

Kajal Synthetics And Silk Mills Limited

Regd. Office : 29, Bank Street, 1st Floor, Fort, Mumbai - 400 001

CIN No. L17110MH1985PLC035204

Date: 3rd November, 2016

Department of Corporate Services
Listing Department
BSE Limited,
P J Towers, Dalal Street,
Mumbai-400001

Dear Sir/Madam,

Sub: **Annual Report for the Financial Year 2015-16**

Ref: **Company Code No.512147**

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, please find enclosed a copy of the annual report for the year 2015-16. The soft copy of the annual report for the year 2015-16 has been submitted at listing.bseindia.com.

Please take the same on your record.

Thanking You,

Yours Faithfully,
For Kajal Synthetics And Silk Mills Limited



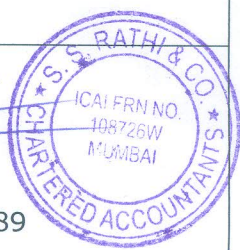
G. M. Loyalka
Director
DIN: 00299416



**Compliance under Regulation 33(d) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulation, 2015**

KAJAL SYNTHETICS AND SILK MILLS LIMITED

FORM A (for Audit Report on Standalone Financial Statements with Unmodified Opinion)

1	Name of the Company	Kajal Synthetics And Silk Mills Limited
2	Annual Financial statements for the year ended	31 st March, 2016
3	Type of Audit Observation:	Unmodified – Standalone Financial Statements
4	Frequency of observation	Not Applicable
5	To be signed by CEO/Managing Director/CFO/Auditor of the Company/Audit Committee Chairman	<p>For KAJAL SYNTHETICS AND SILK MILLS LIMITED</p> <p> Gangaprasad Loyalka Director</p>
		<p> Keyur Parekh Partner Membership No. 154489 S.S.RATHI & CO. Chartered Accountants Firm Regn No.108726W</p> 

Place: Mumbai
Date: 30.05.2016

KAJAL SYNTHETICS AND SILK MILLS LIMITED

28th ANNUAL REPORT

FINANCIAL YEAR – 2015-16

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN NO: L17110MH1985PLC035204

Regd. Office: 29, Bank Street, 1st Floor, Fort, Mumbai – 400 001

Telephone No. : 9821903049, Website: www.kajalsynthetics.com

Email: kajalsyntheticsandsilk@gmail.com

DIRECTORS REPORT

To,
The Members,

The Directors of your Company are pleased to present their Twenty Eighth Annual Report and the Audited Financial Statements of **KAJAL SYNTHETICS AND SILK MILLS LIMITED** for the financial year ended 31st March, 2016.

FINANCIAL PERFORMANCE

The financial performance of the Company, for the financial year ended 31st March, 2016 is summarized below:

PARTICULARS	(Amount in Rs.)	
	Year Ended 31st March, 2016 Rs.	Year Ended 31st March, 2015 Rs.
Income	40,67,133	56,85,648
Expenditure	7,99,720	5,21,552
Profit / (Loss) before Tax	32,67,413	51,64,096
Less : Tax Expense		
Current Tax	(1,80,000)	(15,61,000)
Income Tax for earlier years	(4,192)	(1,50,653)
Profit / (Loss) after Tax	30,83,221	34,52,443

SUMMARY OF OPERATIONS

During the year under review, the Company has earned Net Profit After Tax of Rs 30,83,221/- (Previous Year Net Profit of Rs. 34,52,443/-). Your Directors are hopeful of achieving better performance in the current year.

The Company is engaged in the business of Financing and Investment activities. There have been no material changes in the business of the company during the financial year.



FINANCE

Your Company has made provisions for sufficient borrowing facilities to meet its long-term and short-term requirements in order to support the business operations uninterrupted.

DIVIDEND

With a view to conserve the resources of the Company, your Directors do not recommend any dividend for the year under review.

TRANSFER TO RESERVES

During the Financial Year 2015-16 the Company has transferred Rs. 6,16,644/- (Previous Year: Rs. 6,90,498/-) to Reserve Fund created under RBI Act, 1934 out of the Surplus available in the Statement of Profit & Loss. Apart from the above no amount was transferred and/ or required to be transferred to the reserves during the financial year ended 31st March, 2016.

