23	379.34
Provision for Excise Duty on Finished Goods (refer note 2.5.1)		-	23.43	15.38
Other Provisions (including Selling & Distribution Expenses etc.) (refer note 2.44)		1,308.12	1,248.81	797.66
		2,233.38	2,105.51	1,455.62
CURRENT TAX LIABILITIES (NET)	2.22			
Provision for Taxations (Net of Advance Tax)		71.00	85.89	200.22
		71.00	85.89	200.22

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2018	31st March 2017
		Audited	Audited
REVENUE FROM OPERATIONS	2.23		
A. Sales Income			
Sales of Apparel and Lifestyle Accessories/Products		45,696.15	47,304.56
Sale of Power		0.74	5.07
Sales of Apparel and Lifestyle Accessories/Products		45,696.89	47,309.63
Note: Revenue from Operations of ₹ 45,696.89 lakhs (PY ₹ 473,09.63 lakhs) - as per IND-AS is net of Sales Promotions & Discounts of ₹ 3,352.61 lakhs. (PY ₹ 2,691.93 lakhs). Accordingly, Gross Turnover (net of. Excise Duty) of the company is ₹ 48, 937 lakhs (PY ₹ 48,937 lakhs)	2.231		
B. Other Operating Income			
Service Income		207.94	99.94
Export Incentives		230.72	250.62
Miscellaneous Operating Income		41.65	49.29
Sundry balance written back (Net)		14.57	
		494.88	399.85
Total Revenue from Operations		46,191.77	47,709.48
OTHER INCOME	2.24		
Interest on Bank Deposits		38.97	46.60
Income from Current Investments and Liquid Mutual Funds:			
Dividend Income		3.15	12.86
Effect of fair value measurements		75.79	110.47
Income from Non Current Investments			
Dividend on Equity Shares			4.80
Effect of fair value measurements		1,863.43	1,503.52
Provision for share of loss in Joint Venture		-	6.50
Rent Income on Investment Property (Net of depreciation)		89.51	5.46
Exchange Rate Fluctuation (Net)		31.67	28.70
Profit on Sale of Tangible Fixed Assets (Net)		6.53	27.87
		2,109.05	1,746.78
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS	2.25		
Opening stock			
Work - in- Progress		1,556.62	2,950.24
Traded Goods		153.12	156.02
Finished goods		2,449.57	1,832.74
		4,159.31	4,939.00
Closing Stock			
Work - in- Progress		1,624.01	1,556.62
Traded Goods		131.55	153.12
Finished goods (Refer note 2.5.1)		2,647.96	2,449.57
		4,403.52	4,159.31
Add/(Less): Variation in Excise Duty on Opening and Closing Stock of Finished goods		23.43	(8.04)
(Increase)/Decrease in Stock		(267.64)	787.74
COST OF MATERIAL CONSUMED	2.26		
a. Raw Material Consumed:			
Opening stock		830.72	522.08
Add: Purchases		12,266.81	12,592.34
		13,097.53	13,114.42

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
		Audited	Audited
Less: Sale of raw material		502.67	85.80
Less: Closing stock		722.98	830.72
		11,871.88	12,197.90
b. Semi-Finished Goods		3,046.87	2,315.98
c. Packing Material, Accessories and others		2,320.76	2,480.42
d. Stores, Chemicals and Consumables		753.39	787.86
		17,992.90	17,782.16
EMPLOYEE BENEFIT EXPENSES	2.27		
Salary, Wages and Allowances		5,619.59	5,083.87
Contribution to Provident and other Funds		431.97	395.54
Bonus and Ex-gratia (refer note 2.20.1)		132.33	129.77
Gratuity (Refer note 2.40(a))		131.42	94.48
Leave Benefits (Refer note 2.40 (b))		102.11	117.85
Staff Welfare		89.81	99.95
		6,507.23	5,921.46
FINANCE COSTS	2.28		
Bank Charges		17.32	14.83
Finance Charges		39.02	23.97
Interest on Working Capital Loan		441.96	288.38
		498.30	327.18
MANUFACTURING AND OPERATING EXPENSES	2.29		
Embroidery Expenses		366.28	355.60
Electricity Expenses (Net of credit received from Windmill of ₹65.55 lakhs (P.Y. ₹57.75 lakhs)		158.87	154.52
Factory Rent		23.62	23.62
General Factory Expenses		31.08	91.53
Processing Charges		3,202.16	3,364.97
Lease premium charged		3.06	3.06
Fuel Expenses		426.34	436.28
Water Charges		73.92	78.43
Waste Disposal Charges		60.46	62.58
Repairs & Maintenance		176.08	192.91
Wind Turbine Expenses		13.38	13.32
		4,535.25	4,776.82
ADMINISTRATIVE & OTHER EXPENSES	2.30		
Rent, Rates and Taxes (Including provision for contingency) (refer note 2.44)		180.10	146.16
Communication Expenses		92.27	91.83
Insurance Premium(net of recoveries)		1.14	-
Legal and Professional Fees		1,026.19	1,060.66
Printing and Stationery		49.05	65.39
Donations		110.86	30.42
Corporate social responsibility (refer note 2.48)		247.00	191.35
Vehicle Expenses		156.48	112.93
Auditors Remuneration (refer note 2.33)		34.21	64.40
Conveyance & Travelling Expenses		44.91	50.77
Electricity Expenses		108.11	121.83

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2018	31st March 2017
		Audited	Audited
Repairs & Maintenance		385.90	369.21
Directors Sitting Fees		24.80	16.80
General Office Expenses		573.93	494.98
Bad Debts		-	80.06
Less: Provision for Doubtful Debts		-	(14.00)
Provision for Doubtful debts		33.00	69.00
Loss on sale/discard of Fixed Assets (Net)		-	-
		3,067.95	2,951.79
SELLING & DISTRIBUTION EXPENSES	2.31		
Advertisement and Publicity Expenses (Net of recoveries of ₹ 19.31 lakhs (P.Y ₹ 25.39 lakhs))		1,577.54	1,893.75
Sales Promotion Expenses		383.54	220.50
Octroi, clearing and forwarding charges on Sales		249.97	260.82
Tour and Travelling Expenses (Net of recoveries)		357.19	435.81
Commission on Sales		178.85	102.20
Provision for Contingencies		-	5.89
		2,747.09	2,918.97
AGGREGATE EXPENSES	2.32		
Rent Including Common Area Maintenance Charges		145.09	114.39
Rates & Taxes (net of amount written back and including contingencies)			53.62
Total Rent, Rates & Taxes		145.09	168.01
Electricity Expenses(net of credit received from windmill)		266.97	276.35
Repair & Maintenance (Building)		505.92	504.54
Repair & Maintenance (Machinery)		69.43	70.92
Insurance Premium(net of recoveries)		69.91	63.38
General Expenses		605.00	586.51
AUDITORS REMUNERATION	2.33		
As Auditors (including service tax)		33.63	33.35
For Taxation matters		-	23.00
For Others matters		-	8.05
For Reimbursement of Expenses		0.58	-
Total		34.21	64.40
C.I.F.VALUE OF IMPORTS	2.34		
Capital goods		227.56	693.46
Components and Spare parts		27.32	10.96
Apparel & Life style Accessories/Product		156.71	161.53
Total		411.59	865.95
EXPENDITURE IN FOREIGN CURRENCIES	2.35		
Traveling Expenses		11.75	12.32
Advertisement Expenses		-	9.13
Legal Expenses		14.10	24.09
Bank Charges		5.71	6.57
Professional & Technical Services		0.80	8.72
Others		-	8.41
		32.36	69.24

The amounts mentioned above are net of Tax Deducted at source, if any.

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2018	31st March 2017
		Audited	Audited
EARNINGS IN FOREIGN CURRENCIES	2.36		
Export of goods (F.O.B. value)		2,327.25	2,034.28
Total		2,327.25	2,034.28
INDIGENOUS AND IMPORTED CONSUMPTION	2.37		
Indigenous (99.13% (P.Y. 99.10%) of total consumption)		17,836.19	17,620.63
Imported (0.87% (P.Y. 0.90%) of total consumption)		156.71	161.53
Total		17,992.90	17,782.16

DETAILS OF MATERIAL CONSUMED 2.38

Particulars	Measure	31st March 2018		31st March 2017	
		Qty	₹ in lakhs.	Qty	₹ in lakhs.
Material					
Woven Fabric	Mtrs	7,155,962	11,872	6,532,209	12,197
Knitted Fabric	Kgs			129	1
Semi-finished Garments	Pcs	798,239	3,047	650,922	2,316
Packing material	**	**	1,038	**	893
Accessories	**	**	1,283	**	1,587
Stores, chemicals and consumables	**	**	753	**	788
Total			17,993		17,782

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

QUANTITATIVE AND OTHER DETAILS 2.39

PARTICULARS OF FINISHED PRODUCTS

Particulars	(Qty in Nos)							
	Opening Stock		Production		Sales/Captive Consumption		Closing Stock	
	Qty	₹ in lakhs.	Qty	Qty	₹ in lakhs.	Qty	Qty	₹ in lakhs.
Apparel	416,889	2,450	4,763,316	4,620,939	43,556	559,266	559,266	2,652
	(354,815)	(1,787.93)	(4,725,982)	(4,663,908)	(47,305)	(416,889)	(416,889)	2,450
Power Generation	-	-	1,013,757	1,013,757	66	-	-	-
	-	-	(1,087,827)	(1,087,827)	(63)	-	-	-

PARTICULARS OF TRADING ACTIVITIES

Particulars	(Qty in Nos)							
	Opening Stock		Production		Sales/Captive Consumption		Closing Stock	
	Qty	₹ in lakhs.	Qty	Qty	₹ in lakhs.	Qty	Qty	₹ in lakhs.
Trading of Lifestyle	152,970	153.12	1,222,124	1,623	1,248,081	2,141	127,013	128
Accessories/ Products	(129,461)	(156)	(1,290,475)	(1,626)	(1,266,966)	(2,221)	(152,970)	(153)

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

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

2.40 Employee Benefits:

a) Disclosure in respect of gratuity liability

Reconciliation of Defined Benefit Obligation (DBO):	As at 31st March, 2018	As at 31st March, 2017
Present value of DBO at start of the year	563.63	453.05
Interest Cost	40.58	36.24
Current Service Cost	111.39	101.89
Past Service Cost	26.57	-
Benefit Paid	(35.29)	(54.09)
Re-measurements:		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	(28.04)
b. Actuarial Loss/(Gain) from changes in financial assumptions	(8.80)	72.46
c. Actuarial Loss/(Gain) from experience over the past period	(41.14)	(17.89)
Present value of DBO at end of the year	656.94	563.63

Reconciliation of Fair Value of Plan Assets:	As at 31st March, 2018	As at 31st March, 2017
Fair Value of Plan Assets at the beginning of the year	674.59	518.37
Interest Income on Plan Assets	47.12	43.65
Contributions by Employer	31.05	174.88
Benefit Paid	(35.29)	(54.09)
Re-measurements:		
a. Actuarial (Loss)/Gain from changes in financial assumptions	5.24	5.46
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(5.24)	(13.68)
Fair Value of Plan Assets at the end of the year	717.47	674.59
Actual Return on Plan Assets	47.12	35.43

Amount recognized in the Balance Sheet:	As at 31st March, 2018	As at 31st March, 2017
Present value of DBO at the end of the year	656.94	563.63
Fair Value of Plan Assets at the end of the year	717.47	674.59
Net Asset / (Liability) in the Balance Sheet	60.54	110.96

Gratuity recognized in the Statement of Profit and Loss	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current Service Cost	111.39	101.89
Past Service Cost	26.57	-
Net Interest on net defined benefit liability/ (asset)	(6.54)	(7.41)
Expense Recognized in Statement of Profit and Loss	131.42	94.48

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Principal Assumption used in determining Gratuity liability	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Discount Rate	7.20% pa	7.20% pa
Interest rate for net interest on net DBO	7.20% pa	8.00% pa
Withdrawal Rate	Upto age 35 years: 10% pa Above age 35 years: 5% pa	Upto age 35 years: 10% pa Above age 35 years: 5% pa
Salary Escalation	7.50% pa	7.50% pa
Mortality Table	IALM 2006-08 Ult	IALM 2006-08 Ult
Expected average remaining working life	10 Years	11 Years
Retirement Age	58 years	58 years

Movement in Other Comprehensive Income	As at 31st March, 2018	As at 31st March, 2017
Balance at start of year (loss)/gain	(34.75)	Nil*
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	28.04
b. Actuarial (Loss)/Gain from changes in financial assumptions	8.80	(72.46)
c. Actuarial (Loss)/Gain from experience over the past period	41.14	17.89
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	5.24	5.46
b. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(5.24)	(13.68)
c. Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (loss)/gain	15.19	(34.75)

*First valuation as per Ind AS19 from FY 2016-17

Movement in Surplus/ (Deficit)	As at 31st March, 2018	As at 31st March, 2017
Surplus/ (Deficit) at start of year	110.96	65.31
Movement during the year		
Current Service Cost	(111.39)	(101.89)
Past Service Cost	26.57	-
Net Interest on net DBO	6.54	7.41
Actuarial gain/ (loss)	49.94	(34.75)
Contributions	31.05	174.88
Surplus/ (Deficit) at end of year	60.54	110.96

Other disclosures	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Defined benefit obligation	656.94	563.63	453.05	382.14	274.97
Plan assets	717.47	674.59	518.37	356.03	261.70
Surplus/(deficit)	60.54	110.96	65.32	(26.11)	(13.27)
Experience adjustments on plan liabilities – loss/ (gain)	(41.14)	(17.89)	4.25	79.77	12.57
Experience adjustments on plan Assets – (loss)/ gain*	(5.24)	(13.68)	-	-	-

* Information is disclosed to the extent available
Figures for the period prior to 01st April, 2016 are as per previous GAAP.

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Sensitivity Analysis	As at 31st March, 2018		As at 31st March, 2017	
	Increases 1%	Decreases 1%	Increases 1%	Decreases 1%
	Change in DBO (Amount)		Change in DBO (Amount)	
Salary Growth Rate	63.73	55.44	59.29	(51.37)
Discount Rate	54.91	64.31	(51.06)	60.07
Withdrawal Rate	2.40	2.40	(4.08)	4.31

Maturity profile

The average expected remaining lifetime of the plan members is 10 years (31st March, 2017: 11 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with Life Insurance Corporation of India. 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 ₹ 50.00 lakhs (P.Y. ₹ 175.00 lakhs) to gratuity trust for contribution to LIC of India in financial year 2018-19.

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 and disclosed under other current liabilities.

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 ₹ 20.59 lakhs (P.Y. ₹ ₹ 18.93 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 ₹ 430.64 lakhs (P.Y. ₹ 395.54 lakhs).

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

2.41 Related Party Disclosure:

Disclosures as per Ind AS 24 – ‘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
Prakash A. Mody	Independent Director
Nimish G. Pandya	Independent Director
Yogesh A. Thar	Independent Director
Drushti R. Desai	Independent Director

Relatives / Other concerns of Key Management Personnel (In cases where transactions are there):

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

Pandya & Co. (Controlled by Mr. Nimish G. Pandya)

Bansi S. Mehta & Co. [Partnership Firm- Yogesh A. Thar and Drushti R. Desai (Partners)]

Employee Funds:

Kewal Kiran Clothing Limited – Employee Group Gratuity Scheme.

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(₹ in lakhs except as otherwise stated)

b) The following transactions were carried out with the related parties in the ordinary course of business:

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
Rent Expenses	-	-	9.18	29.89	-
	(-)	(-)	(9.18)	(29.89)	(-)
Managerial Remuneration	-	-	-	318.00	-
	(-)	(-)	(-)	(318.00)	(-)
Salary	-	-	50.16	-	-
	(-)	(-)	(45.00)	(-)	(-)
Sitting Fees Paid	-	-	-	24.80	-
	(-)	(-)	(-)	(16.80)	(-)
Dividend Paid	0.86	-	2,080.97	934.44	-
	(0.44)	(-)	(1,199.47)	(537.92)	(-)
CSR (Donation)	97.00	-	-	-	-
	(182.50)	(-)	(-)	(-)	(-)
Contribution to Gratuity Fund	-	-	-	-	31.14
	(-)	(-)	(-)	(-)	(174.88)
Legal & Professional Services received	-	-	5.50	-	-
	(-)	(-)	(12.80)	(-)	(-)

Outstanding Balances	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Trade and Salary Payable			
Relatives/ Other Concerns of Key Management Personnel	8.37	20.03	10.82
Key Management Personnel	109.79	199.00	127.20
Trade Receivable & Advances			
Employee Funds	60.54	110.96	65.32
Relatives/ Other Concerns of Key Management Personnel	-	2.11	-
Deposit Receivable			
Relatives/ Other Concerns of Key Management Personnel	4.59	4.59	4.59
Key Management Personnel	3.24	3.24	3.24
Investments			
Joint Venture	345.50	345.50	345.50

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

c) Disclosure in respect of material transactions with related parties during the year:

Nature of Transaction	Nature of relationship	Name of the related party	Amount
Rent Expenses	Key Management Personnel	Kewalchand P. Jain	9.98 (9.98)
		Hemant P. Jain	8.60 (8.60)
		Dinesh P. Jain	5.66 (5.66)
		Vikas P. Jain	5.66 (5.66)
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain	9.18 (9.18)
		Kewalchand P. Jain	79.50 (79.50)
		Hemant P. Jain	79.50 (79.50)
		Dinesh P. Jain	79.50 (79.50)
Managerial Remuneration (Salary)	Key Management Personnel	Vikas P. Jain	79.50 (79.50)
		Pankaj K. Jain	27.07 (25.00)
		Hitendra H. Jain	23.09 (20.00)
		Kewal Kiran Finance Private Limited	0.86 (0.44)
Salary	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain (Trustee/ Beneficiary of P. K. Jain Family Holding Trust)	2,030.49 (1,169.07)
		Kewalchand P. Jain	227.76 (131.12)
	Dividend Paid	Key Management Personnel	Hemant P. Jain
Dinesh P. Jain			240.56 (138.48)
Vikas P. Jain			238.06 (137.05)
31.14 (174.88)			
Employee Fund			97.00 (182.50)
Contribution to Gratuity Fund	Employee Funds		
Corporate Social Responsibility (Donation)	Enterprises where KMP & their relatives have significant influence	Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	5.5 (3.6)
		Pandya & Co.	5.5 (3.6)
Legal & Professional Services received	Relatives/ Other Concerns of Key Management Personnel	Bansi S. Mehta & Co.	- (9.2)

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Compensation to KMP of the Company

Nature of Benefits#	As at 31st March, 2018	As at 31st March, 2017
Short-term employee benefits (including Sitting Fees)	342.80	334.80
Post-employment gratuity and medical	-	-
Other long term benefits	-	-
Share-based payment transactions	-	-
Termination Benefits	-	-
Total	342.80	334.80

The aforesaid amounts exclude gratuity provision as it is determined on actuarial basis for the Company as a whole.

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
2. Abhijit Warange Company Secretary

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

Nature of Transaction	Name of the KMP/Relative	Amount
Managerial Remuneration (Salary)	Bhavin Sheth	52.70 (46.50)
	Abhijit Warange	35.51 (30.24)
Outstanding balance as on 31st March 2018		
Salary Payable	Bhavin Sheth	5.11 (5.67)
	Abhijit Warange	3.88 (4.09)

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.

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(₹ in lakhs except as otherwise stated)

2.42 Operating Lease Arrangements:

Disclosure as per Ind AS- 17 – “Operating Lease” are given below:

a) As lessee:

Rental expenses of ₹ 117.31 lakhs (P.Y. ₹ 88.73 lakhs) under operating leases have been recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 16.53 lakhs (P.Y. ₹ 7.83 lakhs) based on revenue sharing model.

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Due not later than one year	96.39	79.43	69.13
Due later than one year but not later than five years	152.58	180.15	132.81
More than 5 years	-	-	3.45
Total	248.97	259.58	205.58

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.
- Lease rentals do not include common area maintenance charges and tax payable, if any.
- 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 ₹ 21.15 lakhs (P.Y. ₹ 29.04 lakhs) (b) between 1 to 5 year ₹ 88.49 lakhs (P.Y. ₹ 103.04 lakhs) (c) more than 5 years ₹ 3.97 lakhs (P.Y. ₹ 31.94 lakhs).

b) As Lessor:

The Company has given certain part of its property on operating lease. These lease arrangements are for a period of 9 years and cancellable solely at discretion of the lessees. Rental income from leasing of property of ₹ 89.51 lakhs (P.Y. ₹ 6.09 lakhs) is recognized in the Statement of Profit and Loss. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

The Company has not given any property under non -cancellable operating lease.

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on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

2.43 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	As at 31st March, 2018		As at 31st March, 2017	
		Amt. in Foreign Currency	Amount	Amt. in Foreign Currency	Amount
Trade Receivables	USD	5,90,482.15	384.05	1,78,348.32	115.62
Payable towards Capital Goods	USD	5,350	30.51	20,000	77.62
	EURO	20,776.50	-	93,375	-
Advance for Capital Goods	EURO	-	-	1,82,007	126.02
Advance from Customer	USD	2,095.31	1.36	1,886.07	1.22
Advance to Supplier	USD	1,11,055	72.23	-	-
Balance in EEFC account	USD	169.54	0.11	2,32,840.94	150.95
Foreign currency in hand	Multiple	-	3.15	-	1.61

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

2.44 Provisions:

Disclosure as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets are given below:

Particulars	Provision for Contingencies				Other Provisions (Selling & Distributions Expenses including dealer incentives and discounts)		Provision for margin on sales return	
	Provision for Claims / Schemes etc		Other Contingencies*		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017				
Opening Balance	328.29	336.88	34.94	42.46	1,248.82	797.65	95.50	74.48
Addition	319.08	298.22	-	5.89	1245.12	2312.61	56.57	21.02
Utilization	243.65	306.81	-	13.40	1185.82	1861.44	-	-
Reversals	-	-	-	-	-	-	-	-
Closing Balance	403.72	328.29	34.94	34.94	1308.12	1,248.82	152.08	95.50

* It comprises of rates & taxes.

The above Provision has been grouped under the head 'Current Provisions' in Note 2.21.

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.

2.45 Contingent Liabilities:

- a) Disputed demands in respect of income tax not acknowledged as debt by the Company of ₹ 20.77 lakhs (P.Y. ₹ 20.77 lakhs).

In respect of Assessment year 2005-2006, there was tax demand of ₹ 68.94 lakhs (₹ 68.94 lakhs) which had been adjusted by the tax authorities against refund due to the Company in respect of other years. During F.Y. 2015-16, the Company had 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.

Future cash outflows in respect of above are dependent on outcome of matter under dispute

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(₹ in lakhs except as otherwise stated)

- b) The Company has purchased capital assets under EPCG license against which the Company has a balance export obligation of ₹ 1,130.28 lakhs (P.Y. 1,103.79 lakhs). Contingent liability, to the extent of duty saved in respect of EPCG is ₹ 188.38 lakhs (P.Y. 183.97 lakhs). The balance export obligation to be fulfilled as per license is upto year 2021-2023.

As at the year-end, amount of outstanding bonds executed by the Company in favour of customs authority aggregates to ₹ 805.68 lakhs (P.Y. ₹ 880.65 lakhs). Out of these, bonds aggregating to ₹ 176.04 lakhs (P.Y. ₹ 180.40 lakhs) are under the process of discharge from custom authorities.

- c) Bank guarantees issued by the Company of ₹ 94.91 lakhs (P.Y. ₹ 73.67 lakhs)
- d) The company's contingent liability and capital/other commitment in relation to joint venture ₹ Nil and ₹ Nil.
- e) The Company has process in place to ascertain the impact of pending litigation.

Note: No outflow of resources is expected in respect of Para (b) and (c).

2.46 Estimated amount of contracts remaining to be executed on-

- a) **Capital Commitment-** Capital Account and not provided for Nil (net of advances) (P.Y. ₹ 72.74 lakhs).
- b) **Other commitments-**
- Advertisement contracts aggregating to Nil (Net of advances) (P.Y ₹ 12.65 lakhs).
 - Purchase of Consumables- ₹ 15.94 lakhs (P.Y. ₹ Nil)
 - Capital Contribution Commitment for investment in India Whizdom Fund (IWF) Nil (P.Y. ₹ 50.00 lakhs).

Also Refer Note 2.42 in respect of minimum lease rental payment under non-cancellable operating lease.