PUBLIC DEPOSIT

During the year, the Company has not accepted or renewed any deposit from the public as covered under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

The Authorised Share Capital as on 31st March, 2016 was Rs.2,00,00,000 /-(Rupees Two Crores Only) divided into 20,00,000 Equity Shares of Rs. 10/- each.

There has been no change in the Share Capital of the Company during the financial year 2015-16.

The Issued Share Capital as on 31st March, 2016 was Rs 1,99,20,000/- (Rupees One Crore Ninety Nine Lac Twenty Thousand Only) divided into 19,92,000 Equity Shares of Rs. 10/- each.

SUBSIDIARY

As at the end of the year under review i.e. on 31st March, 2016 and also as on the date of this report, your Company does not have any subsidiary.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as Annexure I.



PARTICULARS OF EMPLOYEES

During the year, there has been no employee in receipt of remuneration in excess of the amounts mentioned in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RELATED PARTIES

During the year the Company had not entered into any transaction as enumerated in section 188 of the Companies Act, 2013 and Rule made thereunder with its related party as defined in section 2 (76) of the Act.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has a well defined risk management framework in place. Further, the elements of risk threatening the Company's existence are very minimal.

The internal financial controls with reference to the Financial Statements are commensurate with the size of the Company and nature of its business.

Compliance processes form an integral part of your Company's Corporate Governance practices and is fundamental to achieving its strategic and operational business objectives.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub-Section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that:-

- i) in the preparation of the annual accounts for the year ended 31 March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2016 and of the profit of the Company for year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- iv) the Directors have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down internal financial controls and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements of your Company for the Financial Year 2015 - 16, is prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the Audited Financial Statements, wherever applicable.

CORPORATE SOCIAL RESPONSIBILITY

The requirement as per Section 135 of the Companies Act, read with relevant Rules, disclosures to include an annual report on CSR activities containing the particulars specified in the Rules are not attached hereto as this is not applicable on the Company.

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

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company. There were no foreign exchange earnings and outgoings during the year under review.

Statement containing salient features of financial statements of subsidiaries

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint ventures is given as **Annexure II**.

The company does not have any subsidiary. Further, brief about the only one associate is given hereunder:-



1. Park Avenue Engineering Limited (Associate)

Park Avenue Engineering Limited ("Park Avenue") is registered with the Reserve Bank of India (RBI) as a Non Banking Financial Company (NBFC) in the category of a company not accepting / holding public deposits.

The total revenue of Park Avenue during the F.Y. 2015-16 was Rs. 5.80 lacs and Net Loss after tax was Rs. 7.04 lacs.

2. Five Star Trading & Investment Company Limited (Associate)

Five Star Trading & Investment Company Limited ("Five Star") has a paid up capital of Rs. 25,50,500/-. It does not have any substantial business.

The total revenue of Five Star during the F.Y. 2015-16 was Rs. 24.09 Lacs and it incurred a net profit after tax was Rs.13.22 Lacs.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the F.Y 2015-16, there was no change in the composition of the directors of the Company.

Mr. Naveen Bhattar (DIN No: 00503756) retire by rotation from the Board and being eligible offers himself for re-appointment.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Independent Directors of the Company met during the year and have made an evaluation of the performance of the Board of Directors, all the Committees of the Board of Directors as also all the individual Directors. The performance was found to be satisfactory.

DECLARATION OF INDEPENDENCE

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from each of the Independent Directors confirming that he/she is not disqualified from appointing/continuing as an Independent Director.

BOARD MEETINGS

During the year under review, six meetings of the Board of Directors of the Company were held i.e on 13.05.2015, 30.06.2015, 14.08.2015, 04.09.2015, 26.10.2015 and 11.02.2016. The intervening gap between the meetings was within the period prescribed under the provisions of the Companies Act, 2013.



STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

In the last AGM held on September 30, 2015, M/s S.S.Rathi & Co., Chartered Accountants, Mumbai have been appointed as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. It is now proposed to reappoint M/s S.S.Rathi & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration (including re-imbursement of out of pocket expenses) as may be decided by the Board of Directors of the Company in consultation with M/s S. S. Rathi & Co."

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments from your Board. The Auditors Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed, M/s Dilip Bharadiya & Associates, Company Secretaries in Practice having Membership Number 7956 to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2015-16 as issued by him in the prescribed form MR-3 is annexed to this Report as **Annexure III**. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by secretarial auditor.