2.47 Income Taxes (Ind AS 12):

Reconciliation of Effective Tax Rate:

Nature of Benefits#	As at 31st March, 2018	As at 31st March, 2017
Applicable tax rate (%)	34.608%	34.608%
Profit before tax	10,855.26	10,828.70
Current tax expenses on Profit before tax as per applicable tax rate	3,756.79	3,747.60
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Effect of Income exempt from tax	(190.01)	(360.77)
Effect of Tax paid at a lower rate	(36.20)	(30.90)
Effect of Previous year adjustments	-	(4.85)
Effect of other items	(0.58)	18.59
Total income tax expense/(credit)	3,530.00	3,369.67

The effective tax rate is 32.52% (F.Y. 2016-17, 31.12%).

2.48 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 ₹ 193.33 lakhs (P.Y. ₹ 191.20 lakhs)

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(₹ in lakhs except as otherwise stated)

b) Amount spent during the year on:

Sr. No.	Particulars	In Cash (Amount)	Yet to be paid (Amount)	Total (Amount)
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	247.00	-	247.00
		(191.35)	-	(191.35)

Note: 1 Figures in brackets represents corresponding amount of previous year.

Note: 2 Cash flow from operating activities includes CSR amounting to ₹ 247.00 lakhs (P.Y. ₹ 191.35 lakhs)

c) Refer note no. 2.41 for transactions with related parties

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

Amount outstanding as at year end

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Loans given	-	-	-
Guarantee given	-	-	-
Investments made*	28,450.56	26,315.92	20,367.21

*Also Refer note no. 2.2, 2.6 and 2.8

2.50 Fair Value Measurement:

The management assessed that cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- **Level 1:** This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all equity investments and units of mutual funds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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(₹ in lakhs except as otherwise stated)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities-

A. Quantitative disclosures fair value measurement hierarchy for financial assets as at 31st March, 2018, 31st March, 2017 and 01st April, 2016

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
As at March 31, 2018:-				
Financial Assets at amortised cost:				
Trade receivables	-	-	13,616.75	13,616.75
Investments (non-current)	-	-	345.50	345.50
Cash and bank balances	-	-	839.74	839.74
Other financial assets	-	-	394.23	394.23
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, quoted	233.92	-	-	233.92
Fair value through Profit and Loss				
Investment in units of Mutual Funds	-	27,871.14	-	27,871.14
As at March 31, 2017:-				
Financial Assets at amortised cost:				
Trade receivables	-	-	10,615	10,615
Investments (non-current)	-	-	345.50	345.50
Cash and bank balances	-	-	840.19	840.19
Other financial assets	-	-	322.95	322.95
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, quoted	182.29	-	-	182.29
Fair value through Profit and Loss				
Investment in units of Mutual Funds	-	25,788.13	-	25,788.13
As at April 01, 2016:-				
Financial Assets at amortised cost:				
Trade receivables	-	-	10,896.61	10,896.61
Investments (non-current)	-	-	345.50	345.50
Cash and bank balances	-	-	637.19	637.19
Other financial assets	-	-	346.06	346.06
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, quoted	182.15	-	-	182.15
Fair value through Profit and Loss				
Investment in units of Mutual Funds	-	19,839.56	-	19,839.56

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(₹ in lakhs except as otherwise stated)

B. Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31st March, 2018, 31st March, 2017 and 01st April, 2016

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 1) Amount	(Level 1) Amount	
As at March 31, 2018:-				
Financial Liabilities at amortised cost:				
Cash Credits/Working Capital Borrowing	-	-	4,829.65	4,829.65
Trade payables	-	-	4,350.65	4,350.65
Other financial liabilities	-	-	717.69	717.69
As at March 31, 2017:-				
Financial Liabilities at amortised cost:				
Cash Credits/Working Capital Borrowing	-	-	4050.50	4050.50
Trade payables	-	-	3,946.66	3,946.66
Other financial liabilities	-	-	961.71	961.71
As at April 01, 2016:-				
Financial Liabilities at amortised cost:				
Cash Credits/Working Capital Borrowing	-	-	2,888.76	2,888.76
Trade payables	-	-	4,688.35	4,688.35
Other financial liabilities	-	-	378.86	378.86

2.51 Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: (i) interest rate risk and (ii) currency risk. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The sensitivity analysis in the following sections relate to the position as at 31st March, 2018 and 31st March, 2017.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2018 and 31st March, 2017.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligations with floating interest rates. The Company has sufficient amount of liquid investments to mitigate the interest risk on its short term debt obligations.

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(₹ in lakhs except as otherwise stated)

Interest rate sensitivity-

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Company's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

Basis Points	As at 31st March, 2018		As at 31st March, 2017	
	5% increase	5% decrease	5% increase	5% decrease
Effect on profit before tax (Amount)	(21.68)	21.68	(14.42)	14.42

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company's trade receivables in foreign currency as at 31st March, 2018 is ₹ 384.05 lakhs (P.Y. ₹ 115.62 lakhs).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in rate of USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Basis Points	As at 31st March, 2018		As at 31st March, 2017	
	2% increase	2% decrease	2% increase	2% decrease
Effect on profit before tax (Amount)	7.68	(7.68)	2.31	(2.31)

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv. Significant increase in credit risk on other financial instruments of the same counterparty,
- v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company.

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(₹ in lakhs except as otherwise stated)

Assets in the nature of Investment, security deposits, loans and advances are measured using 12 months expected credit losses(ECL). Balances with Banks is subject to low credit risk due to good credit rating assigned to these banks. Trade receivables are measured using life time expected credit losses.

Financial Assets for which loss allowances is measured using the Expected Credit Losses (ECL):

The Ageing analysis of Account receivables has been considered from the date the invoice falls due-

Ageing	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
0-180 days	8,808.65	9,568.11	9,549.15
181 days to 365 days	3,382.71	996.87	1,251.04
beyond 365 days	1,768.52	360.44	351.43
Total	13,959.88	10,925.42	11,151.62

The following table summarizes the changes in loss allowances measured using life time expected credit loss model

Provisions	As at 31st March, 2018	As at 31st March, 2017
Opening Provision	310.00	255.00
Add:- Additional provision made	33.00	69.00
Less:- Provision utilised against bad debts	-	(14.00)
Closing provisions	343.00	310.00

No Significant changes in estimation techniques or assumptions were made during the year

c) Liquidity risk

The Company's principal source of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

As on 31st March, 2018, the Company had working capital of ₹ 18,535.43 lakhs (P.Y. ₹ 16,736.16 lakhs) including cash and cash equivalents of ₹ 6,154.29 lakhs (P.Y. ₹ 6,556.03 lakhs) and current investments of ₹ 9,329.67 lakhs (P.Y. ₹ 7,582.84 lakhs)

Maturity patterns of the Financial Liabilities of the Company at the reporting date based on contractual undiscounted payment-

As at 31st March, 2018	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	4,829.65	-	-	4,829.65
Trade payables	4,350.65	-	-	4,350.65
Other financial liabilities	717.69	-	-	717.69
Payable related to Capital goods	64.64	-	-	64.64
Total	9962.63	-	-	9962.63

As at 31st March, 2017	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	4,050.50	-	-	4,050.50
Trade payables	3,946.66	-	-	3,946.66
Other financial liabilities	961.71	-	-	961.71
Payable related to Capital goods	40.86	-	-	40.86
Total	8,999.73	-	-	8,999.73

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

As at 01st April, 2016	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	2,888.76	-	-	2,888.76
Trade payables	4,688.35	-	-	4,688.35
Other financial liabilities	378.86	-	-	378.86
Payable related to Capital goods	56.82	-	-	56.82
Total	8,012.79	-	-	8,012.79

2.52 Capital Management

(a) Risk Management

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure

The Company monitors capital using Net debt-equity ratio, which is Net debt (i.e. total debt less cash & cash equivalents and current investments) divided by total equity.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Net Debt	(10,654)	(10,088)	(11,498)
Total Equity	39,965	37,451	32,833
Net Debt to Equity Ratio (%)	(26.66)	(26.94)	(35.02)

(b) Distributions made and proposed:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended 31st March, 2017 ₹ 1.50 (31st March, 2016 – ₹ 1.50) per fully paid share	184.88	184.88
Dividend distribution tax on final dividend	37.64	37.64
Interim Dividend for the year ended 31st March, 2018 ₹ 31.50 (31st March, 2017 – ₹ 17.50) per fully paid share	3,882.39	2,156.88
Dividend distribution tax on interim dividend	790.36	439.09
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31st March, 2018 ₹ 1.50 (31st March, 2017– ₹ 1.5) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. The same is not recognised at the end of the reporting period.	184.88	184.88

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

2.53 First- time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Ind AS notified by the Ministry of Corporate Affairs with effect from 01st April, 2017, with a transition date of 01st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognized directly in equity.

Set out below are the Ind AS 101 optional exemptions availed as applicable and exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

(a) Deemed Cost

The Company has opted paragraph D7AA and accordingly considered the carrying value of property, plant and equipment and Intangible assets as deemed cost as at the transition date.

(b) Investments in joint ventures

The Company has opted para D14 and D15 and accordingly considered the Previous GAAP carrying amount of Investments as deemed cost as at the transition date.

(c) Designation of previously recognised financial instruments

Paragraph D19B of Ind AS 101 gives an option to an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has opted to apply this exemption for its investment in equity Investments.

B. Applicable Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent

with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 01st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in listed equity instruments carried at FVOCI;
- Investment in mutual funds carried at FVTPL; and
- Impairment of financial assets based on expected credit loss model.

(b) Classification and measurement of financial assets

As required under Ind AS 101 the company has assessed the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- I. Reconciliation of Balance sheet as at 01st April, 2016 (Transition Date)
- II. A. Reconciliation of Balance sheet as at 31st March, 2017
B. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017
- III. Reconciliation of Statement of Cash flow for the year ended 31st March, 2017
- IV. Reconciliation of Equity as at 31st March, 2017 & 01st April, 2016

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

I. Reconciliation of Balance sheet as at 01st April, 2016

Particulars	Foot Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
1) Non-Current Assets				
a) Property, Plant and Equipment	A	5,923.82	(213.22)	5,710.61
b) Capital Work in Progress		263.56	-	263.56
c) Investment Property		-	-	-
d) Other Intangible Assets		73.58	-	73.58
e) Intangible Assets under Development		-	-	-
f) Financial Assets				
i) Investments	B	5,876.47	636.89	6,513.36
ii) Loans		-	-	-
iii) Other Financial Assets	C	901.14	(720.28)	180.86
g) Deferred Tax Assets(Net)		49.78	-	49.78
h) Other Non-Current Assets	C	3.72	930.44	934.17
2) Current Assets				
a) Inventories	D	5,572.69	44.82	5,617.51
b) Financial Assets				
i) Investments	B	9,915.97	2,255.51	12,171.48
ii) Trade Receivables		10,896.61	-	10,896.61
iii) Cash & Cash Equivalents	E	2,474.87	(259.99)	2,214.88
iv) Bank balances (other than iii above)	E	-	104.68	104.68
v) Loans	F	328.52	(328.52)	-
vi) Other Financial Assets	F	-	165.20	165.20
c) Current Tax Assets (Net)		-	-	-
d) Other Current Assets	F	105.08	166.38	271.46
Total Assets		42,385.81	2,781.93	45,167.74
EQUITY & LIABILITIES				
Equity				
a) Equity Share Capital		1,232.50	-	1,232.50
b) Other Equity	B&G	28,641.02	2959.60	31,600.62
Liabilities				
1) Non-Current Liabilities				
a) Financial Liabilities				
i) Other financial liabilities		-	-	-
ii) Other Long-Term Liabilities	H	1,713.57	(1,713.57)	-
b) Provisions		13.00	-	13.00
c) Deferred Tax Liability		-	-	-
d) Other non - current liabilities		-	-	-
2) Current Liabilities				
a) Financial Liabilities				
i) Borrowings		2,888.76	-	2,888.76
ii) Trade Payables				
- Due to Micro and Small Enterprises		89.91	-	89.91
- Due to Others		4,598.45	-	4,598.45
iii) Other financial liabilities	H	-	378.86	378.86
b) Other Current Liabilities	H	1,375.09	1,334.71	2,709.80
c) Provisions	G & I	1,833.51	(377.90)	1,455.61
d) Current Tax Liabilities (Net)	I	-	200.22	200.22
Total Equity and Liabilities		42,385.81	2,781.93	45,167.74

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

II. A. Reconciliation of Balance sheet as at 31st March, 2017

Particulars	FootNotes	Previous GAAP	Adjustments	Ind AS
ASSETS				
1) Non-Current Assets				
a) Property, Plant and Equipment	A	6,615.55	(365.83)	6,249.72
b) Capital Work in Progress		724.49	-	724.49
c) Investment Property	A	-	160.35	160.35
d) Other Intangible Assets	A	49.82	(4.68)	45.14
e) Intangible Assets under Development		2.86	-	2.86
f) Financial Assets				
i) Investments	B	12,283.73	645.47	12,929.20
ii) Loans		-	-	-
iii) Other Financial Assets	C	489.28	(299.03)	190.25
g) Deferred Tax Assets(Net)		-	-	-
h) Other Non-Current Assets	C	27.08	506.14	533.22
2) Current Assets				
a) Inventories	D	5,069.96	56.24	5,126.20
b) Financial Assets				
i) Investments	B	6,737.64	845.20	7,582.84
ii) Trade Receivables		10,615.41	-	10,615.39
iii) Cash & Cash Equivalents	B	6,333.10	222.93	6,556.03
iv) Bank balances (other than iii above)		88.03	-	88.03
v) Loans	F	426.30	(426.30)	-
vi) Other Financial Assets	F	-	132.70	132.70
c) Current Tax Assets (Net)		-	-	-
d) Other Current Assets	F	80.72	296.66	377.38
Total Assets		49,544.00	1769.80	51,313.80
EQUITY & LIABILITIES				
Equity				
a) Equity Share Capital		1,232.50	-	1,232.50
b) Other Equity	B	34,572.72	1,645.85	36,218.57
Liabilities				
1) Non-Current Liabilities				
a) Financial Liabilities				
i) Other financial liabilities		-	-	-
ii) Other Long-Term Liabilities	H	1,439.78	(1,439.78)	-
b) Provisions		7.58	-	7.58
c) Deferred Tax Liability		44.99	67.73	112.72
d) Other non - current liabilities		-	-	-
2) Current Liabilities				
a) Financial Liabilities				
i) Borrowings		4,050.50	-	4,050.50
ii) Trade Payables				
- Due to Micro and Small Enterprises		20.46	-	20.46
- Due to Others		3,926.20	-	3,926.20
iii) Other financial liabilities	H	-	961.71	961.71
b) Other Current Liabilities	H	2,114.09	478.07	2,592.16
c) Provisions	I	2,135.17	(29.66)	2,105.51
d) Current Tax Liabilities (Net)	I	-	85.90	85.89
Total Equity and Liabilities		49,544.00	1,769.80	51,313.80

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

II. B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Foot Notes	Previous GAAP	Adjustments	Ind AS
Revenue:				
Revenue from Operations	J	49,237.79	(1,528.32)	47,709.48
Other Income	K	2,862.64	(1,115.86)	1,746.78
Total Revenue (I + II)		52,100.43	(2,644.18)	49,456.26
Expenses:				
Cost of materials consumed		17,782.16	-	17,782.16
Purchase of stock in trade		1,626.28	-	1,626.28
Change in inventories of finished goods, work in progress and stock in trade	J	799.16	(11.42)	787.74
Excise duty on sales	J	-	1,059.49	1,059.49
Employee benefit expenses	L	5,956.21	(34.75)	5,921.46
Finance cost	J	526.75	(199.57)	327.18
Depreciation and amortisation expenses	A	479.35	(3.69)	475.67
Manufacturing and operating expenses	A	4,773.77	3.06	4,776.83
Administrative and other expenses	J&K	3,138.52	(186.73)	2,951.79
Selling and distribution expenses	J	5,200.64	(2,281.67)	2,918.97
Total Expenses		40,282.85	(1,655.30)	38,627.56
Profit before exceptional and extraordinary items and tax (III - IV)		11,817.58	(988.88)	10,828.70
Exceptional Items		-	-	-
Profit before extraordinary items and tax (V-VI)		11,817.58	(988.88)	10,828.70
Extraordinary items		-	-	-
Profit before tax (VII - VIII)		11,817.58	(988.88)	10,828.70
Tax Expense:				
Current tax		3,200.00	12.03	3,212.03
Deferred tax		94.76	67.73	162.50
(Excess)/Short provision for taxes of earlier years		(4.85)	-	(4.85)
Profit for the period (IX - X)		8,527.67	(1,068.64)	7,459.03
Other Comprehensive Income (OCI)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement [gain / (loss)] of net defined benefit liability	L	-	(34.75)	34.75
Effect [gain / (loss)] of measuring equity instruments at fair value through OCI		-	0.14	(0.14)
Income tax on above		-	12.03	(12.03)
Total of Other Comprehensive income		-	(22.58)	22.58
Total Comprehensive income for the period (XI+XII)		8,527.67	1,091.22	7436.44

III. Reconciliation of Statement of Cash flow for the year ended 31st March, 2017

Particulars	Previous GAAP	Adjustments	Ind AS
Net Cash flow from Operating Activities	8,106.84	(95.42)	8,011.42
Net Cash flow from Investing Activities	(1,696.82)	767.01	(929.81)
Net Cash flow from Financing Activities	(2,092.69)	(644.68)	(2,737.37)
Net increase/(decrease) in Cash and Cash equivalents	4,317.34	26.90	4,344.24
Cash and cash equivalents as at April 01, 2016	2,018.39	196.49	2,214.88
Cash and cash Equivalents as at March 31,2017	6,333.11	222.92	6,556.03

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

IV. Reconciliation of Equity as at 31st March, 2017 and 01st April, 2016

Nature of adjustments	As at 31st March, 2018	As at 31st March, 2017
Equity as per Previous GAAP (I)	35,805.23	29,873.52
Effect of measuring investments at fair value	1,714.00	2,737.09
Deferred tax impact on above	(67.70)	-
Effect of proposed dividend	-	222.51
Total Effect of transition to Ind AS	1,646.30	2,959.60
Equity as per Ind AS	37,451.53	32,833.12

Footnotes to the reconciliation of equity as at 01st April, 2016 and 31st March, 2017 and profit or loss for the year ended 31st March, 2017

A. Property, Plant and Equipment: The leasehold land having carrying value of ₹ 210.16 lakhs as on 31st March, 2017 (01st April, 2016- ₹ 213.22 lakhs) was classified as PPE under the previous GAAP, the same has been reclassified as “other non-current assets” under Ind AS in terms of the agreement. Depreciation of ₹3.06 lakhs in respect to the above asset has been classified under “Manufacturing & operating expenses” under Ind AS.

Intangible Assets having carrying value of ₹ 4.68 lakhs as at 31st March, 2017 (01st April, 2016- Nil) were reclassified as ‘Tangible Assets’ under PPE.

The Company has given part of the premises under operating lease during the financial year 2016-17. The same was classified as PPE under previous GAAP. The carrying value of the above premises as on 31st March, 2017 of ₹ 160.35 lakhs (01st April, 2016- Nil) have been reclassified as “Investment Properties” during the F.Y. 2016-17.

B. Investments:

The Company has designated all investments in mutual funds (classified under non-current investments, current investments, and cash & cash equivalents) at fair value through profit or loss (FVTPL) and investment in equity shares other than Investment in Joint Venture at Fair Value through OCI. Ind AS requires FVOCI and FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings.

C. Non-Current Financial Assets & Non-Current Other Assets: Reclassification from non-current financial assets to non-current other assets

D. Inventories: Effect of margin on sales return where there is a right to return the goods on inventories of ₹ 56.24 lakhs (01st April, 2016- ₹ 44.82 lakhs.)

E. Cash & Cash Equivalents:

1. Reclassification of liquid investments from cash & cash equivalents to current investments.
2. Reclassification of bank balance other than cash & cash Equivalents as separate line item.

F. Loans, Other Current Financial & Non- Financial assets:

Reclassification effect of Loans into other current financial and non-financial assets.

G. Other Equity: Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 222.51 lakhs as at 01st April, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

H. Other Long-Term Liabilities:

Reclassification from other non-current long term liabilities to current liabilities.

I. Current Provisions: Tax liabilities were earlier classified under “Current Provisions”, the same has been reclassified as ‘current tax liabilities’ as separate line item in the balance sheet under Ind AS.

J. Discounts, Incentives & Promotional Expenses: Under the previous GAAP, promotional expenses, discounts and incentives to the customers were shown as a part of selling and distribution expenses. Under Ind AS, revenue from sale of products are recognised at net of these expenses. Thus, revenue from operations under Ind AS has decreased by ₹ 2,281.67 lakhs with a corresponding decrease in selling and distribution expenses.

Standalone Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Under the previous GAAP, professional fees to management franchisee of ₹ 95.13 lakhs was part of administrative expenses, the same has been reduced from revenue from operations under Ind AS. Under the previous GAAP, the cash discount offered to customers on early payment was part of finance cost. Under Ind AS, the cash discount of ₹ 199.57 Lakhs is reduced from the revenue from operations.

The difference of opening and closing effect of margin on sales return (where there is a right to return the goods) of ₹ 11.42 lakhs is shown under 'Change in inventories of finished goods, work in progress and stock in trade' with the corresponding decrease in revenue from operations.

Under the previous GAAP, revenue from sale of goods was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March, 2017 by ₹ 1059.49 Lakhs.

There is no impact in the total equity and profit due to above adjustments.

- K.** Fair value difference of ₹ 1,115.86 lakhs on investments in mutual funds is recognized as 'Other Income'.
- L.** Re-measurement on defined benefit plans – Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, there is no impact on the total equity as at March 31, 2017.

As per our Audit Report of even date attached

Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No:0029822

Abhijit Warange
Company Secretary

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

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 01, 2018.

The Company will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.55 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.

2.56 Previous year figures are regrouped or rearranged wherever considered necessary.

Independent Auditor's Report

To
The Members of
Kewal Kiran Clothing Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

1. We have audited the accompanying Consolidated Ind AS Financial Statements ('CFS') of Kewal Kiran Clothing Limited ("the Holding Company") and a Joint Venture (The Holding Company and a Joint venture collectively referred to as the 'Group') which comprises of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these CFS in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These respective financial statements have been used for the purpose of preparation of the CFS by the Directors of the Holding Company, as aforesaid. In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going

concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on this CFS 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
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 CFS, 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 CFS, 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 management and Board of Directors, as well as evaluating the overall presentation of the CFS

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

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

OPINION

6. In our opinion and to the best of our information and according to the explanations given to us, the CFS read with Para 8 below give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at March 31, 2018, and their consolidated financial performance (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTER

7. We did not audit the financial statement of the Joint venture included in the CFS, whose Group share of net loss is ₹ 6.60 lakhs for the year ended March 31, 2018. These financial statements have been audited by other auditor whose report is furnished to us by the management of the Company. In our opinion on the CFS, in so far as it relates to the amounts and disclosures included, is based solely on the report of the other auditor. Our opinion is not modified on this matter.

8. The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these CFS, are based on the previously issued statutory consolidated financial statements of the Group prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as audited by N.A Shah Associates LLP, Chartered Accountants and Jain & Trivedi Chartered Accountants, whose reports dated April 25, 2017 and May 23, 2016 respectively, expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us with respect to the Holding Company and by other auditor with respect to the Joint Venture. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As per information and explanation furnished and as required by Section 143(3) of the Act, based on the comments in the auditor's report of the Joint venture, which is incorporated in India, we report to the extent applicable 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 purpose of our audit of the CFS;
- b. In our opinion proper books of account as required by law relating to preparation of the CFS have been kept by the Company 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, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the CFS;

d. In our opinion, the CFS comply with the Accounting Standards specified under section 133 of the Act;

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2018, and taken on record by the Board of Directors of Holding Company, and the reports of the statutory auditor of the Joint venture incorporated in India, none of the directors of the Group are disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditor's) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on standalone financial statements and other financial information of the Joint venture as noted in Paragraph 8 of 'Other Matters' paragraph:

i. The impact of pending litigations has been duly disclosed in the CFS.

ii. The Group did not have any long-term contracts including derivatives for which there existed any foreseeable losses.

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

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Regn. No: 105146W

Hasmukh B. Dedhia
Partner
Membership Number: 033494
Place: Mumbai
Date: April 23, 2018

Annexure A referred to in paragraph 9 (f) of Our Report of even date to the members of Kewal Kiran Clothing Limited on the Consolidated Ind AS Financial Statements of the Company for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Ind AS Financial Statements (“CFS”) of the Company as of and for the year ended March 31, 2018, we report on internal financial controls over financial reporting of Kewal Kiran Clothing Limited (hereinafter referred to as “the Holding Company”), and a Joint Venture (the Holding Company and a Joint Venture together referred to as “the Group”), incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its Joint Venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective entities 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”)

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 CFS, whether due to fraud or error. We believe that the audit evidence we have obtained and in terms of other auditor report referred to in paragraph of the Other Matters below, the audit evidence obtained by them, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

timely detection of unauthorized 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. Further, 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, to the best of our information and according to the explanations given to us and based on auditor's report of the Joint Venture, incorporated in India, 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, 2018, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note.