COST AUDIT

The provisions of Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

OTHER DISCLOSURES

- Your Company has not issued: -
 - Any shares with differential rights;
 - Any sweat equity shares
- There are no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- There were no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report.
- There was no revision in the financial statements.
- Your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



APPRECIATION

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and unstinted support received from them during the year and look forward to their continued support in future.

**For and on behalf of the Board of Directors of
Kajal Synthetics And Silk Mills Limited**



G.M. Loyalka - Rajashree Tapuriah

**G.M.Loyalka
Director
(DIN: 00299416)**

**Rajashree Tapuriah
Director
(DIN: 01655859)**

Place : Mumbai

Date : 02.09.2016

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016
of

KAJAL SYNTHETICS AND SILK MILLS LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L17110MH1985PLC035204
- ii) Registration Date: 29.01.1985
- iii) Name of the Company: Kajal Synthetics And Silk Mills Limited
- iv) Category / Sub-Category of the Company: Company having Share Capital
- v) Address of the Registered Office and contact details: 29, Bank Street, 1st Floor, Fort, Mumbai – 400 001
- vi) Whether listed company YES
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400059.
Tel. No.:- 022-42270400.

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.	Investment Activity	64200	100%



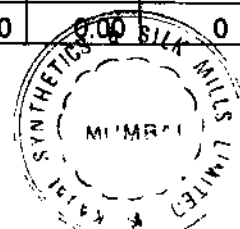
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Park Avenue Engineering Limited	U27200MH1985PLC035603	Associate	44.11	Section 2(6)
2	Five Star Trading & Investment Company Limited	U67120MH1982PLC027789	Associate	47.05	Section 2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	0	1283350	1283350	64.43	0	1283350	1283350	64.43	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL:(A) (1)	0	1283350	1283350	64.43	0	1283350	1283350	64.43	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0



d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other...	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	1283350	1283350	64.43	0	1283350	1283350	64.43	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
c) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(1):	0	0	0	0.00	0	0	0	0.00	0
(2) Non Institutions									
a) Bodies corporates	0	693650	693650	34.82	0	693650	693650	34.85	0
i) Indian									
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals	0	0	0	0.00	0	0	0	0.00	
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	15000	15000	00.75	0	15000	15000	00.75	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00	0	0	0	0.00	0
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(2):	0	708650	708650	35.57	0	708650	708650	35.57	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	708650	708650	35.57	0	708650	708650	35.57	0



C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
Grand Total (A+B+C)	0	1992000	1992000	100	0	1992000	1992000	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Mragya Finance & Investment Private Limited	467200	23.45	0	467200	23.45	0	0
2	Peigeon Finance & Investment Private Limited	396050	19.88	0	396050	19.88	0	0
3	Pick-Me Holdings Quick Private Limited	420100	21.09	0	420100	21.09	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the shareholding of the Promoter



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

Sr.No	For Each of the Top 10 Shareholders	Date of Change	Shareholdings 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	Benhur Investment Company Private Limited	No Change	452650	22.72	452650	22.72
2	Five Star Trading & Investment Company Limited	No Change	241000	12.09	241000	12.09
3	Lakhwani Krishnachand	No Change	100	00.01	100	00.01
4	Bala Jajoo	No Change	100	00.01	100	00.01
5	Sushila Devi Jain	No Change	100	00.01	100	00.01
6	Pramil mathur	No Change	100	00.01	100	00.01
7	Renu Bhandari	No Change	100	00.01	100	00.01
8	Rekha Kotharil	No Change	100	00.01	100	00.01
9	Dinesh Mundra	No Change	100	00.01	100	00.01
10	B B Chandak	No Change	100	00.01	100	00.01

(v) Shareholding of Directors and Key Managerial Personnel: Nil

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable since there is no MD / WTD / Manager in the Company

B. Remuneration to other directors: Nil



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD – Not Applicable since there is no Key Managerial Personnel other than MD/Manager/WTD

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

**For and on behalf of the Board of Directors of
Kajal Synthetics And Silk Mills Limited**



G.M. Loyalka . *Rajashree Tapuriah*

G.M.Loyalka
Director
(DIN: 00299416)

Rajashree Tapuriah
Director
(DIN: 01655859)

Place : Mumbai

Date : 02.09.2016

Annexure II**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures****Part "A": Subsidiaries**