OTHER MATTERS

Our aforesaid reports 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 the sole Joint Venture, is based on the report of the respective auditors of such company.

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Regn. No: 105146W

Hasmukh B. Dedhia
Partner
Membership Number: 033494
Place: Mumbai
Date: April 23, 2018

Consolidated Balance Sheet

as at 31st March 2018

Corporate Identification Number: L18101MH1992PLC065136

(Amount ₹ in lakhs)

Particulars	Note	As at	As at	As At
		31st March 2018	31st March 2017	01st April 2016
		Audited	Audited	Audited
ASSETS				
1) Non-Current Assets				
a) Property, Plant and Equipment	2.1	6,755.62	6,249.72	5,710.61
b) Capital Work in Progress		908.51	724.49	263.56
c) Investment Property	2.11	151.59	160.35	-
d) Other Intangible Assets		50.06	45.14	73.58
e) Intangible Assets under Development		15.35	2.86	-
f) Financial Assets				
i) Investments	2.2	13,666.24	12,889.52	6,478.04
ii) Loans		-	-	-
iii) Other Financial Assets	2.3	251.70	190.25	180.86
g) Deferred Tax Assets(Net)		-	-	49.78
h) Other Non-Current Assets	2.4	232.05	533.22	934.17
		22,031.12	20,795.55	13,690.60
2) Current Assets				
a) Inventories	2.5	5,285.01	5,126.20	5,617.51
b) Financial Assets				
i) Investments	2.6	9,329.67	7,582.84	12,171.48
ii) Trade Receivables	2.7	13,616.66	10,615.39	10,896.61
iii) Cash & Cash Equivalents	2.8	6,154.29	6,556.03	2,214.88
iv) Bank balances other than iii above	2.9	94.45	88.03	104.68
v) Loans		-	-	-
vi) Other Financial Assets	2.10	144.27	132.70	165.20
c) Current Tax Assets (Net)		-	-	-
d) Other Current Assets	2.11	529.40	377.38	271.46
		35,153.75	30,478.57	31,441.82
Total Assets		57,184.87	51,274.12	45,132.42
EQUITY & LIABILITIES				
Equity				
a) Equity Share Capital	2.12	1,232.50	1,232.50	1,232.50
b) Other Equity	2.13	38,686.55	36,178.89	31,565.30
		39,919.05	37,411.39	32,797.80
LIABILITIES				
1) Non-Current Liabilities				
a) Financial Liabilities		-	-	-
b) Provisions	2.14	6.50	7.58	13.00
c) Deferred Tax Liability (net)	2.15	459.99	112.72	-
d) Other non - current liabilities	2.16	159.44	-	-
		625.93	120.30	13.00
2) Current Liabilities				
a) Financial Liabilities				
i) Borrowings	2.17	4,829.65	4,050.50	2,888.76
ii) Trade Payables	2.18			
- Due to Micro and Small Enterprises		25.39	20.46	89.91
- Due to Others		4,325.26	3,926.20	4,598.45
iii) Other financial liabilities	2.19	717.69	961.71	378.86
b) Other Current Liabilities	2.20	4,437.54	2,592.16	2,709.80
c) Provisions	2.21	2,233.38	2,105.51	1,455.62
d) Current Tax Liabilities (Net)	2.22	70.98	85.89	200.22
		16,639.89	13,742.43	12,321.62
Total Equity and Liabilities		57,184.87	51,274.12	45,132.42

Significant accounting policies and notes on accounts

The notes referred to above form integral part of Financial Statements

As per our audit report of even date

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

Abhijit Warange
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

Particulars	Note	(Amount ₹ in lakhs)	
		For the Year Ended 31st March 2018 Audited	For the Year Ended 31st March 2017 Audited
INCOME			
Revenue from Operations	2.23	46,191.77	47,709.48
Other Income	2.24	2,109.05	1,746.78
		48,300.82	49,456.26
EXPENDITURE			
Changes in inventories of Finished goods, Stock in trade and Work in progress	2.25	(267.64)	787.74
Cost of Material Consumed	2.26	17,992.90	17,782.16
Purchase of Trading Items: Lifestyle Accessories/ Products		1,622.86	1,626.28
Excise Duty on sales		164.28	1,059.49
Employee Benefit Expenses	2.27	6,507.23	5,921.46
Finance cost	2.28	498.30	327.18
Depreciation/ Amortization	2.1	577.35	475.67
Manufacturing and Operating Expenses	2.29	4,535.25	4,776.82
Administrative and Other Expenses	2.30	3,067.95	2,951.79
Selling and Distribution Expenses	2.31	2,747.09	2,918.97
		37,445.57	38,627.56
Profit before exceptional items, share of profit/(loss) of investment using equity method and tax		10,855.25	10,828.70
Share of profit/(loss) of joint venture using equity method		(6.60)	(4.36)
Profit before exceptional items and tax		10,848.65	10,824.34
Exceptional items		-	-
Net Profit Before tax		10,848.65	10,824.34
Tax Expenses			
Current Tax		3,182.72	3,212.03
Deferred Tax		347.28	162.50
(Excess)/Short Provision for Taxes of Earlier Years		-	(4.85)
Net Profit for the Period		7,318.65	7,454.66
Other Comprehensive Income (OCI)			
Items that will not be reclassified to Profit and Loss			
Effect [(gain) / loss] of measuring equity instruments at fair value through OCI		(51.62)	(0.14)
Remeasurement (gain) / loss on net defined benefit liability		(49.94)	34.75
Income tax relating to items that will not be reclassified to profit and loss		17.28	(12.03)
Total Comprehensive Income for the year		7,402.93	7,432.08
Earnings per Share - Basic and Diluted (Face Value of ₹ 10 each fully paid up)		59.38	60.48
Weighted Average Number of Shares used in computing Earnings per Share -Basic and Diluted		12,325,037	12,325,037
Significant accounting policies and notes on accounts	1&2		

The notes referred to above form integral part of Statement of Profit and Loss

As per our audit report of even date

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

Abhijit Warange
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March 2018

Particulars	Amount (₹ in lakhs)	
	For the Year Ended 31st March 2018 Audited	For the Year Ended 31st March 2017 Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxes as per Statement of Profit and Loss	10,848.65	10,824.34
Adjustments for:		
Depreciation/ Amortization	577.35	475.67
(Gain)/Loss on Sale / discard of Property plant & equipment (Tangible Assets) (Net)	-	(27.87)
Share of (Profit)/loss of Joint venture	6.60	4.36
Proportionate Lease premium charged	3.06	3.00
Effect of fair value measurement of investments	(1,939.22)	(1,613.99)
Sundry Balance (written back)/written off (Net)	(14.57)	(0.58)
Finance costs	441.96	288.38
Dividend Income	(3.15)	(17.66)
Provision/(Reversal of provision) for Doubtful Debts, Advances, Deposits and Investments	(18.62)	150.45
Provision for share of loss in Joint Venture reversed	-	(6.50)
Provision/(Reversal of provision) for Contingent Rent/JV	(1.08)	1.08
Provision/(Reversal of provision) for Contingencies	-	5.89
Provision/ (Reversal of Provision) of Exchange Rate Fluctuation (Net)	(5.33)	2.86
Interest Income	(38.96)	(46.60)
	(991.96)	(781.51)
	9,856.69	10,042.83
Changes in Current & Non-current Assets and Liabilities		
Trade Receivable and Other Assets	(3,188.95)	123.70
Inventories	(158.81)	502.73
Trade Payables, Liabilities and Provisions	2,103.54	297.14
	(1,244.22)	923.57
Net Cash Inflow from Operating Activities	8,612.47	10,966.40
Less: Income Tax paid (Net of Refund) (refer note 1 below)	(3,046.94)	(2,955.45)
Net Cash Inflow/(outflow) from Operating Activities	5,565.53	8,010.95
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment (including Capital Advances)	(949.81)	(1,487.22)
Sale of Property Plant & Equipment	45.02	52.84
Purchase of Investments	(5,983.41)	(13,323.49)
Redemption of Investments- (net of income tax of ₹47 lakhs (P.Y. ₹ 86.71 lakhs))	5,448.79	13,764.28
Bank Deposit offered as Security	(66.33)	(142.97)
Maturity of Bank Deposit offered as Security	83.12	137.13
Dividend Income	3.15	17.66
Interest received on Bank Deposits	19.08	68.08
Less: Income Tax Paid (refer note 1 below)	(10.11)	(16.13)
Net Cash inflow /(Outflow) from Investing Activities	(1,410.50)	(929.81)

Consolidated Cash Flow Statement

for the year ended 31st March 2018

Particulars	Amount (₹ in lakhs)	
	For the Year Ended 31st March 2018 Audited	For the Year Ended 31st March 2017 Audited
C. CASH FLOW FROM FINANCING ACTIVITIES		
Working Capital Demand Loan (Net)	779.14	1,782.95
Interest and Finance Charges	(440.65)	(366.76)
Payment of Dividend (Including Dividend Tax)	(4,895.26)	(4,153.56)
Net Cash Inflow/(Outflow) from Financing Activities	(4,556.77)	(2,737.37)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(401.74)	4,343.77
CASH AND CASH EQUIVALENTS - OPENING (refer note 2.8)	6,556.03	2,214.88
	6,154.29	6,558.65
Effect of Exchange(Gain)/Loss on Cash and Cash Equivalents		2.62
CASH AND CASH EQUIVALENTS - CLOSING (refer note 2.8)	6,154.29	6,556.03

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

The Aggregate Income Tax Paid during the year is ₹ 3103.67 lakhs(P.Y. ₹ 3058.29 lakhs).

As per our audit report of even date

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

Abhijit Warange
Company Secretary

Statement of Consolidated Change in Equity

for the year ended 31st March 2018

A) EQUITY SHARE CAPITAL

	(Amount ₹ in lakhs)	
	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the reporting year	1,232.50	1,232.50
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	1,232.50	1,232.50

B) OTHER EQUITY

	(Amount ₹ in lakhs)					
	General Reserve	Retained Earning	Securities premium	Business Progressive fund	Equity Instruments through OCI	Total
Balance as at 01st April 2016 (I)	4,522.86	15,615.67	8,426.77	3,000.00	-	31,565.30
Profit for the year	-	7,454.66	-	-	-	7,454.66
Items of OCI for the year, net of tax						
Remeasurement of net defined benefit liability	-	(22.73)	-	-	-	(22.73)
Effect of measuring equity instruments at fair value through OCI	-	-	-	-	0.14	0.14
Total Comprehensive income from the year (2016-17) (II)	-	7,431.93	-	-	0.14	7,432.08
Dividends	-	(2,341.76)	-	-	-	(2,341.76)
Tax on dividends	-	(476.73)	-	-	-	(476.73)
Transfer to Business Progressive Fund	-	(500.00)	-	500.00	-	-
Transfer to General Reserve	852.77	(852.77)	-	-	-	-
Total (III)	852.77	(4,171.26)	-	500.00	-	(2,818.49)
Balance as at 31st March 2017 (IV) = I+II+III	5,375.63	18,876.34	8,426.77	3,500.00	0.14	36,178.88
Profit for the year	-	7,318.65	-	-	-	7,318.65
Items of OCI for the year, net of tax						
Remeasurement of net defined benefit liability	-	32.65	-	-	-	32.65
Effect of measuring equity instruments at fair value through OCI	-	-	-	-	51.62	51.62
Total Comprehensive income from the year (2017-18) (V)	-	7,351.30	-	-	51.62	7,402.93
Dividends	-	(4,067.26)	-	-	-	(4,067.26)
Tax on dividends	-	(828.00)	-	-	-	(828.00)
Total (VI)	-	(4,895.26)	-	-	-	(4,895.26)
Balance as at 31st March 2018 (VII) = IV+V+VI	5,375.63	21,332.39	8,426.77	3,500.00	51.77	38,686.55

As per our audit report of even date
For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

Abhijit Warange
Company Secretary

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

A. Corporate Information

Kewal Kiran Clothing Limited (“the Parent Company”) is a Public Limited Company incorporated in India having its registered office at Mumbai, Maharashtra. The Parent Company is engaged into manufacturing, marketing and retailing of branded readymade garments and finished accessories. The Parent Company together with its joint venture (i.e. White Knitwear Private Limited) is referred to as the “Group”.

B. Statement of Compliance and Basis of Preparation and Consolidation

(i) Compliance with Ind AS

The Consolidated Financial Statements (CFS) are prepared in accordance with Indian Accounting Standards (“Ind AS”) as notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (“SEBI”), as applicable.

For all periods up to and including the year ended March 31, 2017, the Group has prepared its consolidated financial statements in accordance with Accounting Standards as specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP”).

These CFS for the year ended March 31, 2018 are the first consolidated financial statements that the Group has prepared in accordance with Ind AS. Refer Note 2.43 for information about how the transition from previous GAAP to Ind AS has affected the Group’s Balance sheet, Statement of profit & loss and Statement of cash flows.

(ii) Basis of Preparation and presentation

Basis of Preparation:

The financial statements have been prepared on a historical cost basis, except the following assets and liabilities which have been measured at fair value

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments)
- Employee’s Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency:

The CFS are presented in Indian Rupees and all values are rounded to the nearest Lakh (INR 00,000), except otherwise indicated.

(iii) Principles of Consolidation and equity accounting

Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group’s investments in its joint venture are accounted for using the equity method

Equity Method

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group’s share of the results of operations of the joint venture.

Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss. The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

C. Summary of Significant Accounting Policies

1.1 Classification of Assets and Liabilities into Current/ Non-Current:

The Group has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- a) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is expected to realise the asset within twelve months after the reporting period; or
- d) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is classified as current if:

- a) It is expected to be settled in the normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is due to be settled within twelve months after the reporting period; or
- d) The Group does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

1.2 Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Following initial recognition, items of PPE are carried at its cost less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all PPE are measured using cost model. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. PPE are eliminated from financial statement either on disposal or when retired from active use. Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

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1.3 Expenditure during construction period:

- a) Expenditure / Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

- b) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

1.4 Depreciation:

- a) Depreciation on the property, plant and equipment (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 Act except certain class of assets specified in table (i) below, based on internal assessment estimated by the management of The Group, where the useful life is lower than as mentioned in said Schedule II.

Assets where useful life is lower than useful life mentioned in Schedule II

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
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase

- b) The range of useful lives of the property, plant and equipment not covered in table above and are in accordance with Schedule II are as follows:

Particulars	Useful life
Factory buildings	30 years
Other buildings (RCC structure)	60 years
Other Plant and Machinery	15 years
Computers	3 years
Furniture & fittings	10 years
Motor vehicles	8 years
Windmill	22 years

- c) In case of assets purchased, sold or discarded during the year, depreciation 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) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- 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 useful life mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Parent Company does not have right of renewal), the same is amortized over the lease period of land.

1.5 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group for its own business, is classified as investment property. Investment properties are measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building held as Investment Properties is provided over its useful life (of 60 years) using the straight line method.

1.6 Intangible Assets and Amortisation:

- a) Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company

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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.

- b) Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.
- c) Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.
- d) Class of intangible assets and their estimated useful lives are as under:

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

- e) Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.
- f) In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

1.7 Non-current assets (or disposal groups) classified as held for disposal:

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell.

To classify any Asset as “Asset held for disposal” the asset must be available for immediate sale and its sale must be highly probable. Such assets are presented separately in the Balance Sheet, in the line “Assets held for disposal”. Once classified as held for disposal, intangible assets and PPE are no longer amortised or depreciated, but carried at lower of cost or NRV.

1.8 Impairment of Non-Financial Assets:

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and

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Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories:

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.

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).

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 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, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings and 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.

1.11 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result

of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

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

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

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

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

1.12 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured.

- 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 is measured at the fair value of consideration received or receivable taking net off the amount of goods and services tax (GST), sales tax, rebates, trade discounts and sales returns.

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- 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 period/year in which the right to receive the same is established.
- d) Service income is recognized upon rendering of services. Service income is recorded net of service tax/GST.
- 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/GST
- 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.
- g) Export incentives principally comprises of Duty Drawback, merchandise exports from India scheme and refund of state levies based on guidelines formulated for the respective scheme by the government authorities. These incentives are recognized as income on accrual basis in Statement of Profit and Loss in only to the extent that realisation/utilisation is certain.
- h) Rental income (net of taxes) on assets given under operating lease arrangements is recognized on a straight-line basis over the period of the lease unless the receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

1.13 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 charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to

compensate for the Group's expected inflationary cost increases.

1.14 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 Group contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme, Employee Pension Scheme, National Pension Scheme and Labour Welfare Fund. The Group'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 Group'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. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. Re-measurement gains or losses arising from experience adjustments changes in actuarial assumptions is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss in the subsequent period.

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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.

1.15 Income Taxes:

- 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) Current Tax is measured on the basis of estimated taxable income for the current accounting period in with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.
- c) Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable

1.16 Earnings per Share:

Basic earnings per share (EPS) 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.

1.17 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 carried at fair value are translated at the rates prevailing at the date when the fair value was determined. Foreign currency non-monetary items measured in terms of historical cost are translated using the exchange rate as at the date of initial transactions.
- 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 on those foreign currency borrowings.

1.18 Financial Instruments:

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

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Measurement

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

Fair Value through OCI (FVOCI):

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss (FVTPL):

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

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

Equity instruments:

The Group subsequently measures its specific equity investments other than investments in joint venture at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies 'simplified approach' as specified under Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience and is adjusted for forward looking estimates.

Derecognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the

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transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Subsequent measurement: Financial Liabilities

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective

interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Consolidated Statement of Profit and Loss.

Derecognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Consolidated Statement of Profit and Loss.

1.19 Cash Flow Statement 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 (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. 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.

1.20 Dividend distribution:

Final equity dividends on shares are recorded as a liability on the date of approval by the shareholders and interim equity dividends are recorded as a liability on the date of declaration by the Parent Company's Board of Directors.

1.21 Segment Reporting:

Operating segments have been identified taking into account the nature of the products / services,

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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. These operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM").

D. Critical accounting judgements and key sources of estimation uncertainty (Parent Company):

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Critical judgements and estimates in applying accounting policies:

1) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2) Estimation of Defined benefit obligation:

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 2.32

3) Sales Returns:

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

4) Fair value measurement of Financial Instruments:

Refer Note 2.40

5) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

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Property, Plant and Equipment and Intangible Assets 2.1:

Sr. No.	Description of the Block of Assets	Gross Block			Depreciation / Amortisation			Net Block As at 31/3/2018	
		As at 01/04/2017	Additions	Deductions/ Discarded	As at 31/3/2018	As at 01/04/2017	Depreciation		Deductions/ Discarded
Property Plant & Equipment (Tangible Assets)									
1	Free Hold Land	1,603.42	93.93	-	1,697.35	-	-	-	1,697.35
2	Building	2,729.08	-	-	2,729.08	113.88	105.12	219.01	2,510.07
3	Furnitures & Fixtures	62.57	33.70	-	96.27	15.26	8.24	23.51	72.76
4	Plant and Machinery	1,870.81	758.16	51.73	2,577.24	209.75	290.35	491.93	2,085.31
5	Computer	139.96	36.82	9.08	167.70	42.41	57.77	92.55	75.15
6	Office Equipments	99.05	146.46	-	245.51	26.38	47.62	74.00	171.51
7	Vehicles	177.87	20.30	-	198.17	25.37	29.33	54.70	143.47
	Total of Property Plant & equipment (A)	6,682.76	1,089.37	60.80	7,711.33	433.04	538.44	15.79	6,755.62
Intangible Assets (other than internally generated)									
1	Software (Acquired)	77.39	35.08	-	112.46	35.85	26.55	-	50.06
2	Membership Rights	7.20	-	-	7.20	3.60	3.60	-	-
	Total of Intangible Assets (B)	84.59	35.08	-	119.66	39.45	30.15	-	50.06
Capital Work in Progress (CWIP)									
1	Plant and Machinery	233.35	244.54	420.87	57.02	-	-	-	57.02
2	Building	491.15	360.34	-	851.49	-	-	-	851.49
	Total CWIP	724.50	604.88	420.87	908.51	-	-	-	908.51
Intangible Assets under development									
1	Software (Acquired)	2.86	12.49	-	15.35	-	-	-	15.35
	Total CWIP (C)	727.36	617.37	420.87	923.86	-	-	-	923.86
Investment Properties (2.1.1)									
1	Building	255.91	-	-	255.91	95.56	8.76	104.32	151.59
	Total Investment properties (D)	255.91	-	-	255.91	95.56	8.76	104.32	151.59
	Grand total (A+B+C+D)	7,750.62	1,741.82	481.67	9,010.76	568.05	577.35	15.79	7,881.13

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2.1.1a Investment Property

Particulars	31st March18	31st March17*
Rental income derived from Investment property	89.51	6.09
Direct operating expenses (Including repair and maintenance)	2.58	0.10
Income arising from Investment properties before depreciation	86.93	5.99
Depreciation	8.76	0.15
Income from Investment properties (Net)	78.17	5.84

* Expenses is for the proportionate period for which property was given on operating lease.

2.1.2 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.10) share of ₹ 50 each in Gautam Chemical Industrial Premises CHS Ltd.

2.1.3 Balance useful life of membership rights as at year end is Nil (P.Y. 12 months).

2.1.4 Building includes building constructed on lease hold land having Gross block of ₹ 226.65 lakhs (P.Y. ₹ 226.65 lakhs)

2.1.5 In the year 2014-15, the company has acquired freehold land with integrated structures for a composite value whose conveyance is registered and municipal records updated. The value of the structure is determined based on estimated depreciated value of structures and the balance is considered as the value of the land. In respect of the land, the company has undivided share in land. Also an insignificant portion of land is unlawfully occupied by an illegal occupant and the said occupant had raised some illegal structures which were demolished by the Municipal Corporation during the year under review. The said illegal occupant has filed a suit in the Hon'ble High Court for his alleged claim in respect of the portion of the land illegally occupied by him. The company has refuted the alleged claim of the illegal occupant and is defending the suit. The Company has filed an Eviction suit against the illegal occupant in the Hon'ble Small Causes Court. Both the said matters are sub-judiced. There is insignificant impact of these litigations on the financial position of the company.

2.1.6 Amount capitalised under building block includes Nil (P.Y. ₹198.40 lakhs) being the amount of capital expenditure incurred on self-constructed assets. Further such amount included under CWIP is aggregating to ₹851.49 lakhs (P.Y. ₹491.15 lakhs).