Name of the subsidiary	Nil
1. Date on which the subsidiary was acquired	
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
3. Share capital	
4. Reserves & surplus	
5. Total assets	
6. Total Liabilities	N.A
7. Investments	
8. Turnover	
9. Profit before taxation	
10. Provision for taxation	
11. Profit after taxation	
12. Proposed Dividend	
13. % of shareholding	

The following information shall be furnished:-

- Names of subsidiaries which are yet to commence operations: Nil**
- Names of subsidiaries which have been liquidated or sold during the year: Nil**



Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Park Avenue Engineering Limited	Five Star Trading & Investment Company Limited
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016
2. Date on which the Associate or Joint Venture was associated or acquired	24.03.2008	26.03.2008
3. Shares of Associate/Joint Ventures held by the company on the year end		
No.	2154250	120001
Amount of Investment in Associates/Joint Venture	2,24,60,251/-	1,20,30,020/-
Extend of Holding %	44.11%	47.05%
4. Description of how there is significant influence	Since the Company holds more than 20% equity capital, significant influence is assumed.	Since the Company holds more than 20% equity capital, significant influence is assumed.
5. Reason why the associate/joint venture is not consolidated	N.A	N.A
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	2,10,71,174/-	1,86,34,061/-
7. Profit / Loss for the year	(1,18,399/-)	13,22,201/-
i. Considered in Consolidation	(52,226/-)	6,22,096/-
ii. Not Considered in Consolidation	(66,173/-)	7,00,105/-



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Kajal Synthetics and Silk Mills Limited

29, Bank Street, 1st Floor, Fort,

Mumbai - 400 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Kajal Synthetics and Silk Mills Limited (hereinafter called "the Company") for the audit period covering the financial year ended on March 31, 2016. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on March 31, 2016, according to the provisions (to the extent applicable) of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of receipt of funds on non-repatriation basis from foreign investor;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Contd .. 2



:: 2 ::

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
2. I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
3. I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchange. During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. as mentioned above. The Company is in the process of appointing the Key Managerial Personnel. During the period under review, provisions of the following regulations were not applicable to the Company :
- (i) The Securities And Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - (ii) The Securities And Exchange Board of India (Buyback of Securities) Regulations, 1998
 - (iii) Secretarial Standards issued by The Institute of Company Secretaries of India (since not approved by the Central Government).

I further report that -

The Board of Directors of the Company is duly constituted with five Directors including Woman Director/ Independent Director.

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

All resolutions/decisions at the Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committee.



Contd .. 3

::3::

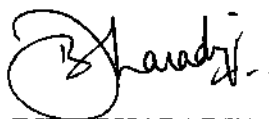
I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines except as mentioned above.

I further report that during the audit year there were no instances of:

- (i) Public issue of Equity Shares & Equity Warrants / Sweat Equity
- (ii) Buy-back of securities
- (iii) Merger / Amalgamation / Reconstruction, etc.
- (iv) Foreign Technical Collaborations

Place : Mumbai

Date : September 2, 2016



DILIP BHARADIYA

Proprietor

DILIP BHARADIYA & ASSOCIATES

FCS No.: 7956, C P No.: 6740



ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial years ended March 31, 2015 and March 31, 2016
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee along with Attendance Register held during the financial year under report
4. Minutes of General Body Meetings held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meetings and Committee Meetings
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report



The following information shall be furnished:-

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of
Kajal Synthetics And Silk Mills Limited



G.M. Loyalka
G.M.Loyalka
Director
(DIN: 00299416)

Rajashree Tapuriah
Rajashree Tapuriah
Director
(DIN: 01655859)

Place: Mumbai

Date: 02.09.2016

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF
KAJAL SYNTHETICS AND SILK MILLS LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **KAJAL SYNTHETICS AND SILK MILLS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements to give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;



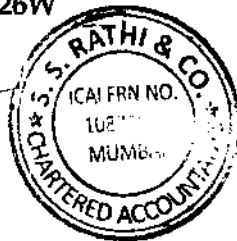
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the 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, we report that:
- i) The Company does not have any pending litigations which would impact its financial position other than those mentioned in notes to accounts.
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

FOR S.S. RATHI & CO.,
Chartered Accountants,
Firm Registration No. 108726W

Keyur P. Parekh

KEYUR P. PAREKH
PARTNER

Membership No.: 154489



PLACE: Mumbai
Date: 30.05.2016

KAJAL SYNTHETICS AND SILK MILLS LIMITED

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' of our report to the members of **KAJAL SYNTHETICS AND SILK MILLS LIMITED**, ('the Company') for the year ended on March 31, 2016. We report that:-

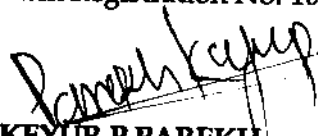
- i) As the Company does not own any fixed asset, Clause 3 (i) (a) of the Order relating to maintenance of records showing full particulars including quantitative details and situation of fixed assets, Clause 3 (i) (b) relating to physical verification 3(i) (c) thereof and Clause 3 (i) (c) relating to title deeds of Immovable properties are not applicable.
- ii) As the Company is not engaged in manufacturing and/or trading activities, it is not required to hold inventories and therefore, Clause 3(ii) relating to conduct of physical verification of inventories and reporting of any material discrepancies for inventories, etc. are not applicable.
- iii) The Company has not granted any loan, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013. Accordingly the provision of Clause 3 (iii) (a), (iii) (b) and 3 (iii) (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of Loans, Investments made, Guarantees, and Securities provided by it.
- v) The Company has not accepted any deposits from the public under the provisions of Section 73 and 74 of the Act and the rules framed there under.
- vi) We informed that the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the Company's activities.
- vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including, income-tax, service tax, and any other material statutory dues as applicable with the appropriate authorities in India.

(b) According to the information and explanations given to us and records of the Company examined by us, there are no dues which have not been deposited on account of any dispute in respect of Income-tax, Service Tax, Cess.



- viii) According to information and explanation given to us the Company has not defaulted in repayment of loans or borrowing to financial institution, bank, government dues or debenture holders.
- ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of frauds by the Company, or any frauds on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such case by the management.
- xi) The Company has not paid/provided any managerial remuneration in the current year and hence provisions of Clause 3(xi) of the aforesaid Order are not applicable to the Company.
- xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii) Based on our audit procedures and according to the information and explanations given to us by the management, the Company has not entered into any transaction with the related parties as referred in the provisions of the Section 177 and 188 of the Act and hence provisions of Clause 3(xiii) of the aforesaid Order are not applicable to the Company.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.
- xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained registration of the same from the Reserve Bank of India.

FOR S.S. RATHI & CO.,
Chartered Accountants,
Firm Registration No. 108726W


KEYUR P. PAREKH
PARTNER
Membership No.: 154489



PLACE: Mumbai
Date: 30.05.2016

KAJAL SYNTHETICS AND SILK MILLS LIMITED

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of KAJAL SYNTHETICS AND SILK MILLS LIMITED, ('the Company') for the year ended on March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited internal financial controls over financial reporting of KAJAL SYNTHETICS AND SILK MILLS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended on that date.

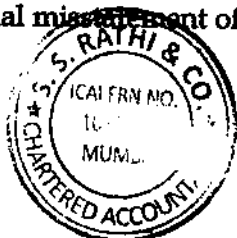
Management's Responsibility for the Internal Financial Controls

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of the 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, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform 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 procedure 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose 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 the transactions are recorded as necessary to permit preparation of financial statements in accordance with the 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 control 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.

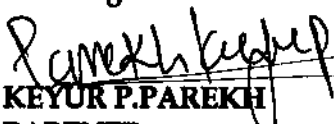
Opinion

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

FOR S.S. RATHI & CO.,

Chartered Accountants,

Firm Registration No. 108726W


KEYUR P. PAREKH
PARTNER

Membership No.: 154489

PLACE: Mumbai

Date: 30.05.2016



KAJAL SYNTHETICS AND SILK MILLS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2016

Particulars	Note No.	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,99,20,000	1,99,20,000
Reserves and Surplus	3	21,88,11,273	21,57,28,051
Non-Current Liabilities			
Current Liabilities			
Other current liabilities	4	1,17,750	44,944
Short-term provisions	5	12,488	1,55,109
Total		23,88,61,510	23,58,48,104
ASSETS			
Non-current assets			
Non-current investments	6	23,32,72,159	17,32,42,418
Long term loans and advances	7	4,16,305	4,22,466
Current assets			
Current investments	8	8,02,318	-
Cash and Cash Equivalents	9	2,08,162	1,39,751
Short-term loans and advances	10	33,00,000	5,77,50,000
Other current assets	11	8,62,566	42,93,469
Total		23,88,61,510	23,58,48,104
Significant Accounting Policies	1		

The accompanying Notes on Financial statement from Nos 16 to 28 are an integral part of the Financial Statements

As per our report of even date,

For S.S. RATHI & CO.