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Property, Plant and Equipment and Intangible Assets 2.1:

Sr. No.	Description of the Block of Assets	Gross Block			Depreciation / Amortisation			Net Block As at 31/3/2017	
		As at 01/04/2016	Additions	Deductions/ Discarded	As at 31/3/2017	As at 01/04/2016	Depreciation		Deductions/ Discarded
Property Plant & Equipment (Tangible Assets)									
1	Free Hold Land	1,540.45	62.98	-	1,603.42	-	-	-	1,603.42
2	Building	2,530.68	198.40	-	2,729.08	-	113.88	-	2,615.20
3	Furnitures & Fixtures	62.57	-	-	62.57	-	15.26	-	47.31
4	Plant and Machinery	1,140.81	755.12	25.12	1,870.81	2.74	212.49	2.74	1,661.06
5	Computer	78.15	63.21	1.40	139.96	0.24	42.65	0.24	97.55
6	Office Equipments	56.67	42.38	-	99.05	-	26.38	-	72.67
7	Vehicles	140.93	39.20	2.26	177.87	0.82	26.18	0.82	152.51
	Total of Property Plant & equipment (A)	5,550.25	1,161.30	28.78	6,682.77	3.80	436.84	3.80	6,249.72
Intangible Assets (other than internally generated)									
1	Software (Acquired)	66.38	11.01	-	77.39	-	35.85	-	41.54
2	Membership Rights	7.20	-	-	7.20	-	3.60	-	3.60
	Total of Intangible Assets (B)	73.58	11.01	-	84.59	-	39.45	-	45.14
Capital Work in Progress (CWIP)									
1	Plant and Machinery	111.26	504.28	382.19	233.35	-	-	-	233.35
2	Building	152.30	549.73	210.89	491.14	-	-	-	491.14
	Total CWIP	263.56	1,054.01	593.08	724.49	-	-	-	724.49
Intangible Assets (other than internally generated)									
1	Software (Acquired)	-	2.86	-	2.86	-	-	-	2.86
	Total CWIP (C)	263.56	1,056.87	593.08	727.35	-	-	-	727.35
Investment Properties (2.14)									
1	Building	29.21	226.70	-	255.91	-	8.76	-	160.35
	Total Investment properties (D)	29.21	226.70	-	255.91	-	8.76	-	160.35
	Grand total (A+B+C+D)	5,916.60	2,455.88	621.86	7,750.62	3.80	485.05	3.80	7,182.56

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
INVESTMENTS	2.2			
Non Current Investments (refer note 1.18)				
a) Trade Investments (Unquoted)				
Investment in Joint Venture White Knitwear Private Limited using Equity method (Refer Note 2.2.1)				
In Equity Shares				
330,000 (P.Y. 330,000) Shares of face value ₹ 10 each, fully paid up.		33.00	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	312.50
Add/(loss): Share of Profit/(loss) for earlier years		(39.68)	(35.32)	(35.32)
Add/(loss): Share of Profit/(loss) for the year		(6.60)	(4.36)	-
Total Investment accounted using equity method		299.22	305.82	310.18
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.		1.63	2.17	2.23
7,500 (P.Y. 7,500) HCL Technologies Ltd Shares of face value ₹ 2 each fully paid up.		72.71	65.55	61.06
25,000 (P.Y. 25,000) Tech Mahindra Ltd Shares of face value ₹ 5 each fully paid up.		159.58	114.58	118.86
In Fixed Maturity Plan				
Investment in unquoted Mutual Funds				
In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up				
Birla Sunlife FTP Series OF Growth [Units: 9,510,574 (31/03/17 - 9,510,574, 01/04/16 - NIL)]		1,035.25	956.72	-
DHFL Pramerica FMP Series 45 Growth [Units: NIL (31/03/17 - 2,000,000, 01/04/16 - 2,000,000)]		-	262.97	240.73
DHFL Pramerica FMP Series 86 Growth [Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]		-	608.65	549.81
DSP Blackrock FMP-Series 209-37M-Growth [Units: 3,000,000 (31/03/17 - 3,000,000, 01/04/16 - NIL)]		319.55	300.34	-
HDFC FMP 372D Feb 2014-1 Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	604.09
HDFC FMP 1199D Jan 2017(1) - Growth [Units: 10,000,000 (31/03/17 - 10,000,000, 01/04/16 - NIL)]		1,093.19	1,010.49	-
HDFC FMP 1178D Feb 2017(1) - Growth [Units: 3,252,951 (31/03/17 - 3,252,951, 01/04/16 - NIL)]		356.79	328.79	-
ICICI Pru FMP Series 79 - 1120D Plan J - Growth [Units: 9,763,702 (31/03/17 - 9,763,702, 01/04/16 - NIL)]		1,101.11	1,030.40	-
ICICI Pru FMP Series 80 - 1170D Plan I - Growth [Units: 5,253,506 (31/03/17 - 5,253,506, 01/04/16 - NIL)]		575.87	528.72	-
Kotak FMP Series 187 - Growth [Units: 1,000,000 (31/03/17 - 1,000,000, 01/04/16 - 1,000,000)]		120.56	111.51	101.24
Kotak FMP Series 202 - Growth [Units: 5,000,000 (31/03/17 - 5,000,000, 01/04/16 - NIL)]		534.75	501.07	-
Principal PNB FMP Series B14 390 Days Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	597.89

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 1,197,116.241)]		-	-	141.49
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 7,500,000)]		-	-	824.36
Reliance Fixed Horizon Fund XXXI - Series 13 - Growth [Units: 15,179,080 (31/03/17 - 15,179,080, 01/04/16 - NIL)]		1,692.85	1,534.36	-
Reliance Fixed Horizon Fund XXXII - Series 2 - Growth [Units: 1,600,000 (31/03/17 - 1,600,000, 01/04/16 - NIL)]		178.91	164.18	-
Reliance Fixed Horizon Fund XXXII - Series 2 - Regular-Growth [Units: 1,000,000 (31/03/17 - 1,000,000, 01/04/16 - NIL)]		110.64	102.29	-
Reliance Fixed Horizon Fund XXXII - Series 5 - Growth [Units: 2,000,000 (31/03/17 - 2,000,000, 01/04/16 - NIL)]		217.73	203.92	-
Reliance Fixed Horizon Fund XXXIII - Series 2 - Growth [Units: 2,000,000 (31/03/17 - 2,000,000, 01/04/16 - NIL)]		219.83	200.91	-
Reliance Fixed Horizon Fund XXXIII - Series 5 - Growth [Units: 6,006,447.403 (31/03/17 - 6,006,447.403, 01/04/16 - NIL)]		657.33	600.64	-
Sundaram FTP GJ 3 Year - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	582.89
UTI Fixed Term Income Fund Series XIX-XVIII - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	584.29
UTI Fixed Term Income Fund Series XXI-VII - Growth [Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]		-	604.45	551.21
UTI Fixed Term Income Fund Series XXI-VIII - Growth [Units: NIL (31/03/17 - 6,000,000, 01/04/16 - 6,000,000)]		-	722.76	659.50
UTI Fixed Term Income Fund Series XXI-X - Growth [Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]		-	600.02	548.24
UTI Fixed Term Income Fund Series XXV-VII - Growth [Units: 1,600,000 (31/03/17 - 1,600,000, 01/04/16 - NIL)]		175.88	164.76	-
UTI Fixed Term Income Fund Series XXV-XII - Growth [Units: 2,000,000 (31/03/17 - 2,000,000, 01/04/16 - NIL)]		218.17	203.84	-
UTI Fixed Term Income Fund Series XXVI-I - Growth [Units: 3,019,459.258 (31/03/17 - 3,019,459.258, 01/04/16 - NIL)]		325.86	304.39	-
UTI Fixed Term Income Fund Series XXVI-II - Growth [Units: 10,000,000 (31/03/17 - 10,000,000, 01/04/16 - NIL)]		1,076.41	1,004.87	-
Franklin India FMP-Sereis 2-Plan A - Growth [Units: 1,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		101.40	-	-
Franklin India FMP-Sereis 2-Plan B - Growth [Units: 1,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		101.68	-	-
HDFC FMP 1165D April 2017 (1) [Units: 6,542,049 (31/03/17 - NIL, 01/04/16 - NIL)]		697.64	-	-
HSBC FTS 130 Growth 1204 days [Units: 1,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		101.70	-	-
ICICI Pru FMP Series 81 1205 Days - Growth [Units: 1,500,000 (31/03/17 - NIL, 01/04/16 - NIL)]		159.57	-	-
Reliance Fixed Horizon Fund XXXV - Series 7 - Growth [Units: 2,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		203.19	-	-
UTI FTIF-Series XXVII-VI - Growth [Units: 3,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		310.04	-	-

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(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Reliance Fixed Horizon Fund XXXVI-Series 6 [Units: 7,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		707.41	-	-
Reliance Fixed Horizon Fund XXXVI-Series 6 [Units: 3,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]		303.02	-	-
In the units of Fixed Maturity Plan (FMP'S) of ₹ 1000/- each fully paid				
DHFL Pramerica Fixed Duration Fund-Series AF-Growth [Units: 30,000 (31/03/17 - 30,000, 01/04/16 - NIL)]		323.97	300.37	-
Kotak India Whizdom Fund				
Capital Contribution		112.81	50.00	-
		13,666.24	12,889.52	6,478.04
Aggregate Market / Net asset Value				
- Quoted		233.92	182.30	182.15
- Unquoted		13,432.32	12,707.24	6,295.89
The Company had invested in aggregate ₹ 34,550,000 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 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 14.03.2013 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.	2.2.1			
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.				
OTHER FINANCIAL ASSETS	2.3			
(Unsecured considered good)				
Security Deposits (Net of provision of ₹ 9.86 Lakhs(P.Y.₹ 9.86 lakhs))		186.58	129.29	139.39
Loan to Employees		53.36	26.05	29.92
Rent Deposits to Related Parties (refer note 2.33(b))		7.83	7.83	7.83
Bank Deposits offered as Security		3.76	26.26	3.29
Interest receivables on Bank Deposits		0.17	0.82	0.43
		251.70	190.25	180.86

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
DEFERRED TAX ASSET				
Deferred tax Asset		-	-	49.78
OTHER NON CURRENT ASSETS	2.4			
Capital Advances		5.04	192.97	357.80
Prepaid Expenses		22.96	21.88	3.75
Prepaid lease rental (Leasehold Property)		204.05	207.11	210.16
Advance Tax / Tax deducted at source (Net of Provision)		-	111.26	362.46
		232.05	533.22	934.17
INVENTORIES	2.5			
Finished goods		2,660.65	2,449.57	1,832.75
Work-in-Progress		1,624.01	1,556.62	2,950.24
Raw material		722.98	830.72	522.08
Traded goods		118.86	153.12	156.01
Packing material & accessories		87.33	58.81	103.56
Stores, chemicals and consumables		71.18	77.36	52.87
		5,285.01	5,126.20	5,617.51
In terms of Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India (ICAI) excise duty of ₹ NIL (P.Y. ₹23.43 lakhs) is considered as an element of cost for valuation of finished goods inventory.	2.5.1			
CURRENT INVESTMENTS (REFER NOTE 1.18)	2.6			
(includes current maturity of non current investment)				
Investment in unquoted Mutual Funds				
In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up (Current Portion of Long Term Investments)				
Birla Sunlife FTP Series JA Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	611.11
Birla Sunlife FTP Series KD Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]		-	-	601.55
DSP Blackrock FMP Series 111-12 Month - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 1,196,613.851)]		-	-	151.67
HDFC FMP 371D Dec 2013-2 Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 3,000,000)]		-	-	365.69
HDFC FMP 369D Jan 2014-1 Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 5,091,849)]		-	-	614.60
HDFC FMP 372D Feb 2014-1 Growth [Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]		-	652.40	-
ICICI Pru FMP Series 68-369D Plan I [Units: NIL (31/03/17 - NIL, 01/04/16 - 7,464,604)]		-	-	953.89
ICICI Pru FMP Series 72-368D Plan A [Units: NIL (31/03/17 - NIL, 01/04/16 - 2,000,000)]		-	-	242.21
IDFC FTP Series 49 Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 2,002,581)]		-	-	244.47
IDFC Yearly Series Interval Fund - Series 1 - Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 15,249,970.718)]		-	-	2,005.69
Kotak FMP Series 111 Growth [Units: NIL (31/03/17 - NIL, 01/04/16 - 160,000)]		-	-	20.34
Kotak FMP Series 116 Growth		-	-	139.87

Consolidated Notes

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(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
[Units: NIL (31/03/17 - NIL, 01/04/16 - 1,100,000)]				
Kotak FMP Series 128 Growth		-	-	242.72
[Units: NIL (31/03/17 - NIL, 01/04/16 - 2,002,583)]				
Kotak FMP Series 136 Growth		-	-	602.77
[Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]				
Principal PNB FMP Series B14 390 Days Growth		-	648.32	-
[Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]				
Reliance Fixed Horizon Fund - XXIV - Series 15 Growth		-	-	1,465.27
[Units: NIL (31/03/17 - NIL, 01/04/16 - 11,500,000)]				
Reliance Yearly Interval Fund - Series 4 - Growth		-	-	546.06
[Units: NIL (31/03/17 - NIL, 01/04/16 - 4,164,896.586)]				
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth		-	152.81	-
[Units: NIL (31/03/17 - 1,197,116.241, 01/04/16 - 1,197,116.241)]				
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth		-	900.85	-
[Units: NIL (31/03/17 - 7,500,000, 01/04/16 - 7,500,000)]				
Sundaram FTP GJ 3 Year - Growth		-	633.55	-
[Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]				
UTI Fixed Term Income Fund Series XIX-XVIII - Growth		-	637.66	-
[Units: NIL (31/03/17 - 5,000,000, 01/04/16 - 5,000,000)]				
TATA FMP Series 43 Scheme C Growth		-	-	140.67
[Units: NIL (31/03/17 - NIL, 01/04/16 - 1,100,000)]				
TATA FMP Series 46 Scheme I Growth		-	-	603.65
[Units: NIL (31/03/17 - NIL, 01/04/16 - 5,000,000)]				
DHFL Pramerica FMP Series 45 Growth		281.74	-	-
[Units: 2,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
DHFL Pramerica FMP Series 86 Growth		655.84	-	-
[Units: 5,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
UTI Fixed Term Income Fund Series XXI-VII - Growth		649.12	-	-
[Units: 5,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
UTI Fixed Term Income Fund Series XXI-VIII - Growth		775.44	-	-
[Units: 6,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
UTI Fixed Term Income Fund Series XXI-X - Growth		643.37	-	-
[Units: 5,000,000 (31/03/17 - NIL, 01/04/16 - NIL)]				
Investment in unquoted Mutual Funds				
In the units of Income Funds of ₹ 10/- each fully paid				
UTI Short Term Income Fund Growth		-	-	63.33
[Units: NIL (31/03/17 - NIL, 01/04/16 - 348,585.093)]				
SBI Dynamic Bond Fund Growth		-	-	175.32
[Units: NIL (31/03/17 - NIL, 01/04/16 - 967,105.518)]				
Edelweiss Short Term Income Fund - Growth		-	-	122.22
[Units: NIL (31/03/17 - NIL, 01/04/16 - 709,975.151)]				
BOI Axa Corporate Credit Spectrum Fund - Growth		220.04	201.83	-
[Units: 1,642,184.434 (31/03/17 - 1,642,184.434, 01/04/16 - NIL)]				
HDFC Medium Term Opportunities Fund - Growth		700.54	656.13	-
[Units: 3,609,580.445 (31/03/17 - 3,609,580.445, 01/04/16 - NIL)]				
ICICI Pru Regular Savings Fund -Direct - Growth		272.04	254.38	-

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(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
[Units: 1,464,514.806 (31/03/17 - 1,464,514.806, 31/03/17 - NIL)]				
ICICI Pru Regular Savings Fund - Growth		280.99	260.40	-
[Units: 1,442,895.749 (31/03/17 - 1,442,895.749, 01/04/16 - NIL)]				
IDFC Credit Opportunities Fund - Growth		654.05	608.52	-
[Units: 6,030,225.274 (31/03/17 - 6,030,225.274, 01/04/16 - NIL)]				
IDFC Corporate Bond Fund -Direct- Growth		240.46	225.30	204.59
[Units: 2,008,786.449 (31/03/17 - 2,008,786.449, 01/04/16 - 2,008,786.449)]				
IDFC Corporate Bond Fund -Regular - Growth		276.17	259.52	-
[Units: 2,323,070.357 (31/03/17 - 2,323,070.357, 01/04/16 - NIL)]				
Principal Short Term Income Fund - Growth		823.77	121.80	-
[Units: 410,650.895 (31/03/17 - 410,650.895, 01/04/16 - NIL)]				
Tata Short Term Bond Fund - Growth		161.49	151.62	-
[Units: 481,575.842 (31/03/17 - 481,575.842, 01/04/16 - NIL)]				
Birla Sunlife Dynamic Bond Fund-Retail Growth		-	-	196.21
[Units: NIL (31/03/17 - NIL, 01/04/16 - 732,544.24)]				
BOI Axa Corporate Credit Spectrum Fund - Growth		261.44	-	-
[Units: 1,958,572.279 (31/03/17 - NIL, 01/04/16 - NIL)]				
DSP Blackrock Low Duration Fund - Growth		256.33	-	-
[Units: 2,011,489.629 (31/03/17 - NIL, 01/04/16 - NIL)]				
Franklin India Low Duration Fund - Growth		257.13	-	-
[Units: 1,266,804.157 (31/03/17 - NIL, 01/04/16 - NIL)]				
IIFL Dynamic Bond Fund - Growth		100.43	-	-
[Units: 704,061.732 (31/03/17 - NIL, 01/04/16 - NIL)]				
L&T Short Term Opportunity Fund - Growth		258.05	-	-
[Units: 1,517,515.16 (31/03/17 - NIL, 01/04/16 - NIL)]				
Mirae Asset Dynamic Bond Fund - Growth		151.89	-	-
[Units: 1,446,717.398 (31/03/17 - NIL, 01/04/16 - NIL)]				
BNP Paribas Corporate Bond Fund - Growth		100.55	-	-
[Units: 514,461.513 (31/03/17 - NIL, 01/04/16 - NIL)]				
In the units of Equity Funds of ₹ 10/- each fully paid				
Edelweiss Arbitrage Fund - Div Reinvestment		-	-	272.23
[Units: NIL (31/03/17 - NIL, 01/04/16 - 2,627,648.977)]				
Edelweiss Arbitrage Fund - Growth		1,032.96	967.88	512.39
[Units: 7,827,072.075 (31/03/17 - 7,826,257.707, 01/04/16 - 4,441,522.909)]				
Edelweiss Absolute Return Fund - Growth		275.85	249.88	224.27
[Units: 1,213,592.233 (31/03/17 - 1,213,592.233, 01/04/16 - 1,213,592.233)]				
Investment in unquoted Alternate Investment Funds				
In the units of Income Funds of ₹ 1000/- each fully paid				
Ambit Alpha Fund Scheme I		-	-	848.68
[Units: NIL (31/03/17 - NIL, 01/04/16 - 80,000)]				
		9,329.67	7,582.84	12,171.48
Aggregate Market / Net asset Value		9,329.67	7,582.84	12,171.48

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
TRADE RECEIVABLES	2.7			
a) Debtors (Secured against Customer Security Deposit)				
i) Over Six Months from the date they are due for payment		67.82	27.86	216.28
ii) Others		1,404.81	686.75	960.09
		1,472.63	714.61	1,176.37
b) Debtors (Unsecured)				
i) Over Six Months from the date they are due for payment				
a) Considered Good		4,837.82	1,117.44	1,324.95
b) Doubtful		245.59	212.00	61.24
ii) Others				
a) Considered Good		7,306.21	8,783.34	8,395.29
b) Doubtful		97.41	98.00	193.76
		12,487.03	10,210.78	9,975.24
Less: Provision for Doubtful Debts (based on Expected Credit Loss model)				
i) Over Six Months from the date they are due for payment		245.59	212.00	61.24
ii) Others		97.41	98.00	193.76
		343.00	310.00	255.00
		13,616.66	10,615.39	10,896.61
CASH & CASH EQUIVALENT	2.8			
Cash on Hand		21.32	16.08	14.67
Balances with Banks:-				
In Current Accounts		289.95	144.29	156.33
In EEFC Account (USD 169.54) (P.Y.USD 2,23,840.94)		0.11	150.95	2.89
In Bank Deposits		334.54	13.89	353.00
In Bank Deposits with more than 12 months maturity		100.00	426.94	5.62
Liquid Mutual Funds (refer 2.8.1)		5,408.37	5,803.88	1,682.37
		6,154.29	6,556.03	2,214.88
OTHER BANK BALANCES	2.9			
Earmarked balances in bank				
In Unclaimed Dividend Accounts		5.62	4.91	4.43
In Bank Deposits offered as Security (Maturity of less than 12 Months)		88.83	83.12	100.25
		94.45	88.03	104.68
Details of Current Investments in Liquid Mutual Funds(Unquoted) as given below:	2.8.1			
a) Face Value of ₹ 10/- each fully paid up				
Franklin India Ultra Short Bond Fund - Growth		545.43	504.51	
[Units: 2,259,366.203 (31/03/17 - 2,259,366.203, 01/04/2016 - NIL)]				
HDFC Cash Management Fund -- TP - Growth		-	203.85	
[Units: NIL (31/03/17 - 575,417.033, 01/04/16 - NIL)]				
HDFC Banking and PSU Debt Fund - Growth		215.40	202.48	
[Units: 1,532,179.602 (31/03/17 - 1,532,179.602, 01/04/16 - NIL)]				
HDFC Liquid Fund - Growth		-	0.00	
[Units: NIL (31/03/17 - 0.001, 01/04/16 - NIL)]				
ICICI Pru Ultra Short Term - Growth		326.59	305.50	
[Units: 1,785,278.593 (31/03/17 - 1,785,278.593, 01/04/16 - NIL)]				
IIFL Cash Opportunities Fund		-	202.12	

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
[Units: NIL (31/03/17 - 1,775,347.524, 01/04/16 - NIL)]				
Sundaram Banking and PSU Debt Fund		409.91		
[Units: 1,498,935.756 (31/03/17 - NIL, 01/04/16 - NIL)]				
Total (a)		1,497.33	1,418.47	-
b) Face Value of ₹ 100/- each fully paid up				
Birla Sunlife Savings Fund - Growth		1,277.60	1,189.14	343.27
[Units: 371,478.043 (31/03/17 - 371,478.043, 01/04/16 - 131,990.410)]				
Birla Sunlife Treasury Optimizer Plan - Growth		212.78	199.93	-
[Units: 96,032.789 (31/03/17 - 96,032.789, 01/04/16 - NIL)]				
ICICI Pru Flexible Income - Growth		330.02	307.85	-
[Units: 98,488.109 (31/03/17 - 98,488.109, 01/04/16 - NIL)]				
Total (b)		1,820.40	1,696.92	343.27
c) Face Value of ₹ 1,000/- each fully paid up				
Axis Treasury Advantage Fund - Growth		900.22	844.22	782.83
[Units: 46,486.382 (31/03/17 - 46,486.382, 01/04/16 - 46,487.062)]				
Baroda Pioneer Treasury Advantage Fund - Growth		518.09	481.68	-
[Units: 25,056.297 (31/03/17 - 25,056.297, 01/04/16 - NIL)]				
Kotak Floater Short Term - Growth		160.52	150.24	-
[Units: 5,628.3282 (31/03/17 - 5,628, 01/04/16 - NIL)]				
Kotak Low Duration Fund - Growth		-	525.67	-
[Units: NIL (31/03/17 - 25,887.578, 01/04/16 - NIL)]				
Principal Debt Opportunities Fund Corporate Bond Plan - Growth			-	111.81
[Units: NIL (31/03/17 - NIL, 01/04/16 - 4,713.449)]				
Principal Low Duration Fund - Growth		-	204.80	-
[Units: 7,708.116 (31/03/17 - 7,708.116, 01/04/16 - NIL)]				
Tata Ultra Short Term Fund - Growth		256.22	481.89	444.46
[Units: 19,418.844 (31/03/17 - 19,418.844, 01/04/16 - 19,418.844)]				
Mirae Asset Saving Fund - Growth		255.59	-	-
[Units: 17,064.708 (31/03/17 - NIL, 01/04/16 - NIL)]				
Total (c)		2,090.64	2,688.50	1,339.10
Aggregate Market / Net asset Value		5,408.37	5803.88	1682.37
OTHER FINANCIAL ASSETS	2.10			
(Unsecured, Considered Good)				
Advance to Employees		22.03	36.48	40.03
Loans to Employees		23.44	18.47	21.53
Prepaid Expenses		54.12	53.61	57.62
Interest receivables on Bank Deposits		44.68	24.14	46.02
		144.27	132.70	165.20
OTHER CURRENT ASSETS	2.11			
Export Incentive Receivable		72.57	44.75	57.14
Prepaid lease rental (Leasehold Property)		3.06	3.06	3.06
Other Receivable		5.99	11.83	1.93
Advance for gratuity		60.54	110.96	65.32
Advance to Suppliers		387.24	206.78	144.01
		529.40	377.38	271.46

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
SHARE CAPITAL	2.12			
Authorized Capital		2,000.00	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	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.	2.12.1			
Reconciliation of the shares outstanding at the beginning and at the end of the year	2.12.2			

Particulars	31st March 2018		31st March 2017		01st April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	12,325,037	123,250,370	12,325,037	123,250,370	123,250,370	123250370
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	12,325,037	123,250,370	12,325,037	123,250,370	123,250,370	123250370

Details of the shareholders holding more than 5% shares in the Company 2.12.3

Name of Shareholder	As at 31st March 2018		As at 31st March 2017		As at 01st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain (equity shares held in their capacity as trustees/beneficiaries of P.K.Jain Family Holding Trust)	6,153,000	49.92	6,153,000	49.92	6,153,000	49.92
Mr. Dinesh P Jain	729,831	5.92	726,651	5.90	726,651	5.90
includes 100,401 (31/03/2017 - 99,401, 01/04/2016 - 99,401) shares jointly held with Mrs Sangeeta D. Jain						
Mr. Vikas P Jain	721,821	5.86	718,086	5.83	718,086	5.83
includes 92,336 (31/03/2017 - 91,836, 01/04/2016 - 91,836) shares jointly held with Mrs Kesar V. Jain						
Mr. Hemant P Jain	691,915	5.61	688,650	5.59	688,650	5.59
includes 78,400 (31/03/2017 - 77,400, 01/04/2016 - 77,400) shares jointly held with Mrs Lata H. Jain						
Mr. Kewalchand P Jain	690,611	5.60	687,911	5.58	687,911	5.58
includes 77,161 (31/03/2017 - 76,661, 01/04/2016 - 76,661) shares jointly held with Mrs Veena K. Jain						
Nalanda India Fund Limited	1,179,081	9.57	1,200,000	9.74	1,200,000	9.74

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
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. However, there are no preferential amounts inter-se equity shareholders. 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.)	2.12.4			
For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:	2.12.5			
(i) No shares have been allotted as fully paid-up without payment being received in cash.				
(ii) No shares have been allotted as fully paid-up by way of bonus shares.				
(iii) No shares have been bought back by the company.				
OTHER EQUITY	2.13			
Securities Premium Reserve		8,426.77	8,426.77	8,426.77
(As per Last Balance Sheet)				
General Reserve				
Opening Balance		5,375.62	4,522.86	4,522.86
Add: Amount transferred from Balance in the Statement of Profit and Loss		-	852.77	-
		5,375.62	5,375.63	4,522.86
Balance in Statement of Profit and Loss				
Opening balance		18,876.49	15,615.67	15,615.67
Add: Net profit after tax transferred from Statement of Profit and Loss		7,402.93	7,432.08	
		26,279.42	23,047.75	15,615.67
Less: Appropriations				
Proposed Dividend		184.88	184.88	-
Interim Dividend		3,882.39	2,156.88	
Tax on Proposed Dividend		37.64	37.64	-
Tax on Interim Dividend		790.36	439.09	-
Transfer to Business Progressive Fund		-	500.00	-
Transfer to General Reserve		-	852.77	-
		21,384.15	18,876.49	15,615.67
Business Progressive Fund				
Opening Balance		3,500.00	3,000.00	3,000
Add: Amount transferred from Balance in the Statement of Profit and Loss		-	500.00	
Less: Amount retransferred to Balance in Statement of Profit and Loss		-	-	-
		3,500.00	3,500.00	3,000
		38,686.55	36,178.89	31,565.30

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
The Board of Directors have recommended a payment of final dividend of Re.1.5 per equity share of ₹ 10/- each for the financial year ended 31st March 2018. The Payment is subject to the approval of shareholders at the Annual General Meeting of the Company.	2.13.1			
The Company has created "Business Progressive Fund" by appropriating a sum of ₹ Nil (P.Y. ₹ 5) Crores out of its profits 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 liquid mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Indian Accounting Standard (AS) -37 in normal course of business. INDAS-37 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.	2.13.2			
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.				
PROVISIONS	2.14			
(Long term)				
Other Long Term Provisions		6.50	6.50	13
Other Provision		-	1.08	-
		6.50	7.58	13.00
DEFERRED TAX	2.15			
Deferred Tax Assets:				
Provision for Assets		145.46	133.34	-
Others		128.40	91.63	-
Depreciation		-	-	-
Deferred Tax Liability				
Depreciation		(345.17)	(269.95)	-
Tax on LTCG on mutual fund		(388.68)	(67.74)	-
Deferred Tax Asset/(Liabilities)		(459.99)	(112.72)	-
Tax effect of share issue expenses eligible for the Income tax deduction, under section 35D, credited to securities premium reserve account	2.15.1			
Deferred tax asset is recognized only on those temporary 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.	2.15.2			

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
OTHER NON CURRENT LIABILITIES	2.16			
Deferred income on EPCG (i.e. Government Grant)		159.44	-	
		159.44	-	-
BORROWINGS	2.17			
Secured Loan				
Cash Credit from Bank (payable on demand)		1,578.64	2,899.87	2,738.76
(Secured by pari-passu first charge on Stock and Trade Receivables)				
Preshipment Export Loan from Bank		-	400.63	-
(Secured by pari-passu first charge on Stock and Trade Receivables)				
		1,578.64	3,300.50	2,738.76
Unsecured Loan (payable on demand)				
Working Capital Loan from Bank		3,251.01	750.00	150.00
		4,829.65	4,050.50	2,888.76
TRADE PAYABLES	2.18			
a) Micro and Small Enterprises (refer note 2.18.1)				
Materials		25.39	20.46	89.91
b) Other than Micro and Small Enterprises				
Materials		3,004.34	2,559.44	3,406.18
Expenses		1,320.92	1,366.77	1,192.26
		4,350.65	3,946.67	4,688.35
Disclosure U/s 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)	2.18.1			
a) Principal amount remaining unpaid to micro and small enterprises (trade payable)		25.39	20.46	89.91
b) Principal amount remaining unpaid to micro and small enterprises (creditors for capital goods)		-	-	-
c) Principal amount paid beyond due date		-	-	-
d) Amount of Interest paid u/s 16 of MSMED Act		-	-	0.04
e) Amount of Interest due and remaining unpaid		-	-	-
f) Amount of Interest accrued and remaining unpaid		-	-	-
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 FINANCIAL LIABILITIES	2.19			
Other Liabilities				
Security Deposits		701.83	955.47	374.31
Interest accrued but not due on borrowings		10.24	1.33	0.12
Unclaimed Dividend		5.62	4.91	4.43
		717.69	961.71	378.86

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
OTHER CURRENT LIABILITIES	2.20			
Security Deposits		1,779.34	498.92	1,354.85
Other Payables				
Capital Goods		64.64	40.86	56.82
Salary and Wages payable		561.79	618.78	510.89
Employee Benefits (refer note 2.20.1)		275.73	274.20	259.50
Statutory Liabilities		207.10	162.53	149.14
Advance from Customers		1,548.93	996.87	378.60
		4,437.53	2,592.16	2,709.80
Upon the enactment of 'The payment of Bonus (Amendment) Act 2015' during the year 2016-17, the company had made additional provision for bonus amounting to ₹ Nil (P.Y. ₹ Nil, 2015-16 ₹ 45 lakhs) pertaining to financial year 2014-15 Payment against the provision of ₹ 45 lakhs is not made pending final judgement from judicial authorities.	2.20.1			
PROVISIONS	2.21			
(Short Term)				
Provision for Margin on Sales Return (refer note 2.36)		152.08	151.74	119.30
Provision for Employee Benefit		349.31	318.30	143.93
Provision for Contingencies (refer note 2.36)		423.87	363.23	379.34
Provision for Excise Duty on Finished Goods (refer note 2.5.1)		-	23.43	15.38
Other Provisions (including Selling & Distribution Expenses etc.) (refer note 2.36)		1,308.12	1,248.81	797.66
		2,233.38	2,105.51	1,455.61
CURRENT TAX LIABILITIES (NET)	2.22			
Provision for Taxations (Net of Advance Tax)		70.98	85.89	200.22
		70.98	85.89	200.22

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2018	31st March 2017
		Audited	Audited
REVENUE FROM OPERATIONS	2.23		
A. Sales Income			
Sales of Apparel and Lifestyle Accessories/Products		45,696.15	47,304.56
Sale of Power		0.74	5.07
Sales of Apparel and Lifestyle Accessories/Products		45,696.89	47,309.63
Note: Revenue from Operations of ₹ 45,696.89 lakhs (PY ₹ 473,09.63 lakhs) - as per IND-AS is net of Sales Promotions & Discounts of ₹ 3,352.61 lakhs. (PY ₹ 2,691.93 lakhs). Accordingly, Gross Turnover (net of. Excise Duty) of the company is ₹ 48, 937 lakhs (PY ₹ 48,937 lakhs)	2.23.1		
B. Other Operating Income			
Service Income		207.94	99.94
Export Incentives		230.72	250.62
Miscellaneous Operating Income		41.65	49.29
Sundry balance written back (Net)		14.57	-
		494.88	399.85
Total Revenue from Operations		46,191.77	47,709.48
OTHER INCOME	2.24		
Interest on Bank Deposits		38.97	46.60
Income from Current Investments and Liquid Mutual Funds:			
Dividend Income		3.15	12.86
Effect of fair value measurements		75.79	110.47
Income from Non Current Investments			
Dividend on Equity Shares		-	4.80
Effect of fair value measurements		1,863.43	1,503.52
Provision for share of loss in Joint Venture		-	6.50
Rent Income on Investment Property (Net of depreciation)		89.51	5.46
Exchange Rate Fluctuation (Net)		31.67	28.70
Profit on Sale of Tangible Fixed Assets (Net)		6.53	27.87
		2,109.05	1,746.78
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS	2.25		
Opening stock			
Work - in- Progress		1,556.62	2,950.24
Traded Goods		153.12	156.02
Finished goods		2,449.57	1,832.74
		4,159.31	4,939.00
Closing Stock			
Work - in- Progress		1,624.01	1,556.62
Traded Goods		131.55	153.12
Finished goods (Refer note 2.5.1)		2,647.96	2,449.57
		4,403.52	4,159.31
Add/(Less): Variation in Excise Duty on Opening and Closing Stock of Finished goods		23.43	(8.04)
(Increase)/Decrease in Stock		(267.64)	787.74

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended 31st March 2018 Audited	For the Year Ended 31st March 2017 Audited
COST OF MATERIAL CONSUMED	2.26		
a. Raw Material Consumed:			
Opening stock		830.72	522.08
Add: Purchases		12,266.81	12,592.34
		13,097.53	13,114.42
Less: Sale of raw material		502.67	85.80
Less: Closing stock		722.98	830.72
		11,871.88	12,197.90
b. Semi-Finished Goods		3,046.87	2,315.98
c. Packing Material, Accessories and others		2,320.76	2,480.42
d. Stores, Chemicals and Consumables		753.39	787.86
		17,992.90	17,782.16
EMPLOYEE BENEFIT EXPENSES	2.27		
Salary, Wages and Allowances		5,619.59	5,083.87
Contribution to Provident and other Funds		431.97	395.54
Bonus and Ex-gratia (refer note 2.20.1)		132.33	129.77
Gratuity (Refer note 2.32 (a))		131.42	94.48
Leave Benefits (Refer note 2.32 (b))		102.11	117.85
Staff Welfare		89.81	99.95
		6,507.23	5,921.46
FINANCE COSTS	2.28		
Bank Charges		17.33	14.83
Exchange Rate Fluctuation on Loan		-	-
Finance Charges		39.02	23.97
Interest on Working Capital Loan		441.96	288.38
		498.31	327.18
MANUFACTURING AND OPERATING EXPENSES	2.29		
Embroidery Expenses		366.28	355.60
Electricity Expenses (Net of credit received from Windmill of ₹ 65.55 lakhs (P.Y. ₹ 57.75 lakhs))		158.87	154.52
Factory Rent		23.62	23.62
General Factory Expenses		31.08	91.53
Processing Charges		3,202.16	3,364.97
Lease premium charged		3.06	3.06
Fuel Expenses		426.34	436.28
Water Charges		73.92	78.43
Waste Disposal Charges		60.46	62.58
Repairs & Maintenance		176.08	192.91
Wind Turbine Expenses		13.38	13.32
		4,535.25	4,776.82
ADMINISTRATIVE & OTHER EXPENSES	2.30		
Rent, Rates and Taxes (Including provision for contingency) (refer note 2.36)		180.10	146.15
Communication Expenses		92.27	91.83
Insurance Premium(net of recoveries)		1.15	-
Legal and Professional Fees		1,002.19	1,060.65
Printing and Stationery		49.05	65.38

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2018	31st March 2017
		Audited	Audited
Donations		110.86	30.42
Corporate social responsibility		247.00	191.35
Vehicle Expenses		156.49	112.93
Auditors Remuneration		58.21	64.40
Conveyance & Travelling Expenses		44.91	50.77
Electricity Expenses		108.11	121.83
Repairs & Maintenance		385.90	369.21
Directors Sitting Fees		24.80	16.80
General Office Expenses		573.93	494.98
Bad Debts		-	80.06
Less: Provision for Doubtful Debts		-	(14.00)
Provision for Doubtful debts		33.00	69.00
Loss on sale/discard of Fixed Assets (Net)		-	-
		3,067.95	2,951.79
SELLING & DISTRIBUTION EXPENSES	2.31		
Advertisement and Publicity Expenses (Net of recoveries of ₹ 19.31 lakhs (P.Y ₹ 25.39 lakhs))		1,577.54	1,893.75
Sales Promotion Expenses		383.54	220.50
Octroi, clearing and forwarding charges on Sales		249.97	260.83
Tour and Travelling Expenses (Net of recoveries)		357.19	435.81
Commission on Sales		178.85	102.20
Provision for Contingencies		-	5.89
		2,747.09	2,918.97

2.32 Employee Benefits:

a) Disclosure in respect of gratuity liability

Reconciliation of Defined Benefit Obligation (DBO):	As at 31st March, 2018	As at 31st March, 2017
Present value of DBO at start of the year	563.63	453.05
Interest Cost	40.58	36.24
Current Service Cost	111.39	101.89
Past Service Cost	26.57	-
Benefit Paid	(35.29)	(54.09)
Re-measurements:		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	(28.04)
b. Actuarial Loss/(Gain) from changes in financial assumptions	(8.80)	72.46
c. Actuarial Loss/(Gain) from experience over the past period	(41.14)	(17.89)
Present value of DBO at end of the year	656.94	563.63

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Reconciliation of Fair Value of Plan Assets:	As at 31st March, 2018	As at 31st March, 2017
Fair Value of Plan Assets at the beginning of the year	674.59	518.37
Interest Income on Plan Assets	47.12	43.65
Contributions by Employer	31.05	174.88
Benefit Paid	(35.29)	(54.09)
Re-measurements:		
a. Actuarial (Loss)/Gain from changes in financial assumptions	5.24	5.46
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(5.24)	(13.68)
Fair Value of Plan Assets at the end of the year	717.47	674.59
Actual Return on Plan Assets	47.12	35.43

Amount recognized in the Balance Sheet:	As at 31st March, 2018	As at 31st March, 2017
Present value of DBO at the end of the year	656.94	563.63
Fair Value of Plan Assets at the end of the year	717.47	674.59
Net Asset / (Liability) in the Balance Sheet	60.54	110.96

Gratuity recognized in the Statement of Profit and Loss	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current Service Cost	111.39	101.89
Past Service Cost	26.57	-
Net Interest on net defined benefit liability/ (asset)	(6.54)	(7.41)
Expense Recognized in Statement of Profit and Loss	131.42	94.48

Principal Assumption used in determining Gratuity liability	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Discount Rate	7.20% pa	7.20% pa
Interest rate for net interest on net DBO	7.20% pa	8.00% pa
Withdrawal Rate	Upto age 35 years: 10% pa Above age 35 years: 5% pa	Upto age 35 years: 10% pa Above age 35 years: 5% pa
Salary Escalation	7.50% pa	7.50% pa
Mortality Table	IALM 2006-08 Ult	IALM 2006-08 Ult
Expected average remaining working life	10 Years	11 Years
Retirement Age	58 years	58 years

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Movement in Other Comprehensive Income	As at 31st March, 2018	As at 31st March, 2017
Balance at start of year (loss)/gain	(34.75)	Nil*
Re-measurements on DBO		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	28.04
b. Actuarial (Loss)/Gain from changes in financial assumptions	8.80	(72.46)
c. Actuarial (Loss)/Gain from experience over the past period	41.14	17.89
Re-measurements on Plan Assets		
a. Actuarial (Loss)/Gain from changes in financial assumptions	5.24	5.46
b. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(5.24)	(13.68)
c. Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (loss)/gain	15.19	(34.75)

*First valuation as per Ind AS19 from FY 2016-17

Movement in Surplus/ (Deficit)	As at 31st March, 2018	As at 31st March, 2017
Surplus/ (Deficit) at start of year	110.96	65.31
Movement during the year		
Current Service Cost	(111.39)	(101.89)
Past Service Cost	26.57	-
Net Interest on net DBO	6.54	7.41
Actuarial gain/ (loss)	49.94	(34.75)
Contributions	31.05	174.88
Surplus/ (Deficit) at end of year	60.54	110.96

Other disclosures	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Defined benefit obligation	656.94	563.63	453.05	382.14	274.97
Plan assets	717.47	674.59	518.37	356.03	261.70
Surplus/(deficit)	60.54	110.96	65.32	(26.11)	(13.27)
Experience adjustments on plan liabilities – loss/ (gain)	(41.14)	(17.89)	4.25	79.77	12.57
Experience adjustments on plan Assets – (loss)/ gain*	(5.24)	(13.68)	-	-	-

* Information is disclosed to the extent available

Figures for the period prior to 01st April, 2016 are as per previous GAAP.

Sensitivity Analysis	As at 31st March, 2018		As at 31st March, 2017	
	Increases 1%	Decreases 1%	Increases 1%	Decreases 1%
	Change in DBO (Amount)		Change in DBO (Amount)	
Salary Growth Rate	63.73	55.44	59.29	(51.37)
Discount Rate	54.91	64.31	(51.06)	60.07
Withdrawal Rate	2.40	2.40	(4.08)	4.31

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Maturity profile

The average expected remaining lifetime of the plan members is 10 years (31st March, 2017: 11 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with Life Insurance Corporation of India. 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 ₹ 50.00 lakhs (P.Y. ₹ 175.00 lakhs) to gratuity trust for contribution to LIC of India in financial year 2018-19.

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 and disclosed under other current liabilities.

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 ₹ 20.59 lakhs (P.Y. ₹ ₹ 18.93 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 ₹ 430.64 lakhs (P.Y. ₹ 395.54 lakhs).

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2.33 Related Party Disclosure (Parent Company):

Disclosures as per Ind AS 24 – ‘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

Prakash A. Mody Independent Director

Nimish G. Pandya Independent Director

Yogesh A. Thar Independent Director

Drushti R. Desai Independent Director

Relatives / Other concerns of Key Management Personnel (In cases where transactions are there):

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

Pandya & Co. (Controlled by Mr. Nimish G. Pandya)

Bansi S. Mehta & Co. [Partnership Firm- Mr. Yogesh A. Thar (Partner)]

Employee Funds:

Kewal Kiran Clothing Limited – Employee Group Gratuity Scheme.

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b) The following transactions were carried out with the related parties in the ordinary course of business:

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
Rent Expenses	-	-	9.18	29.89	-
	(-)	(-)	(9.18)	(29.89)	(-)
Managerial Remuneration	-	-	-	318.00	-
Salary	(-)	(-)	(-)	(318.00)	(-)
Sitting Fees Paid	-	-	50.16	-	-
	(-)	(-)	(45.00)	(-)	(-)
Dividend Paid	0.86	-	2,080.97	934.44	-
	(0.44)	(-)	(1,199.47)	(537.92)	(-)
CSR (Donation)	97.00	-	-	-	-
	(182.50)	(-)	(-)	(-)	(-)
Contribution to Gratuity Fund	-	-	-	-	31.14
	(-)	(-)	(-)	(-)	(174.88)
Legal & Professional Services received	-	-	5.50	-	-
	(-)	(-)	(12.80)	(-)	(-)

Outstanding Balances	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Trade and Salary Payable			
Relatives/ Other Concerns of Key Management Personnel	8.37	20.03	10.82
Key Management Personnel	109.79	199.00	127.20
Trade Receivable & Advances			
Employee Funds	60.54	110.96	65.32
Relatives/ Other Concerns of Key Management Personnel	-	2.11	-
Deposit Receivable			
Relatives/ Other Concerns of Key Management Personnel	4.59	4.59	4.59
Key Management Personnel	3.24	3.24	3.24
Investments			
Joint Venture	299.22	305.82	310.18

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c) Disclosure in respect of material transactions with related parties during the year:

Nature of Transaction	Nature of relationship	Name of the related party	Amount			
Rent Expenses	Key Management Personnel	Kewalchand P. Jain	9.98 (9.98)			
		Hemant P. Jain	8.60 (8.60)			
		Dinesh P. Jain	5.66 (5.66)			
		Vikas P. Jain	5.66 (5.66)			
		Shantaben P. Jain	9.18 (9.18)			
		Managerial Remuneration (Salary)	Key Management Personnel	Kewalchand P. Jain	79.50 (79.50)	
				Hemant P. Jain	79.50 (79.50)	
				Dinesh P. Jain	79.50 (79.50)	
				Vikas P. Jain	79.50 (79.50)	
				Salary	Relatives/ Other Concerns of Key Management Personnel	Pankaj K. Jain
Hitendra H. Jain	23.09 (20.00)					
Enterprises Where KMP & their relatives have significant influence	Kewal Kiran Finance Private Limited					0.86 (0.44)
	Shantaben P. Jain (Trustee/ Beneficiary of P. K. Jain Family Holding Trust)					2,030.49 (1,169.07)
Dividend Paid	Key Management Personnel			Kewalchand P. Jain	227.76 (131.12)	
				Hemant P. Jain	228.05 (131.27)	
		Dinesh P. Jain	240.56 (138.48)			
		Vikas P. Jain	238.06 (137.05)			
		Contribution to Gratuity Fund	Employee Funds	Employee Fund	31.14 (174.88)	
				Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	97.00 (182.50)	
Corporate Social Responsibility (Donation)	Enterprises where KMP & their relatives have significant influence					
Legal & Professional services received	Relatives/ Other Concerns of Key Management Personnel	Pandya & Co.	5.5 (3.6)			
		Bansi S. Mehta & Co.	- (9.2)			

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Compensation to KMP of the Parent Company

Nature of Benefits#	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Short-term employee benefits (including Sitting Fees)	342.80	334.80
Post-employment gratuity and medical	-	-
Other long term benefits	-	-
Share-based payment transactions	-	-
Termination Benefits	-	-
Total	342.80	334.80

The aforesaid amounts exclude gratuity provision as it is determined on actuarial basis for the Parent Company as a whole.

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
2. Abhijit Warange Company Secretary

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

Nature of Transaction	Name of the KMP/Relative	Amount
Managerial Remuneration (Salary)	Bhavin Sheth	52.70 (46.50)
	Abhijit Warange	35.51 (30.24)
Outstanding balance as on 31st March 2018		
Salary Payable	Bhavin Sheth	5.11 (5.67)
	Abhijit Warange	3.88 (4.09)

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 Parent Company as a whole.

2.34 Operating Lease Arrangements (Parent Company):

Disclosure as per Ind AS- 17 – “Operating Lease” are given below:

a) As lessee:

Rental expenses of ₹ 117.31 lakhs (P.Y. ₹ 88.73 lakhs) under operating leases have been recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 16.53 lakhs (P.Y. ₹ 7.83 lakhs) based on revenue sharing model.

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Due not later than one year	96.39	79.43	69.13
Due later than one year but not later than five years	152.58	180.15	132.81
More than 5 years	-	-	3.45
Total	248.97	259.58	205.58

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.
- Lease rentals do not include common area maintenance charges and tax payable, if any.
- 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 ₹ 21.15 lakhs (P.Y. ₹ 29.04 lakhs) (b) between 1 to 5 year ₹ 88.49 lakhs (P.Y. ₹ 103.04 lakhs) (c) more than 5 years ₹ 3.97 lakhs (P.Y. ₹ 31.94 lakhs).

b) As Lessor:

The Parent Company has given certain part of its property on operating lease. These lease arrangements are for a period of 9 years and cancellable solely at discretion of the lessees. Rental income from leasing of property of ₹ 89.51 lakhs (P.Y. ₹ 6.09 lakhs) is recognized in the Statement of Profit and Loss. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

The Parent Company has not given any property under non -cancellable operating lease.

2.35 Disclosure regarding Derivative Instrument and Unhedged Foreign Currency Exposure (Parent Company):

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	As at 31st March, 2018		As at 31st March, 2017	
		Amt. in Foreign Currency	Amount	Amt. in Foreign Currency	Amount
Trade Receivables	USD	5,90,482.15	384.05	1,78,348.32	115.62
Payable towards Capital Goods	USD	5,350	30.51	20,000	77.62
	EURO	20,776.50	-	93,375	-
Advance for Capital Goods	EURO	-	-	1,82,007	126.02
Advance from Customer	USD	2,095.31	1.36	1,886.07	1.22
Advance to Supplier	USD	1,11,055	72.23	-	-
Balance in EEFC account	USD	169.54	0.11	2,32,840.94	150.95
Foreign currency in hand	Multiple	-	3.15	-	1.61

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

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2.36 Provisions (Parent Company):

Disclosure as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets are given below:

Particulars	Provision for Contingencies				Other Provisions (Selling & Distributions Expenses including dealer incentives and discounts)		Provision for margin on sales return	
	Provision for Claims / Schemes etc		Other Contingencies*		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017				
Opening Balance	328.29	336.88	34.94	42.46	1,248.82	797.65	95.50	74.48
Addition	319.08	298.22	-	5.89	1,245.12	2,312.61	56.57	21.02
Utilization	243.65	306.81	-	13.40	1,185.82	1,861.44	-	-
Reversals	-	-	-	-	-	-	-	-
Closing Balance	403.72	328.29	34.94	34.94	1,308.12	1,248.82	152.08	95.50

* It comprises of rates & taxes.

The above Provision has been grouped under the head 'Current Provisions' in Note 2.21.

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 Contingent Liabilities:

- a) Disputed demands in respect of income tax not acknowledged as debt by the Parent Company of ₹ 20.77 lakhs (P.Y. ₹ 20.77 lakhs).

In respect of Assessment year 2005-2006, there was tax demand of ₹ 68.94 lakhs (₹ 68.94 lakhs) which had been adjusted by the tax authorities against refund due to the Parent Company in respect of other years. During F.Y. 2015-16, the Parent Company had 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.

Future cash outflows in respect of above are dependent on outcome of matter under dispute

- b) The Parent Company has purchased capital assets under EPCG license against which the Parent Company has a balance export obligation of ₹ 1,130.28 lakhs (P.Y. 1,103.79 lakhs). Contingent liability, to the extent of duty saved in respect of EPCG is ₹ 188.38 lakhs (P.Y. 183.97 lakhs). The balance export obligation to be fulfilled as per license is upto year 2021-2023.

As at the year-end, amount of outstanding bonds executed by the Parent Company in favour of customs authority aggregates to ₹ 805.68 lakhs (P.Y. ₹ 880.65 lakhs). Out of these, bonds aggregating to ₹ 176.04 lakhs (P.Y. ₹ 180.40 lakhs) are under the process of discharge from custom authorities.

- c) Bank guarantees issued by the Parent Company of ₹ 94.91 lakhs (P.Y. ₹ 73.67 lakhs)
- d) The Parent Company's contingent liability and capital/other commitment in relation to joint venture ₹ Nil and ₹ Nil.
- e) The Group has process in place to ascertain the impact of pending litigation.

Note: No outflow of resources is expected in respect of Para (b) and (c).

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2.38 Estimated amount of contracts remaining to be executed on-

a) **Capital Commitment-** Capital Account and not provided for Nil (net of advances) (P.Y. ₹ 72.74 lakhs).

b) **Other commitments-**

1. Advertisement contracts aggregating to Nil (Net of advances) (P.Y ₹ 12.65 lakhs).
2. Purchase of Consumables- ₹ 15.94 lakhs (P.Y. ₹ Nil)
3. Capital Contribution Commitment for investment in India Whizdom Fund (IWF) Nil (P.Y. ₹ 50.00 lakhs).

Also Refer Note 2.42 in respect of minimum lease rental payment under non-cancellable operating lease.

2.39 Income Taxes (Ind AS 12):

Reconciliation of Effective Tax Rate:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Applicable tax rate (%)	34.608%	34.608%
Profit before tax	10,848.66	10,824.34
Current tax expenses on Profit before tax as per applicable tax rate	3,754.50	3,746.09
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Effect of Income exempt from tax	(190.01)	(360.77)
Effect of Tax paid at a lower rate	(36.20)	(30.90)
Effect of Previous year adjustments	-	(4.85)
Effect of other items	1.71	20.10
Total income tax expense/(credit)	3,530.00	3,369.67

The effective tax rate is 32.54% (F.Y. 2016-17, 31.13%).

* Also Refer note no. 2.2, 2.6 and 2.8

2.40 Fair Value Measurement:

The management assessed that cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- **Level 1:** This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all equity investments and units of mutual funds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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The following table provides the fair value measurement hierarchy of the Group's assets and liabilities-

A. Quantitative disclosures fair value measurement hierarchy for financial assets as at 31st March, 2018, 31st March, 2017 and 01st April, 2016

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
As at March 31, 2018:-				
Financial Assets at amortised cost:				
Trade receivables	-	-	13,616.75	13,616.75
Investments (non-current)	-	-	299.22	299.22
Cash and bank balances	-	-	839.74	839.74
Other financial assets	-	-	394.23	394.23
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, quoted	233.92	-	-	233.92
Fair value through Profit and Loss				
Investment in units of Mutual Funds	-	27,871.14	-	27,871.14
As at March 31, 2017:-				
Financial Assets at amortised cost:				
Trade receivables	-	-	10,615	10,615
Investments (non-current)	-	-	305.82	305.82
Cash and bank balances	-	-	840.19	840.19
Other financial assets	-	-	322.95	322.95
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, quoted	182.29	-	-	182.29
Fair value through Profit and Loss				
Investment in units of Mutual Funds	-	25,788.13	-	25,788.13
As at April 1, 2016:-				
Financial Assets at amortised cost:				
Trade receivables	-	-	10,896.61	10,896.61
Investments (non-current)	-	-	310.18	310.18
Cash and bank balances	-	-	637.19	637.19
Other financial assets	-	-	346.06	346.06
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, quoted	182.15	-	-	182.15
Fair value through Profit and Loss				
Investment in units of Mutual Funds	-	19,839.56	-	19,839.56

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B. Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31st March, 2018, 31st March, 2017 and 01st April, 2016

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
As at March 31, 2018:-				
Financial Liabilities at amortised cost:				
Cash Credits/Working Capital Borrowing	-	-	4,829.65	4,829.65
Trade payables	-	-	4,350.65	4,350.65
Other financial liabilities	-	-	717.69	717.69
As at March 31, 2017:-				
Financial Liabilities at amortised cost:				
Cash Credits/Working Capital Borrowing	-	-	4050.50	4050.50
Trade payables	-	-	3,946.66	3,946.66
Other financial liabilities	-	-	961.71	961.71
As at April 01, 2016:-				
Financial Liabilities at amortised cost:				
Cash Credits/Working Capital Borrowing	-	-	2,888.76	2,887.76
Trade payables	-	-	4,688.35	4,688.35
Other financial liabilities	-	-	378.86	378.86

2.41 Financial risk management objectives and policies:

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, investments, and cash & cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: (i) interest rate risk and (ii) currency risk. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The sensitivity analysis in the following sections relate to the position as at 31st March, 2018 and 31st March, 2017.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2018 and 31st March, 2017.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term debt obligations with floating interest rates. The Group has sufficient amount of liquid investments to mitigate the interest risk on its short term debt obligations.

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Interest rate sensitivity-

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Group's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

Basis Points	As at 31st March, 2018		As at 31st March, 2017	
	5% increase	5% decrease	5% increase	5% decrease
Effect on profit before tax (Amount)	(21.68)	21.68	(14.42)	14.42

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group's trade receivables in foreign currency as at 31st March, 2018 is ₹ 384.05 lakhs (P.Y. ₹ 115.62 lakhs).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in rate of USD, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Basis Points	As at 31st March, 2018		As at 31st March, 2017	
	2% increase	2% decrease	2% increase	2% decrease
Effect on profit before tax (Amount)	7.68	(7.68)	2.31	(2.31)

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv. Significant increase in credit risk on other financial instruments of the same counterparty,
- v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group.

Assets in the nature of Investment, security deposits, loans and advances are measured using 12 months expected credit losses(ECL). Balances with Banks is subject to low credit risk due to good credit rating assigned to these banks. Trade receivables are measured using life time expected credit losses.

Financial Assets for which loss allowances is measured using the Expected Credit Losses (ECL):

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The Ageing analysis of Account receivables has been considered from the date the invoice falls due-

Ageing	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
0-180 days	8,808.65	9,568.11	9,549.15
181 days to 365 days	3,382.71	996.87	1,251.04
beyond 365 days	1,768.52	360.44	351.43
Total	13,959.88	10,925.42	11,151.62

The following table summarizes the changes in loss allowances measured using life time expected credit loss model

Provisions	As at 31st March, 2018	As at 31st March, 2017
Opening Provision	310.00	255.00
Add:- Additional provision made	33.00	69.00
Less:- Provision utilised against bad debts	-	(14.00)
Closing provisions	343.00	310.00

No Significant changes in estimation techniques or assumptions were made during the year

c) Liquidity risk

The Group's principal source of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements.

As on 31st March, 2018, the Group had working capital of ₹ 18,535.43 lakhs (P.Y. ₹ 16,736.16 lakhs) including cash and cash equivalents of ₹ 6,154.29 lakhs (P.Y. ₹ 6,556.03 lakhs) and current investments of ₹ 9,329.67 lakhs (P.Y. ₹ 7,582.84 lakhs)

Maturity patterns of the Financial Liabilities of the Group at the reporting date based on contractual undiscounted payment-

As at 31st March, 2018	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	4,829.65	-	-	4,829.65
Trade payables	4,350.65	-	-	4,350.65
Other financial liabilities	717.69	-	-	717.69
Payable related to Capital goods	64.64	-	-	64.64
Total	9962.63	-	-	9962.63

As at 31st March, 2017	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	4,050.50	-	-	4,050.50
Trade payables	3,946.66	-	-	3,946.66
Other financial liabilities	961.71	-	-	961.71
Payable related to Capital goods	40.86	-	-	40.86
Total	8,999.73	-	-	8,999.73

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As at 01st April, 2016	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	2,888.76	-	-	2,888.76
Trade payables	4,688.35	-	-	4,688.35
Other financial liabilities	378.86	-	-	378.86
Payable related to Capital goods	56.82	-	-	56.82
Total	8,012.79	-	-	8,012.79

2.42 Capital Management

(a) Risk Management

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure

The Group monitors capital using Net debt-equity ratio, which is Net debt (i.e. total debt less cash & cash equivalents and current investments) divided by total equity.

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Net Debt	(10,654)	(10,088)	(11,498)
Total Equity	39,919	37,411	32,798
Net Debt to Equity Ratio (%)	(26.69)	(26.97)	(35.06)

(b) Distributions made and proposed (Parent Company):

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended 31st March, 2017 ₹ 1.50 (31st March, 2016 – ₹ 1.50) per fully paid share	184.88	184.88
Dividend distribution tax on final dividend	37.64	37.64
Interim Dividend for the year ended 31st March, 2018 ₹ 31.50 (31st March, 2017 – ₹ 17.50) per fully paid share	3,882.39	2,156.88
Dividend distribution tax on interim dividend	790.36	439.09
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31st March, 2018 ₹ 1.50 (31st March, 2017– ₹ 1.5) per fully paid share	184.88	184.88

This proposed dividend is subject to the approval of shareholders in the ensuing general meeting. The same is not recognised at the end of the reporting period.

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2.43 First-time adoption of INDAS

These are the Group's first financial statements prepared in accordance with Ind AS.

The Group has adopted Ind AS notified by the Ministry of Corporate Affairs with effect from 01st April, 2017, with a transition date of 01st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the Group, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Group has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognized directly in equity.

Set out below are the Ind AS 101 optional exemptions availed as applicable and exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

(a) Deemed Cost

The Group has opted paragraph D7AA and accordingly considered the carrying value of property, plant and equipment and Intangible assets as deemed cost as at the transition date.

(b) Investments in joint ventures

The Group has opted para D14 and D15 and accordingly considered the Previous GAAP carrying amount of Investments as deemed cost as at the transition date.

(c) Designation of previously recognised financial instruments

Paragraph D19B of Ind AS 101 gives an option to an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has opted to apply this exemption for its investment in equity Investments.

B. Applicable Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the

same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 01st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in listed equity instruments carried at FVOCI;
- Investment in mutual funds carried at FVTPL; and
- Impairment of financial assets based on expected credit loss model.

(b) Classification and measurement of financial assets

As required under Ind AS 101 the Group has assessed the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- I. Reconciliation of Balance sheet as at 01st April, 2016 (Transition Date)
- II. A. Reconciliation of Balance sheet as at 31st March, 2017
B. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017
- III. Reconciliation of Statement of Cash flow for the year ended 31st March, 2017
- IV. Reconciliation of Equity as at 31st March, 2017 & 01st April, 2016

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Group prepared in accordance with Previous GAAP.

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I. Reconciliation of Balance sheet as at 01st April, 2016

Particulars	Foot Notes	Previous GAAP	Share of JV*	Adjustments	Ind AS
ASSETS					
1) Non-Current Assets					
a) Property, Plant and Equipment	A	5,923.95	(0.13)	(213.22)	5,710.61
b) Capital Work in Progress		263.56	-	-	263.56
c) Investment Property		-	-	-	-
d) Other Intangible Assets		73.58	-	-	73.58
e) Intangible Assets under Development		-	-	-	-
f) Financial Assets					
i) Investments	B	5,635.17	-	842.87	6,478.04
ii) Loans		-	-	-	-
iii) Other Financial Assets	C	905.90	(4.76)	(720.28)	180.86
g) Deferred Tax Assets(Net)		49.78	-	-	49.78
h) Other Non-Current Assets	C	3.72	-	930.44	934.17
2) Current Assets					
a) Inventories	D	5,572.69	-	44.82	5,617.51
b) Financial Assets					
i) Investments	B	9,965.25	(49.28)	2,255.51	12,171.48
ii) Trade Receivables		10,896.61	-	-	10,896.61
iii) Cash & Cash Equivalents	E	2,475.07	(0.20)	(259.99)	2,214.88
iv) Bank balances (other than iii above)	E	-	-	104.68	104.68
v) Loans	F	328.93	(0.42)	(328.51)	-
vi) Other Financial Assets	F	-	-	165.20	165.20
c) Current Tax Assets (Net)		-	-	-	-
d) Other Current Assets	F	279.15	(174.07)	166.38	271.46
Total Assets		42,373.37	(228.86)	2,987.89	45,132.42
EQUITY & LIABILITIES					
Equity					
a) Equity Share Capital		1,232.50	-	-	1,232.50
b) Other Equity	B&G	28,641.23	(0.21)	2,924.28	31,565.30
Liabilities					
1) Non-Current Liabilities					
a) Financial Liabilities					
i) Other financial liabilities		-	-	-	-
ii) Other Long-Term Liabilities	H	1,713.57	-	(1,713.57)	-
b) Provisions		-	13.00	-	13.00
c) Deferred Tax Liability		-	-	-	-
d) Other non - current liabilities		-	-	-	-
2) Current Liabilities					
a) Financial Liabilities					
i) Borrowings		2,888.76	-	-	2,888.76
ii) Trade Payables					
- Due to Micro and Small Enterprises		89.91	-	-	89.91
- Due to Others		4,598.77	(0.33)	-	4,598.45
iii) Other financial liabilities	H	-	-	378.86	378.86
b) Other Current Liabilities	H	1,375.11	(0.02)	1,334.71	2,709.80
c) Provisions	G & I	1,833.51	-	(377.90)	1,455.61
d) Current Tax Liabilities (Net)	I	-	-	200.22	200.22
Total Equity and Liabilities		42,373.37	12.44	2,746.61	45,132.42

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II. A. Reconciliation of Balance sheet as at 31st March, 2017

Particulars	Foot Notes	Previous GAAP	Share of JV*	Adjustments	Ind AS
ASSETS					
1) Non-Current Assets					
a) Property, Plant and Equipment	A	6,615.68	(0.13)	(365.85)	6,249.70
b) Capital Work in Progress		724.49	-	-	724.49
c) Investment Property	A	-	-	160.35	160.35
d) Other Intangible Assets	A	49.82	-	(4.68)	45.14
e) Intangible Assets under Development		2.86	-	-	2.86
f) Financial Assets					
i) Investments	B	12,042.43	-	847.09	12,889.52
ii) Loans		-	-	-	-
iii) Other Financial Assets	C	494.05	(4.76)	(299.04)	190.25
g) Deferred Tax Assets(Net)		-	-	-	-
h) Other Non-Current Assets	C	27.08	-	506.14	533.22
2) Current Assets					
a) Inventories	D	5,069.96	-	56.24	5,126.20
b) Financial Assets					
i) Investments	B	6,781.30	(43.66)	845.19	7,582.84
ii) Trade Receivables		10,615.39	-	-	10,615.39
iii) Cash & Cash Equivalents	B	6,333.68	(0.58)	222.93	6,556.04
iv) Bank balances (other than iii above)		88.03	-	-	88.03
v) Loans	F	426.70	(0.40)	(426.30)	-
vi) Other Financial Assets	F	-	-	132.70	132.70
c) Current Tax Assets (Net)		-	-	-	-
d) Other Current Assets	F	266.32	(185.59)	296.68	377.40
Total Assets		49,537.82	(235.12)	1,971.42	51,274.12
EQUITY & LIABILITIES					
Equity					
a) Equity Share Capital		1,232.50	-	-	1,232.50
b) Other Equity	B	34,572.72	-	1,606.17	36,178.89
Liabilities					
1) Non-Current Liabilities					
a) Financial Liabilities					
i) Other financial liabilities		-	-	-	-
ii) Other Long-Term Liabilities	H	1,439.78	-	(1,439.78)	-
b) Provisions		1.08	6.50	-	7.58
c) Deferred Tax Liability		44.99	-	68.01	112.72
d) Other non - current liabilities		-	-	-	-
2) Current Liabilities					
a) Financial Liabilities					
i) Borrowings		4,050.50	-	-	4,050.50
ii) Trade Payables					
- Due to Micro and Small Enterprises		20.46	-	-	20.46
- Due to Others		3,926.51	(0.31)	-	3,926.20
iii) Other financial liabilities	H	-	-	961.71	961.71
b) Other Current Liabilities	H	2,114.11	(0.02)	478.07	2,592.16
c) Provisions	I	2,135.17	-	(29.66)	2,105.51
d) Current Tax Liabilities (Net)	I	-	-	85.90	85.90
Total Equity and Liabilities		49,537.82	6.17	1,730.42	51,274.12

* As per para (10) of IND AS 28 Investments in Associates and Joint Ventures, the Group has accounted equity method for Interest in Joint venture as at transition date. Accordingly, all assets and liabilities pertaining to Joint ventures which were consolidated line by line under previous GAAP were excluded and balance difference between assets and liabilities pertains to Investment in Joint ventures accounted under previous GAAP

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II. B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Notes	Previous GAAP	Share of JV	Adjustments	Ind AS
Revenue:					
Revenue from Operations	J	49,237.83	(0.04)	(1,528.32)	47,709.48
Other Income	K	2,867.51	(4.87)	(1,115.86)	1,746.78
Total Revenue (I + II)		52,105.34	(4.91)	(2,644.18)	49,456.26
Expenses:					
Cost of materials consumed		17,782.16	-	-	17,782.16
Purchase of stock in trade		1,626.28	-	-	1,626.28
Change in inventories of finished goods, work in progress and stock in trade	J	799.16	-	(11.42)	787.74
Excise duty on sales	J	-	-	1,059.49	1,059.49
Employee benefit expenses	L	5,956.41	(0.20)	(34.75)	5,921.46
Finance cost	J	526.75	-	(199.57)	327.18
Depreciation and amortisation expenses	A	479.35	-	(3.69)	475.67
Manufacturing and operating expenses	A	4,773.77	-	3.06	4,776.83
Administrative and other expenses	J&K	3,138.52	(4.90)	(186.73)	2,951.79
Selling and distribution expenses	J	5,200.64	-	(2,281.67)	2,918.97
Total Expenses		40,287.95	(5.10)	(1,655.30)	38,627.56
Profit before exceptional items, share of profit/(loss) of joint venture and tax (III - IV)		11,817.39	0.19	(988.88)	10,828.70
Share of profit/(loss) of joint venture		-	-	(4.36)	(4.36)
Profit before exceptional items and tax		11,817.39	0.19	(993.24)	10,824.34
Exceptional Items		-	-	-	-
Profit before extraordinary items and tax (V-VI)		11,817.39	0.19	(993.24)	10,824.34
Extraordinary items		-	-	-	-
Profit before tax (VII - VIII)		11,817.39	0.19	(993.24)	10,824.34
Tax Expense:					
Current tax		3,200.00	-	12.03	3,212.03
Deferred tax		94.76	-	67.73	162.50
(Excess)/Short provision for taxes of earlier years		(4.85)	-	-	(4.85)
Profit for the period (IX - X)		8,527.48	0.19	(1,073)	7,454.67
Other Comprehensive Income (OCI)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement [gain / (loss)] of net defined benefit liability	L	-	-	(34.75)	34.75
Effect [gain / (loss)] of measuring equity instruments at fair value through OCI		-	-	0.14	(0.14)
Income tax on above		-	-	12.03	(12.03)
Total of Other Comprehensive income		-	-	(22.58)	22.58
Total Comprehensive income for the period (XI+XII)		8,527.48	0.19	1,095.58	7,432.08

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III. Reconciliation of Statement of Cash flow for the year ended 31st March, 2017

Particulars	Previous GAAP	Adjustments	Ind AS
Net Cash flow from Operating Activities	8,090.24	(78.82)	8,011.42
Net Cash flow from Investing Activities	(1,679.81)	750.00	(929.81)
Net Cash flow from Financing Activities	(2,092.69)	(644.68)	(2,737.37)
Net increase/(decrease) in Cash and Cash equivalents	4,317.73	26.51	4,344.24
Cash and cash equivalents as at April 01, 2016	2,018.58	196.30	2,214.88
Cash and cash Equivalents as at March 31,2017	6,333.70	222.33	6,556.03

IV. Reconciliation of Equity as at 31st March, 2017 and 01st April, 2016

Nature of Adjustments	As at 31st March, 2017	As at 31st March, 2016
Equity as per Previous GAAP (I)	35,805.23	29,873.73
Effect of measuring investments at fair value	1,714.00	2,737.09
Deferred tax impact on above	(67.70)	-
Effect of proposed dividend	-	222.51
Impact of change in definition of Control/Joint venture	(40.14)	(35.53)
Total Effect of transition to Ind AS	1,606.16	2,924.07
Equity as per Ind AS	37,411.39	32,797.80

Footnotes to the reconciliation of equity as at 01st April, 2016 and 31st March, 2017 and profit or loss for the year ended 31st March, 2017

A. Property, Plant and Equipment: The leasehold land having carrying value of ₹ 210.16 lakhs as on 31st March, 2017 (01st April, 2016- ₹ 213.22 lakhs) was classified as PPE under the previous GAAP, the same has been reclassified as "other non-current assets" under Ind AS in terms of the agreement. Depreciation of ₹ 3.06 in respect to the above asset has been classified under "Manufacturing & operating expenses" under Ind AS.

Intangible Assets having carrying value of ₹ 4.68 lakhs as at 31st March, 2017 (01st April, 2016- Nil) were reclassified as 'Tangible Assets' under PPE.

The Parent Company has given part of the premises under operating lease during the financial year 2016-17. The same was classified as PPE under previous GAAP The carrying value of the above premises as on 31st March, 2017 of ₹ 160.35 lakhs (01st April, 2016- Nil) have been reclassified as "Investment Property" during the F.Y.

2016-17.

B. Investments:

The Group has designated all investments in mutual funds (classified under non-current investments, current investments, and cash & cash equivalents) at fair value through profit or loss (FVTPL) and investment in equity shares other than Investment in Joint Venture at Fair Value through OCI. Ind AS requires FVOCI and FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings.

C. Non-Current Financial Assets & Non-Current Other Assets: Reclassification from non-current financial assets to non-current other assets

D. Inventories: Effect of margin on sales return where

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there is a right to return the goods on inventories of ₹ 56.24 lakhs (01st April, 2016- ₹ 44.82 lakhs.)

E. Cash & Cash Equivalents:

1. Reclassification of liquid investments from cash & cash equivalents to current investments.
2. Reclassification of bank balance other than cash & cash Equivalents as separate line item.

F. Loans, Other Current Financial & Non- Financial assets: Reclassification effect of Loans into other current financial and non-financial assets.

G. Other Equity: Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 222.51 lakhs as at 01st April, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

H. Other Long-Term Liabilities:

Reclassification from other non-current long term liabilities to current liabilities.

I. Current Provisions: Tax liabilities were earlier classified under "Current Provisions", the same has been reclassified as 'current tax liabilities' as separate line item in the balance sheet under Ind AS.

J. Discounts, Incentives & Promotional Expenses:

Under the previous GAAP, promotional expenses, discounts and incentives to the customers were shown as a part of selling and distribution expenses. Under Ind AS, revenue from sale of products are recognised at net of these expenses. Thus, revenue from operations under Ind AS has decreased by

₹ 2,281.67 lakhs with a corresponding decrease in selling and distribution expenses.

Under the previous GAAP, professional fees to management franchisee of ₹ 95.13 lakhs was part of administrative expenses, the same has been reduced from revenue from operations under Ind AS. Under the previous GAAP, the cash discount offered to customers on early payment was part of finance cost. Under Ind AS, the cash discount of ₹ 199.57 Lakhs is reduced from the revenue from operations.

The difference of opening and closing effect of margin on sales return (where there is a right to return the goods) of ₹ 11.42 lakhs is shown under 'Change in inventories of finished goods, work in progress and stock in trade' with the corresponding decrease in revenue from operations.

Under the previous GAAP, revenue from sale of goods was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March, 2017 by ₹ 1059.49 Lakhs.

There is no impact in the total equity and profit due to above adjustments.

K. Fair value difference of ₹ 1,115.86 lakhs on investments in mutual funds is recognized as 'Other Income'.

L. Re-measurement on defined benefit plans – Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, there is no impact on the total equity as at March 31, 2017.

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

2.44 Interest in Other Entities:

A. List of the company (Jointly Venture Company) included in the consolidation is mentioned below: -

Joint Venture	Country of Incorporation	Activities	Proportion of Ownership interest		
			As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
White Knitwear Private Limited	India	Refer Note 2.44(B)	33.33%	33.33%	33.33%

B. Summarized Financial Information

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(A) Non-Current Assets	4.91	4.91	4.92
(B) Current Assets			
i) Cash and Cash Equivalent	2.26	0.58	0.20
ii) Others	227.98	232.12	233.07
Total Current Assets	230.24	232.70	233.27
Total Assets (A + B)	235.15	237.61	238.19
(A) Non-Current Liabilities			
i) Financial Liabilities	-	-	-
ii) Non-Financial Liabilities	233.25	210.69	188.12
Total Non-Current Liabilities	233.25	210.69	188.12
(B) Current Liabilities			
i) Financial Liabilities	0.30	0.31	0.33
ii) Non-Financial Liabilities	0.34	0.02	0.02
Total Current Liabilities	0.64	0.33	0.35
Total Liabilities (A + B)	233.89	211.02	188.47
Net Assets	1.26	26.59	49.72

Summarized Performance

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue	3.18	4.57
Profit and Loss before Tax	(25.35)	(23.11)
Tax Expense	-	-
Profit and Loss after Tax	(25.35)	(23.11)
Other Comprehensive Income	-	-
Total Comprehensive Income	(25.35)	(23.11)
Depreciation and Amortization	-	-
Interest Income	-	-
Interest Expense	22.57	22.58

For contingency and commitment of Joint Venture, refer Note No. 2.37(d)

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

Reconciliation of Net Assets considered for consolidated financial statement to net asset as per Joint Venture financial statements

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Net Assets as per Entity's Financial Statements	1.26	26.59	49.72
Add/(Less): Consolidation Adjustments			
(i) Fair Value of Investment	-	-	-
(ii) Dividend distributed	-	-	-
(iii) Others	297.96	279.23	260.46
Net Assets as per Consolidated Financial Statements	299.22	305.82	310.18

Reconciliation of Profit and Loss/OCI considered for consolidated financial statement to net asset as per Joint Venture financial statements

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit/(Loss) as per Entity's Financial Statements	(25.35)	(23.11)
Add/(Less): Consolidation Adjustments		
(i) Dividend distributed	-	-
(ii) Others	18.75	18.75
Profit/(Loss) as per Consolidated Financial Statements	(6.60)	(4.36)
OCI as per Entity's Financial Statements		
Add/(Less): Consolidation Adjustments	-	-
(i) Fair Valuation	-	-
(ii) Others	-	-
OCI as per Consolidated Financial Statements	-	-

Movement of Investment in Joint Ventures using Equity Method

Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest as at 01st April	305.82	310.18
Add: Share of Profit for the Period	(6.60)	(4.36)
Add: Share of OCI for the Period	-	-
Interest as at 31st March	299.22	305.82

Consolidated Notes

on Accounts for the year ended 31st March 2018

(₹ in lakhs except as otherwise stated)

The Joint Venture 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 SEZ 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.

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.

to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 01, 2018.

The Group will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.45 Ind AS 115, Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects

2.46 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.

2.47 Previous year figures are regrouped or rearranged wherever considered necessary.

As per our Audit Report of even date attached

For Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavini Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

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	31/03/2018
2. Shares of Joint Venture held by the company on the year end	
No.	3,30,000
Amount of Investment in Joint Venture	33,00,000
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	(20,707,482)
6. Profit/(Loss) for the year	
(i) Considered in Consolidation	(25,34,748)
(ii) Not Considered in Consolidation	(50,69,497)

- 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

Khimji Kunverji & Co
Chartered Accountants
Registration No.:105146W

Hasmukh Dedhia
Partner
Membership No.: 33494

Place: Mumbai
Date: 23rd April 2018

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

Kewalchand P Jain
Chairman &
Managing Director
DIN No: 00029730

Bhavin Sheth
Chief Financial Officer

Hemant P Jain
Whole time Director
DIN No: 00029822

Abhijit Warange
Company Secretary



**MAKE EVERY
MOMENT COUNT**

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NOTICE

KEWAL KIRAN CLOTHING LIMITED

Registered Office: Kewal Kiran Estate, 460/7, I. B. Patel Road, Goregaon (East) Mumbai - 400 063
Tel: +91 22 26814400 **Fax:** +91 22 26814410 **Website:** www.kewalkiran.com **E-mail:** grievanceredressal@kewalkiran.com
CIN: L18101MH1992PLC065136

NOTICE is hereby given that the 27th Annual General Meeting of Kewal Kiran Clothing Limited will be held on Tuesday, September 4, 2018 at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai - 400 001 at 12 Noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2018 including the Audited Balance Sheet as on March 31, 2018 and the Statement of Profit and Loss Account for the financial year ended March 31, 2018 together with the report of the Directors and Auditors thereon.
2. To declare the final dividend and confirm the four interim dividends of ₹ 7/-, ₹ 10/-, ₹ 9.5/- and ₹ 5/- respectively per equity share for the year ended March 31, 2018.
3. To appoint a Director in place of Mr. Hemant P. Jain (DIN: 00029822) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to re-appoint Ms. Drushti R. Desai (DIN: 00294249) as Independent Non-Executive Director of the Company not liable to retire by rotation to hold office as such for a second consecutive term of 5 (five) consecutive years with effect from August 28, 2019 to August 27, 2024;

FURTHER RESOLVED THAT Mr. Kewalchand P. Jain, Chairman and Managing Director and Mr. Abhijit Warange, Vice President – Legal and Company Secretary be and are hereby jointly and/or severally authorised to give

necessary intimations to be given to all statutory authorities concerned and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

5. To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to re-appoint Mr. Nimish G. Pandya (DIN: 00326966) as Independent Non-Executive Director of the Company not liable to retire by rotation to hold office as such for a second consecutive term of 5 (five) consecutive years with effect from April 1, 2019 to March 31, 2024;

FURTHER RESOLVED THAT Mr. Kewalchand P. Jain, Chairman and Managing Director and Mr. Abhijit Warange, Vice President – Legal and Company Secretary be and are hereby jointly and/or severally authorised to give necessary intimations to be given to all statutory authorities concerned and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

6. To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to re-appoint Dr. Prakash A. Mody (DIN: 00001285) as Independent Non-Executive Director of the Company not liable to retire by rotation to hold office as such for a second consecutive term of 5 (five) consecutive years with effect from April 1, 2019 to March 31, 2024;

FURTHER RESOLVED THAT Mr. Kewalchand P. Jain, Chairman and Managing Director and Mr. Abhijit Warange, Vice President – Legal and Company Secretary be and are hereby jointly and/or severally authorised to give necessary intimations to be given to all statutory authorities concerned and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

7. To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to re-appoint Mr. Yogesh A. Thar (DIN: 02687466) as Independent Non-Executive Director of the Company not liable to retire by rotation to hold office as such for a second consecutive term of 5 (five) consecutive years with effect from April 1, 2019 to March 31, 2024;

FURTHER RESOLVED THAT Mr. Kewalchand P. Jain, Chairman and Managing Director and Mr. Abhijit Warange, Vice President – Legal and Company Secretary be and are hereby jointly and/or severally authorised to give necessary intimations to be given to all statutory authorities concerned and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

8. To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provision of Sections 196, 197 and other applicable provision of the Companies Act, 2013 and the rules made there under read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof consent of the members be and is hereby accorded to appoint Mr. Hemant P. Jain (DIN: 00029822) whose existing term of office as Wholetime Director expires on August 31, 2019, as the Whole-time Director of the Company for a further period of 5 (five) years w.e.f. September 1, 2019 to August 31, 2024 on the terms and conditions including remuneration as detailed below with a liberty to the Board of Directors which term shall be deemed to include any Committee of the Board constituted to exercise its powers, (including the powers conferred by this resolution) to alter and revise the terms and conditions of remuneration as may be agreed to by the Board of Directors and Mr. Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof:

I. Total monthly remuneration of ₹ 6,25,000/- (Basic ₹ 1,87,500/- & Allowance ₹ 4,37,500/-)

The Company’s contribution to provident fund as per the rules of the Company and to the extent not taxable under the income tax law shall not be included for the purpose of computation of the overall ceiling of remuneration

II. Perquisites:

- (a) Gratuity at a rate not exceeding half month’s salary for each completed year of services, payable at the end of the tenure or retirement or resignation;
- (b) Encashment of leave, bonus and allowances as per the Company policy rules;
- (c) Medical insurance premium as per Company policy and/or rules;
- (d) Use of Company’s car along with driver for official and personal purposes, two telephones at residence and two mobile phones;
- (e) Any other allowances, perquisites, benefits and facilities as may be approved by the Board of Directors from time to time thereunder;

The valuation of perquisite shall be as per the Income Tax Rules and wherever no method of valuation is prescribed therein, the same shall be valued at the cost to the Company.

III. Reimbursement of expenses incurred in respect of official duties including travelling and entertainment expenses.

Responsibilities:

Mr. Jain will be responsible for the day to day management of the affairs of the Company under the supervision and control of the Board of Directors of the Company. He shall report all matters to the Board and shall function under the superintendence and control of the Board.

FURTHER RESOLVED THAT the remuneration payable to Mr. Jain during Mr. Jain’s term of office as Whole-time Director together with the remuneration payable to the Managing Director i.e. Mr. Kewalchand P. Jain and other Whole-time Directors of the Company viz. Mr. Dinesh P. Jain and Mr. Vikas P. Jain shall not in any financial year exceed 10% of the net profits of the Company for that respective financial year calculated in the manner stated in Sections 197, 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof;

FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during Mr. Jain’s term of office as Whole-time Director the above remuneration and perquisites be paid as minimum remuneration, subject to the overall limits specified in

Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time;

LASTLY RESOLVED THAT Mr. Kewalchand Jain, Chairman and Managing Director and Mr. Abhijit Warange, Vice President – Legal and Company Secretary be and are hereby jointly and/or severally authorised to give necessary intimations to be given to all statutory authorities concerned and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

9. To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provision of Sections 196, 197 and other applicable provision of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof consent of the members be and is hereby accorded to appoint Mr. Dinesh P. Jain (DIN: 00327277) whose existing term of office as Whole-time Director expires on August 31, 2019, as the Whole-time Director of the Company for a further period of 5 (five) years w.e.f. September 1, 2019 to August 31, 2024 on the terms and conditions including remuneration as detailed below with a liberty to the Board of Directors which term shall be deemed to include any Committee of the Board constituted to exercise its powers, (including the powers conferred by this resolution) to alter and revise the terms and conditions of remuneration as may be agreed to by the Board of Directors and Mr. Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof:

I. Total monthly remuneration of ₹ 6,25,000/- (Basic ₹ 1,87,500/- & Allowance ₹ 4,37,500/-)

The Company's contribution to provident fund as per the rules of the Company and to the extent not taxable under the income tax law shall not be included for the purpose of computation of the overall ceiling of remuneration

II. Perquisites:

- (a) Gratuity at a rate not exceeding half month's salary for each completed year of services, payable at the end of the tenure or retirement or resignation;
- (b) Encashment of leave, bonus and allowances as per the Company policy rules;
- (c) Medical insurance premium as per Company policy and/or rules;
- (d) Use of Company's car along with driver for official and personal purposes, two telephones at residence and two mobile phones;

- (e) Any other allowances, perquisites, benefits and facilities as may be approved by the Board of Directors from time to time.

The valuation of perquisite shall be as per the Income Tax Rules and wherever no method of valuation is prescribed therein, the same shall be valued at the cost to the Company.

III. Reimbursement of expenses incurred in respect of official duties including travelling and entertainment expenses.

Responsibilities:

Mr. Jain will be responsible for the day to day management of the affairs of the Company under the supervision and control of the Board of Directors of the Company. He shall report all matters to the Board and shall function under the superintendence and control of the Board.

FURTHER RESOLVED THAT the remuneration payable to Mr. Jain during Mr. Jain's term of office as Whole-time Director together with the remuneration payable to the Managing Director i.e. Mr. Kewalchand P. Jain and other Whole-time Directors of the Company viz. Mr. Hemant P. Jain and Mr. Vikas P. Jain shall not in any financial year exceed 10% of the net profits of the Company for that respective financial year calculated in the manner stated in Sections 197, 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof;

FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during Mr. Jain's term of office as Whole-time Director the above remuneration and perquisites be paid as minimum remuneration, subject to the overall limits specified in Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time;

LASTLY RESOLVED THAT Mr. Kewalchand Jain, Chairman and Managing Director and Mr. Abhijit Warange, Vice President – Legal and Company Secretary be and are hereby jointly and/or severally authorised to give necessary intimations to be given to all statutory authorities concerned and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

10. To consider and if thought fit, to pass the following resolution as Special Resolution:-

“RESOLVED THAT pursuant to the provision of Sections 196, 197 and other applicable provision of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof consent of the members be and is hereby accorded to appoint Mr. Vikas P. Jain (DIN: 00029901) whose existing term of office as

Whole-time Director expires on August 31, 2019, as the Whole-time Director of the Company for a further period of 5(five) years w.e.f. September 1, 2019 to August 31, 2024 on the terms and conditions including remuneration as detailed below with a liberty to the Board of Directors which term shall be deemed to include any Committee of the Board constituted to exercise its powers, (including the powers conferred by this resolution) to alter and revise the terms and conditions of remuneration as may be agreed to by the Board of Directors and Mr. Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof:

I. Total monthly remuneration of ₹ 6,25,000/- (Basic ₹ 1,87,500/- & Allowance ₹ 4,37,500/-)

The Company's contribution to provident fund as per the rules of the Company and to the extent not taxable under the income tax law shall not be included for the purpose of computation of the overall ceiling of remuneration

II. Perquisites:

- (a) Gratuity at a rate not exceeding half month's salary for each completed year of services, payable at the end of the tenure or retirement or resignation;
- (b) Encashment of leave, bonus and allowances as per the Company policy rules;
- (c) Medical insurance premium as per Company policy and/or rules;
- (d) Use of Company's car along with driver for official and personal purposes, two telephones at residence and two mobile phones;
- (e) Any other allowances, perquisites, benefits and facilities as may be approved by the Board of Directors from time to time;

The valuation of perquisite shall be as per the Income Tax Rules and wherever no method of valuation is prescribed therein, the same shall be valued at the cost to the Company.

III. Reimbursement of expenses incurred in respect of official duties including travelling and entertainment expenses.

Responsibilities:

Mr. Jain will be responsible for the day to day management of the affairs of the Company under the supervision and control of the Board of Directors of the Company. He shall

report all matters to the Board and shall function under the superintendence and control of the Board.

FURTHER RESOLVED THAT the remuneration payable to Mr. Jain during Mr. Jain's term of office as Whole-time Director together with the remuneration payable to the Managing Director i.e. Mr. Kewalchand P. Jain and other Whole-time Directors of the Company viz. Mr. Hemant P. Jain and Mr. Dinesh P. Jain shall not in any financial year exceed 10% of the net profits of the Company for that respective financial year calculated in the manner stated in Sections 197, 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof;

FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during Mr. Jain's term of office as Whole-time Director the above remuneration and perquisites be paid as minimum remuneration, subject to the overall limits specified in Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time;

LASTLY RESOLVED THAT Mr. Kewalchand Jain, Chairman and Managing Director and Mr. Abhijit Warange, Vice President – Legal and Company Secretary be and are hereby jointly and/or severally authorised to give necessary intimations to be given to all statutory authorities concerned and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

By order of the Board of Directors

Abhijit B. Warange
Vice President – Legal & Company Secretary

Regd. Office:
Kewal Kiran Estate
460/7, I. B. Patel Road,
Goregaon (E), Mumbai - 400 063

Date: July 21, 2018
Place: Mumbai

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

In order to be valid, proxies duly stamped, should be lodged with the Company at its registered office not later than forty eight hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the meeting.

3. Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted as at general meeting is annexed hereto.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 1, 2018 to Tuesday, September 4, 2018 (both days inclusive).

5. The dividend on Equity Shares, if declared at the Annual General Meeting will be payable on or after September 7, 2018 to those members of the Company whose names appear:

a) As Beneficial Owners as at the end of business hours on August 31, 2018 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of the shares held in electronic form and

b) As members on the Register of Members of the Company as at September 4, 2018 after giving effect to valid transfers in respect of transfer request lodged with the Company on or before the close of business hours on August 31, 2018.

6. The Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the National Electronic Clearing Services (NECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation the Company proposes to implement the NECS facility. Members are requested to provide the Company with NECS mandate for crediting the future dividend payment directly to their respective bank accounts. The

Company shall be able to coordinate with the bankers only on receipt of the necessary information. The main information required therein is the type of account, name of the bank, MICR, IFS Code and the account number. It should be signed by all the holders, as per the specimen signature recorded with the Company/Depository Participant.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ R&T Agent.

8. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

9. Under Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred the unpaid and unclaimed dividend amounts pertaining to Final Dividend 2009-10 of ₹ 26,670/-, 1st Interim Dividend 2010-11 of ₹ 34,340/- and 2nd Interim Dividend 2010-11 of ₹ 20,017/- to the IEPF.

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website www.kewalkiran.com. Members, who have not encashed their dividend pertaining to Final Dividend 2010-11, 1st Interim Dividend 2011-12 and 2nd Interim Dividend 2011-12, are advised to write to the Company immediately claiming dividends declared by the Company.

10. Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, the Company had transferred 402 equity shares of ₹ 10 each to the IEPF Account on which the dividends remained unpaid or unclaimed for seven consecutive years after following the prescribed procedure. All the shareholders who have not claimed/ encashed their dividends in the

last seven consecutive years from 2011 are requested to claim the same by October 12, 2018. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the said rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the said rules. The details of such shareholders and shares due for transfer are uploaded on the 'Investors Section' of the website of the Company viz. www.kewalkiran.com.

11. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Company's Registrar & Transfer Agents, Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083.
12. Members holding shares in physical segment are requested to notify change in their address/status, if any, immediately to the Company's Registrar & Transfer Agents, M/s. Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083.
13. The Company has designated an exclusive E-mail ID called **grievanceredressal@kewalkiran.com** for redressal of shareholder complaints/grievances. In case you have any queries/complaints or grievances then please write to us at **grievanceredressal@kewalkiran.com**.
14. Members who would like to ask any questions on the accounts are requested to send their questions at Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
15. Members are requested to bring their copies of the Annual Report to the Annual General Meeting. Members may also note that the Notice of the 27th Annual General Meeting and Annual Report will be available on the Company's website, www.kewalkiran.com for download and the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours (10.00 am to 1.00 pm) on all working days except Sundays up to and including the date of the Annual General Meeting of the Company.
16. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
17. Electronic copy of Annual Report for the year 2017-18 is being sent to all members whose email IDs are registered with the Company/Depository Participant(s) and have given their positive consent to receive the same through electronic means. Members are also being sent physical copies of the Annual Report in the permitted mode.
18. Electronic copy of the notice of the 27th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting with attendance slip and proxy form are being sent to all the members whose email IDs are registered with the Company/ Depository Participant and have given their positive consent to receive the same through electronic means. Members are also being sent physical copy of the notice of the 27th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting with attendance slip and proxy form in the permitted mode.
19. Even after registering for e-communication members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail ID grievanceredressal@kewalkiran.com
20. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
21. Voting through Electronic means:
 - a) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meeting (SS 2) as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 27th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
 - b) The facility for voting, either through electronic voting system or through ballot shall be made available at the venue of the 27th AGM. The members attending the meeting, who have not already casted their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already casted their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
 - c) The Company has appointed Mr. Ummedmal P. Jain, Practicing Company Secretary (CP No. 2235) of M/s. U. P. Jain & Co. as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
 - d) The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on Saturday, September 1, 2018 at 9.00 a.m and ends on Monday, September 3, 2018 at 5.00 p.m. During this

period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Tuesday, August 28, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for e-voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

1. For CDSL: 16 digits beneficiary ID,

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member ID/ folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) After entering these details appropriately, click on 'SUBMIT' tab.

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

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

(xi) Click on the EVSN for KEWAL KIRAN CLOTHING LIMITED on which you choose to vote.

(xii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

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

(xvi) You can also take a print of the votes cast by clicking on 'Click here to print' option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

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

(xix) Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

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

- e) The voting rights of Shareholders shall be in proportion to their share of the paid up capital of the Company as on the cut-off date, August 28, 2018.
- f) The Scrutiniser shall after scrutinising the votes cast at the AGM (Poll) and through remote e-voting not later than 48 (forty eight) hours from the conclusion of the AGM, make a consolidated Scrutiniser's Report and submit it to the Chairman or any Director authorised by the Board. The results declared alongwith the consolidated Scrutiniser's report shall be placed on the website of the Company and of CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.
- g) Subject to the receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. September 4, 2018.
22. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking appointment/re-appointment.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('ACT')

Item No. 4

Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements Regulations) 2015 and Secretarial Standard SS-2 the brief profile of Ms. Drushti R. Desai, (DIN: 00294249) who is proposed to be re-appointed as an Independent Non-Executive Director of the Company for a second consecutive term of 5 consecutive years w.e.f. August 28, 2019 to August 27, 2024.

Ms. Drushti Desai (age 45 years) is an Independent Non-Executive Director of the Company. She was first appointed on the board of your Company on July 23, 2014.

Ms. Desai is a member of the Institute of Chartered Accountants of India (ICAI). She is a partner at Bansi S. Mehta & Co. a leading Chartered Accountant Firm in Mumbai. Ms. Desai brings over 19 years of rich 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).

Pursuant to Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Ms. Desai was appointed as an Independent Non-Executive Director in the 23rd AGM held on August 28, 2014 for a term of five consecutive years from August 28, 2014 upto August 27, 2019 by the members of your Company.

In the performance evaluation conducted for the financial year 2017-18 the performance of Ms. Desai was evaluated to be satisfactory in the effective and efficient discharge of her role and responsibilities as an independent director of the Company. The Board and its Committees have benefitted from her relevant specialisation and expertise. The Board has, based on the performance evaluation and on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Act and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and subject to the approval of the members, approved the re-appointment of Ms. Desai as an Independent Director not liable to retire by rotation and offering herself for re-appointment for second consecutive term of 5 (five) consecutive years from August 28, 2019 upto August 27, 2024.

Ms. Desai is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013

and has given her consent to act as Independent Director of the Company. She meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board, Ms. Desai fulfils the conditions for appointment as an Independent Director as specified under the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

Copy of the draft letter for appointment of Ms. Desai as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, except Saturday, upto and including the date of AGM of

your Company and also available on your Company's website.

Except for the sitting fees for attending Board/ Committee meetings Ms. Desai is not having any other pecuniary relationship or transaction with the Company. The sitting fees proposed to be paid to the Non-Executive Directors is within the statutory limits prescribed under the Companies Act, 2013 and the rules made thereunder for payment of sitting fees without the approval of the Central Government. Ms. Desai was in receipt of ₹ 7,60,000/- as sitting fees during the year under review.

As on the date of this notice Ms. Desai does not hold any shares in the Company. She is not related to any Directors of the Company. In the financial year under review 5 meeting of the Board of Directors were held and Ms. Desai attended all the 5 Board Meetings.

The details of directorships of Ms. Desai in other Companies as on the date of this notice are as follows:

NAME OF THE COMPANY	BOARD POSITION HELD
Globallogic Technologies Limited	Director
Globallogic India Limited	Director
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Director
Narmada Gelatines Limited	Director
Kruti Finance and Holdings Private Limited	Director

The details of committee membership/chairmanship of Ms. Drushti Desai in other companies as on the date of this notice are as follows:

NAME OF THE COMPANY	Name of the Committee	POSITION HELD
Globallogic Technologies Limited	Audit Committee	Chairman
Globallogic India Limited	Audit Committee	Chairman
Narmada Gelatines Limited	Audit Committee	Member
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Audit Committee	Member
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Stakeholder Relationship Committee	Chairman
Globallogic Technologies Limited	Nomination & Remuneration Committee	Chairman
Globallogic India Limited	Nomination & Remuneration Committee	Chairman
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Nomination & Remuneration Committee	Member
Globallogic Technologies Limited	Corporate Social Responsibility Committee	Member
Globallogic India Limited	Corporate Social Responsibility Committee	Member
Narmada Gelatines Limited	Sexual Harassment Complaint Committee	Member

The Board considers Ms. Desai's continued association with your Company will be of immense benefit and accordingly recommends the Special Resolution for re-appointment of Ms. Desai as an Independent Director for another consecutive term of five consecutive years with effect from August 28, 2019 upto August 27, 2024, for the approval of the members of your Company.

Except Ms. Drushti Desai, being an appointee, none of the Directors and Key Managerial Personnel of the Company are in any way concerned/interested in the said resolution.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 5

Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements Regulations) 2015 and Secretarial Standard SS-2 the brief profile of Mr. Nimish G. Pandya, (DIN: 00326966) who is proposed to be re-appointed as the Independent Non-Executive Director of the Company for a second consecutive term of 5 consecutive years w.e.f. April 1, 2019 to March 31, 2024.

Mr. Nimish Pandya (age 64 years) is an Independent Non-Executive Director of your Company. He was first appointed on the board of your Company on November 14, 2005.

Mr. Pandya studied law from the University of Mumbai and is a member of the Bar Council of Maharashtra. He was appointed as a Notary Public by the Government of Maharashtra in 1993. Mr. Pandya is the proprietor of Pandya & Co., Advocates

and Notary and the founding partner at Pandya Juris LLP, International Lawyers & Tax Consultants. An eminent lawyer, Mr. Pandya 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.

Pursuant to Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Mr. Pandya was appointed as an Independent Non-Executive Director in the 23rd AGM held on August 28, 2014 to hold office for a term of five consecutive years from April 1, 2014 upto March 31, 2019 by the members of your Company.

In the performance evaluation conducted for the financial year 2017-18 the performance of Mr. Pandya was evaluated to be satisfactory in the effective and efficient discharge of his role and responsibilities as an independent director of the Company. The Board and its Committees have benefitted from his relevant specialisation and expertise. The Board has, based on the performance evaluation and on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Act and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and subject to the approval of the members, approved the re-appointment of Mr. Pandya as an Independent Director not liable to retire by rotation and offering himself for re-appointment for second consecutive term of 5 (five) consecutive years from April 1, 2019 upto March 31, 2024.

Mr. Pandya is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Independent Director of the Company. He meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board, Mr. Pandya fulfils the conditions for appointment as an Independent Director as specified under the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

Copy of the draft letter for appointment of Mr. Pandya as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, except Saturday, upto and including the date of AGM of your Company and also available on your Company's website.

Except for the sitting fees for attending Board/ committee meetings Mr. Pandya is not having any other pecuniary relationship or transaction with the Company save an except an amount of ₹ 5,50,260/- paid by way of professional fees to Pandya & Co., Advocates and Notary to represent the Company in a matter before the Hon'ble High Court. The sitting fees proposed to be paid to the Non Executive Directors is within the statutory limits prescribed under the Companies Act, 2013 and the rules made thereunder for payment of sitting fees without the approval of the Central Government. Mr. Pandya was in receipt of ₹ 6,60,000/- as sitting fees during the year under review.

Mr. Pandya does not hold any shares in the Company as on the date of this notice. He is not related to any Director of the Company. In the financial year under review 5 meeting of the Board of Directors were held and Mr. Pandya attended 4 Board Meetings.

The details of directorships of Mr. Nimish Pandya in other companies as on the date of this notice are as follows:

NAME OF THE COMPANY	BOARD POSITION HELD
Corvus Sports Private Limited	Director
Streamcast Studios Private Limited	Director
Streamcast Media Private Limited	Director
Streamcast Education Services Private Limited	Director
Streamcast Logitech Private Limited	Director
Streamcast Cloud Private Limited	Director

Mr. Nimish Pandya does not hold any committee membership/ chairmanship in other companies as on date of this notice.

The Board considers Mr. Pandya's continued association with your Company will be of immense benefit and accordingly recommends the Special Resolution for re-appointment of Mr. Pandya as an Independent Director for another consecutive term of five consecutive years with effect from April 1, 2019 upto March 31, 2024, for the approval of the members of your Company.

Except Mr. Nimish Pandya, being an appointee, none of the Directors and Key Managerial Personnel of the Company are in any way concerned/interested in the said resolution.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 6

Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements Regulations) 2015 and Secretarial Standard SS-2 the brief profile of Dr. Prakash A. Mody, (DIN: 00001285) who is proposed to be Re-appointed as the Independent Non-Executive Director of the Company for a second consecutive term of 5 consecutive years w.e.f. April 1, 2019 to March 31, 2024.

Dr. Prakash Mody (age 65 years) is an Independent Non-Executive Director of the Company. He was first appointed on the board of your Company on November 14, 2005.

Dr. Mody is the Chairman and Managing Director of Unichem Laboratories Limited. He brings a rich experience in marketing, research and production. Dr. Mody is a Doctorate (Ph.D.) in organic chemistry from the University of Mumbai. He has also pursued Marketing Management from Jamnalal Bajaj University of Management Studies, University of Mumbai and is an alumnus of the Harvard Business School having undergone the Owners Presidents Management Programme.

Dr. Mody was appointed as an Independent Non-Executive Director in the 23rd AGM held on August 28, 2014 to hold office for a term of five consecutive years from April 1, 2014 upto March 31, 2019 by the members of your Company.

In the performance evaluation conducted for the financial year 2017-18 the performance of Dr. Mody was evaluated to be satisfactory in the effective and efficient discharge of his role and responsibilities as an independent director of the Company. The Board and its Committees have benefitted from his relevant specialisation and expertise. The Board has, based on the performance evaluation and on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Act and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and subject to the approval of the members, approved the re-appointment of Dr. Mody as

an Independent Director not liable to retire by rotation and offering himself for re-appointment for second consecutive term of 5 (five) consecutive years from April 1, 2019 upto March 31, 2024.

Dr. Mody is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Independent Director of the Company. He meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board, Dr. Mody fulfils the conditions for appointment as an Independent Director as specified under the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

Copy of the draft letter for appointment of Dr. Mody as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, except Saturday, upto and including the date of AGM of your Company and also available on your Company's website.

Except for the sitting fees for attending Board/committee meetings Dr. Mody is not having any other pecuniary relationship or transaction with the Company. The sitting fees proposed to be paid to the Non-Executive Directors is within the statutory limits prescribed under the Companies Act, 2013 and the rules made thereunder for payment of sitting fees without the approval of the Central Government. Dr. Mody was in receipt of ₹ 3,00,000/- as sitting fees during the year under review.

As on the date of this notice Dr. Mody holds 336 shares in the Company. He is not related to any Director of the Company. In the financial year under review 5 meeting of the Board of Directors were held and Dr. Mody attended 3 Board Meetings.

The details of other directorships of Dr. Prakash Mody as on the date of this notice are as follows:

NAME OF THE COMPANY	BOARD POSITION HELD
Unichem Laboratories Limited	Chairman
Unichem Pharmaceuticals (USA) Inc.	Director

The details of committee membership/chairmanship in other companies of Dr. Prakash Mody as on the date of this notice are as follows:

NAME OF THE COMPANY	Name of the Committee	POSITION HELD
Unichem Laboratories Limited	Corporate Social Responsibility Committee	Chairman
Unichem Laboratories Limited	Stakeholder and Relationship Committee	Member

The Board considers Dr. Mody's continued association with your Company will be of immense benefit and accordingly recommends the Special Resolution for re-appointment of Dr. Mody as an Independent Director for another consecutive term of five consecutive years with effect from April 1, 2019 upto March 31, 2024, for the approval of the members of your Company.

Except Dr. Prakash Mody, being an appointee, none of the Directors and Key Managerial Personnel of the Company are in any way concerned/interested in the said resolution.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 7

Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements Regulations) 2015 and Secretarial Standard SS-2 the brief profile of Mr. Yogesh A. Thar, (DIN: 02687466) who is proposed to be re-appointed as the Independent Non-Executive Director of the Company for a second consecutive term of 5 consecutive years w.e.f. April 1, 2019 to March 31, 2024

Mr. Yogesh Thar (age 56 years) is an Independent Non-Executive Director of your Company. He was first appointed on the board of your Company on February 13, 2013.

Mr. Thar is a member of the Institute of Chartered Accountants of India (ICAI). He is a senior partner at Bansi S. Mehta & Co. a leading Chartered Accountant Firm in Mumbai. Mr. Thar has near three decades of experience in business mergers, acquisitions and restructuring, business valuations, corporate taxation and taxation of non-resident citizens and foreign companies.

Pursuant to Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Mr. Thar was appointed as an Independent Non-Executive Director in the 23rd AGM held on August 28, 2014 to hold office for a term of five consecutive years from April 1, 2014 upto March 31, 2019 by the members of your Company.

In the performance evaluation conducted for the financial year 2017-18 the performance of Mr. Thar was evaluated to be satisfactory in the effective and efficient discharge of his role and responsibilities as an independent director of the Company. The Board and its Committees have benefitted from his relevant specialisation and expertise. The Board has, based on the performance evaluation and on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Act and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and subject to the approval of the members, approved the re-appointment of Mr. Thar as an Independent Director not liable to retire by rotation and offering himself for re-appointment for second consecutive term of 5 (five) consecutive years from April 1, 2019 upto March 31, 2024.

Mr. Thar is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Independent Director of the Company. He meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013

and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board, Mr. Thar fulfils the conditions for appointment as an Independent Director as specified under the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

Copy of the draft letter for appointment of Mr. Thar as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, except Saturday, upto and including the date of AGM of your Company and also available on your Company's website.

Except for the sitting fees for attending Board/ Committee meetings Mr. Thar is not having any other pecuniary relationship or transaction with the Company. The sitting fees proposed to be paid to the Non-Executive Directors is within the statutory limits prescribed under the Companies Act, 2013 and the rules made thereunder for payment of sitting fees without the approval of the Central Government. Mr. Thar was in receipt of ₹ 7,60,000/- as sitting fees during the year under review.

As on the date of this notice Mr. Thar does not hold any shares in the Company. He is not related to any Director of the Company. In the financial year under review 5 meeting of the Board of Directors were held and Mr. Thar attended all the 5 Board Meetings.

Mr. Thar is not holding directorship or committee membership/ chairmanship in any other Company.

The Board considers Mr. Thar's continued association with your Company will be of immense benefit and accordingly recommends the Special Resolution for re-appointment of Mr. Thar as an Independent Director for another consecutive term of five consecutive years with effect from April 1, 2019 upto March 31, 2024, for the approval of the members of your Company.

Except Mr. Yogesh Thar, being an appointee, none of the Directors and Key Managerial Personnel of the Company are in any way concerned/interested in the said resolution.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 8

Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements Regulations) 2015 and Secretarial Standard SS-2 the brief profile of Mr. Hemant P. Jain (DIN: 00029822) who is proposed to be appointed as the Whole-time Director of the Company for 5 years w.e.f. September 1, 2019 to August 31, 2024 Mr. Hemant P. Jain (age

54 years) is the Wholetime Executive Director of your Company. Mr. Jain is also one of the Promoter's of your Company and was first appointed as a Director of your Company on January 30, 1992. He joined the business at early age after completing school and had to forgo his formal education. He learnt business on the job and leads the marketing functions of your Company. He has an overall experience of 35 years. He was instrumental in launching the brands of your Company as well as setting up and expanding the network of the retail stores of your Company under the banner of K-LOUNGE. An avid traveler and field person, he keeps a keen eye on the latest trends in international fashion.

In the performance evaluation conducted for the financial year 2017-18 the performance of Mr. Jain was evaluated to be satisfactory in the effective and efficient discharge of his role and responsibilities as an independent director of the Company. The Board and its Committees have benefitted from his relevant specialisation and expertise. The Board has, based on the performance evaluation and on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members in the ensuing annual general meeting, approved the re-appointment of Mr. Jain as Whole-time Director of your Company for a further period of five years, post completion of his present term on August 31, 2019.

Mr. Jain is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Whole-time Director of your Company. He satisfies all the conditions pertaining to the appointment as a Wholetime Director as set out in Section 196(3) and Part-I of Schedule V of the Companies Act, 2013.

Mr. Jain holds 7,07,915 shares of your Company, which includes 16,000 shares held as a Karta of Hemant P. Jain (H.U.F) and 78,400 shares held j/w Lata H. Jain in the Company as on the date of this notice.

Mr. Hemant P. Jain, Mr. Kewalchand P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain are brothers. In the financial year under review 5 meeting of the Board of Directors were held and Mr. Hemant P. Jain has attended all the 5 Board Meetings.

The major terms and conditions of Mr. Jain's appointment including details of proposed remuneration as recommended by the Nomination and Remuneration Committee in its meeting held on April 23, 2018 for the ensuing term of 5 years w.e.f. September 1, 2019 to August 31, 2024 is as per the resolution at Item No. 8 of the Notice convening this meeting read with explanatory statement thereto. The last drawn remuneration by Mr. Hemant Jain was ₹79,89,600/- per annum (including perquisites).

The details of directorships of Mr. Hemant P. Jain in other Companies as on the date of this notice are as follows:

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Management Consultancy Limited.	Director
Kewal Kiran Finance Private Limited	Director
White Knitwears Private Limited	Director
Kewal Kiran Media and Communication Limited	Director
Lord Gautam Charitable Foundation	Director

Mr. Hemant Jain does not hold any committee membership/ chairmanship in other companies as on date of this notice.

Pursuant to sub-regulation 6 of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 which will come into effect from April 1, 2019 the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

- the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The aggregate annual remuneration drawn by all the Executive Directors of your Company may exceeds 5 per cent of the

net profits.

Your Directors have recommended the Special Resolution for approval of members.

Except Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain, no other Directors/ Key Managerial Personnel of the Company are in any way concerned/ interested in the said resolution.

Item No. 9

Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements Regulations) 2015 and Secretarial Standard SS-2 the brief profile of Mr. Dinesh P. Jain, (DIN: 00327277) who is proposed to be appointed as the Whole-time Director of the Company for 5 years w.e.f. September 1, 2019 to August 31, 2024

Mr. Dinesh Jain (age 49 years) is the Wholetime Executive Director of your Company. Mr. Jain is also one of the Promoter's

of your Company and was first appointed as a Director of your Company on October 2, 1997. He joined the business at early age after completing school and had to forgo his formal education. Mr. Jain heads the manufacturing operations of the Company. He has an overall experience of 28 years and specialises in Production, HR and IR related issues. Mr. Jain is also responsible for ensuring optimum utilisation of production facilities of your Company at its units at Dadar, Goregaon, Daman and Vapi.

In the performance evaluation conducted for the financial year 2017-18 the performance of Mr. Jain was evaluated to be satisfactory in the effective and efficient discharge of his role and responsibilities as an independent director of the Company. The Board and its Committees have benefitted from his relevant specialisation and expertise. The Board has, based on the performance evaluation and on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members in the ensuing annual general meeting, approved the re-appointment of Mr. Jain as Whole-time Director of your Company for a further period of five years, post completion of his present term on August 31, 2019.

Mr. Jain is not disqualified from being re-appointed as a

Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Wholetime Director of the Company. He satisfies all the conditions pertaining to the appointment as a Wholetime Director as set out in Section 196(3) and Part-I of Schedule V of the Companies Act, 2013.

Mr. Jain holds 7,45,831 shares which includes 16,000 shares as a Karta of Dinesh P. Jain (H.U.F) and 100,401 shares held j/w Sangeeta D. Jain in the Company as on the date of this notice.

Mr. Dinesh P. Jain, Mr. Kewalchand P. Jain, Mr. Hemant P. Jain and Mr. Vikas P. Jain are brothers. In the financial year under review 5 meeting of the Board of Directors were held and Mr. Dinesh P. Jain has attended all the 5 Board Meetings.

The major terms and conditions of Mr. Jain's appointment including details of proposed remuneration as recommended by the Nomination and Remuneration Committee in its meeting held on April 23, 2018 for the ensuing term of 5 years w.e.f. September 1, 2019 to August 31, 2024 is as per the resolution at Item No. 9 of the Notice convening this meeting read with explanatory statement thereto. The last drawn remuneration by Mr. Jain was ₹79,89,600/- per annum (including perquisites).

The details of directorships of Mr. Dinesh P. Jain in other Companies as on the date of this notice are as follows:

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Finance Private Limited	Director
Synthofine Chemicals of India Limited	Director
Lord Gautam Charitable Foundation	Director

Mr. Dinesh Jain does not hold any committee membership/ chairmanship in other companies as on date of this notice.

Pursuant to sub-regulation 6 of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 which will come into effect from April 1, 2019 the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

- (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The aggregate annual remuneration drawn by all the Executive Directors of your Company may exceeds 5 per cent of the net profits.

Your Directors have recommended the Special Resolution for

approval of members.

Except Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain, no other Directors/ Key Managerial Personnel of the Company are in any way concerned/ interested in the said resolution.

Item No. 10

Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements Regulations) 2015 and Secretarial Standard SS-2 the brief profile of Mr. Vikas P. Jain, (DIN: 00029901) who is proposed to be appointed as the Wholetime Director of the Company for 5 years w.e.f. September 1, 2019 to August 31, 2024

Mr. Vikas P. Jain (age 47 years) is the Wholetime Executive Director of your Company. Mr. Jain is also one of the Promoter's of your Company and was first appointed as a Director of your Company on October 2, 1997. He is a graduate in commerce. and has an overall experience of 25 years. Mr. Jain heads the operations and distribution functions of your Company. He is responsible for marketing of Lawman PG3 and Intigrity brands and also looks after the retail business of the Company. He

is instrumental in launching 'ADDICTION' the retail arm of the Company for lifestyle accessories products. Mr. Jain travels extensively and scouts for new technologies in garment manufacturing.

In the performance evaluation conducted for the financial year 2017-18 the performance of Mr. Jain was evaluated to be satisfactory in the effective and efficient discharge of his role and responsibilities as an independent director of the Company. The Board and its Committees have benefitted from his relevant specialisation and expertise. The Board has, based on the performance evaluation and on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members in the ensuing annual general meeting, approved the re-appointment of Mr. Jain as Whole-time Director of your Company for a further period of five years, post completion of his present term on August 31, 2019.

Mr. Jain is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Whole-time Director of

your Company. He satisfies all the conditions pertaining to the appointment as a Wholetime Director as set out in Section 196(3) and Part-I of Schedule V of the Companies Act, 2013.

Mr. Jain holds 7,37,821 shares which includes 16,000 shares as a Karta of Vikas P. Jain (HUF) and 92,336 shares held j/w Kesar V. Jain in the Company as on the date of this notice.

Mr. Vikas P. Jain, Mr. Kewalchand P. Jain, Mr. Hemant P. Jain and Mr. Dinesh P. Jain are brothers. In the financial year under review 5 meeting of the Board of Directors were held and Mr. Vikas P. Jain has attended all the 5 Board Meetings.

The major terms and conditions of Mr. Jain's appointment including details of proposed remuneration as recommended by the Nomination and Remuneration Committee in its meeting held on April 23, 2018 for the ensuing term of 5 years w.e.f. September 1, 2019 to August 31, 2024 is as per the resolution at Item No. 10 of the Notice convening this meeting read with explanatory statement thereto. The last drawn remuneration by Mr. Jain was ₹79,89,600/- per annum (including perquisites).

The details of directorships of Mr. Vikas P. Jain in other Companies as on the date of this notice are as follows:

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Finance Private Limited	Director
Lord Gautam Charitable Foundation	Director

Mr. Vikas Jain does not hold any committee membership/ chairmanship in other companies as on date of this notice.

Pursuant to sub-regulation 6 of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 which will come into effect from April 1, 2019 the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

- (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The aggregate annual remuneration drawn by all the Executive Directors of your Company may exceeds 5 per cent of the net profits.

Your Directors have recommended the Special Resolution for approval of members.

Except Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain, no other Directors/ Key Managerial Personnel of the Company are in any way concerned/ interested in the said resolution.

By order of the Board of Directors

Abhijit B. Warange
Vice President – Legal & Company Secretary

Regd. Office:
Kewal Kiran Estate,
460/7, I. B. Patel Road,
Goregaon (E),
Mumbai - 400 063

Date: July 21, 2018
Place: Mumbai

KEWAL KIRAN CLOTHING LIMITED

Registered Office: Kewal Kiran Estate, 460/7, I. B. Patel Road, Goregaon (East), Mumbai - 400 063

Corporate Identify Number: L18101MH1992PLC065136

Tel: 91-22-26814400 **Fax:** 91-22-26814410

Website: www.kewalkiran.com; **E-mail:** grievanceredressal@kewalkiran.com

ATTENDANCE SLIP

Folio No. No. of Shares held.

D.P. ID

Client ID

E-mail ID

Name and Address of the shareholder/proxy:
.....

I certify that I am a registered shareholder/proxy of the registered shareholder of the Company.

I hereby record my presence at the 27th Annual General Meeting of the Company on Tuesday, September 4, 2018 at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum) Mumbai - 400 001 at 12.00 Noon

.....
Signature of the attending member/proxy

Applicable for shareholders holding shares in electronic form.

Notes:

1. Please sign this attendance slip and hand it over at the verification Counter at the entrance of the meeting hall.
2. No gifts/Company products shall be given at the meeting.
3. This attendance is valid only in case shares are held on the date of meeting.
4. Only shareholder of the Company and/or their proxy will be allowed to attend the meeting.

KEWAL KIRAN CLOTHING LIMITED

Registered Office: Kewal Kiran Estate, 460/7, I. B. Patel Road, Goregaon (East), Mumbai - 400 063

Corporate Identify Number: L18101MH1992PLC065136

Tel: 91-22-26814400 **Fax:** 91-22-26814410

Website: www.kewalkiran.com; **email:** grievanceredressal@kewalkiran.com

FORM NO. MGT-11 PROXY FORM

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

Name of the member (s):

Registered address:

E-mail Id:

Folio / DP ID – Client ID:

I/We being the member(s) of Kewal Kiran Clothing Ltd. holding Equity Shares hereby appoint:

(1) Name: E-mail ID

Address:

..... Signature:or failing him;

(2) Name: E-mail ID.....

Address

..... Signature:or failing him;

(3) Name: E-mail ID.....

Address:

..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Tuesday, September 4, 2018 at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum) Mumbai - 400 001 at 12.00 Noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions		
		For	Against
ORDINARY BUSINESS			
1	Adoption of Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2018 including the Audited Balance Sheet as on March 31, 2018 and the Statement of Profit and Loss Account for the financial year ended March 31, 2018 together with the report of the Directors and Auditors thereon.		
2	Declaration of final dividend and confirmation of four interim dividends of ₹ 7/-, ₹ 10/-, ₹ 9.5/- and ₹ 5/- respectively per equity share for the year ended March 31, 2018.		
3	Re-appointment of Mr. Hemant P. Jain (DIN: 00029822) who retires by rotation.		

SPECIAL BUSINESS

- | | |
|----|--|
| 4 | Re-appointment of Ms. Drushti R. Desai (DIN: 00294249), Independent Non-Executive Director of the Company not liable to retire by rotation to hold office for a second consecutive term of 5 (five) consecutive years with effect from August 28, 2019 to August 27, 2024. |
| 5 | Re-appointment of Mr. Nimish G. Pandya (DIN: 00326966), Independent Non-Executive Director of the Company not liable to retire by rotation to hold office for a second consecutive term of 5 (five) consecutive years with effect from April 1, 2019 to March 31, 2024. |
| 6 | Re-appointment of Dr. Prakash A. Mody (DIN: 00001285), Independent Non-Executive Director of the Company not liable to retire by rotation to hold office for a second consecutive term of 5 (five) consecutive years with effect from April 1, 2019 to March 31, 2024. |
| 7 | Re-appointment of Mr. Yogesh A. Thar (DIN: 02687466), Independent Non-Executive Director of the Company not liable to retire by rotation to hold office for a second consecutive term of 5 (five) consecutive years with effect from April 1, 2019 to March 31, 2024. |
| 8 | Appointment of Mr. Hemant P. Jain (DIN: 00029822) as the Whole-time Director of the Company for a period of 5 (five) years w.e.f. September 1, 2019 to August 31, 2024. |
| 9 | Appointment of Mr. Dinesh P. Jain (DIN: 00327277) as the Whole-time Director of the Company for a period of 5 (five) years w.e.f. September 1, 2019 to August 31, 2024. |
| 10 | Appointment of Mr. Vikas P. Jain (DIN: 00029901) as the Whole-time Director of the Company for a period of 5 (five) years w.e.f. September 1, 2019 to August 31, 2024. |
-

Signed thisday of 2018

Affix ₹ 1/-
Revenue
Stamp

Signature of share holder

Signature of proxy holder (s).....

Notes:

1. This Proxy Form in order to be effective should be duly completed and deposited at the Company's Registered Office atleast 48 hours before the commencement of meeting.
2. A Proxy need not be member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. It is optional to put a 'X' in the appropriate column against resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote (on poll) at the meeting in the manner as he/ she thinks appropriate.