Chartered Accountants

Firm Reg. No.108726W

KEYUR P. PAREKH

Partner

Membership No. 154489



For and on behalf of the Board of Directors

Rajshree Tapuria

G.M. Loyalka

Director

DIN : 00299416

Rajshree Tapuria

Director

DIN : 01655859

Place : Mumbai

Date : 30.05.2016



KAJAL SYNTHETICS AND SILK MILLS LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

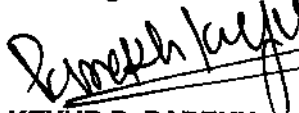
PARTICULARS	Note No.	For the Year ended on March 31, 2016 Rs.	For the Year ended on March 31, 2015 Rs.
INCOME			
Revenue from Operations	12	11,84,283	55,02,060
Other Income	13	28,82,850	1,83,588
Total Revenue		40,67,133	56,85,648
EXPENSES			
Employee benefit expenses	14	2,86,547	1,79,000
Other expenses	15	5,13,173	3,42,552
Total Expenses		7,99,720	5,21,552
Profit/(Loss) Before Tax		32,67,413	51,64,096
Tax expenses:			
Current tax		(1,80,000)	(15,61,000)
Tax adjustments for earlier years		(4,192)	(1,50,653)
		(1,84,192)	(17,11,653)
Profit/(Loss) for the year		30,83,221	34,52,443
Earnings per equity share of face value of Rs. 10 each			
Basic and Diluted in Rs.		1.55	1.73
Significant Accounting Policies	1		
The accompanying Notes on Financial statement from Nos 16 to 28 are an integral part of the Financial Statements			

As per our report of even date,

For **S.S. RATHI & CO.**

Chartered Accountants

Firm Reg. No.108726W


KEYUR P. PAREKH

Partner

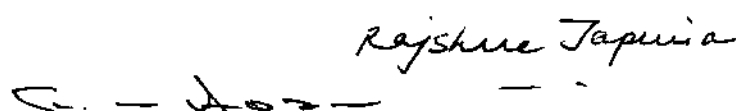
Membership No. 154489

Place : Mumbai

Date : 30.05.2016



For and on behalf of the Board of Directors


G.M. Loyalka

Director

DIN : 00299416

Rajshree Tapuria

Director

DIN : 01655859



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2016

NOTE. 1 - SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Accounts

The Financial Statements have been prepared on accrual basis, with due compliance of the relevant Directions of the Reserve Bank of India relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it and are in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

1.2 Recognition of Income & Expenditure

All Income and Expenditure are generally accounted for on accrual and prudent basis with due compliance of the guidelines of the Reserve Bank of India on Prudential Norms for Income recognition and Provisioning for Non-Performing Assets.

1.3 Investments:

Investments have been classified into long term investments and current investments in accordance with Accounting Standard 13 issued by the Institute of Chartered Accountants of India. Long term Investments are stated at cost. Current Investments are valued at lower of cost or market / fair valued determined by the category of Investment. Provisions in respect of diminution other than temporary, in the value of long term quoted investments are recognized on a prudent basis. Gains / Losses on disposal of Investments are recognized as income / expenditure.

1.4 Taxes on Income:

- a. Current Tax is determined as an amount of tax payable in respect of taxable income for the year.
- b. In accordance with the accounting standard 22 - Accounting for Taxes on Income - issued by The Institute of Chartered Accountants of India, the Deferred Tax for timing difference is accounted for using tax rates and laws that have been enacted or substantially enacted by the Balance Sheet Date.
- c. Deferred Tax Assets arising for timing differences are recognized only on consideration of prudence.

1.5 Retirement and other employee benefits :

- a. **Gratuity**
Company is providing Gratuity based on management estimate
- b. **Leave Encashment**
Leave encashment is accounted at the year end on actual basis and is charged to the Statement of Profit and Loss.

1.6 General

Accounting Policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principle.



KAJAL SYNTHETICS AND SILK MILLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	2015-16 Rupees	2014-15 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	32,67,413	51,64,096
ADJUSTMENTS		
Contingent provision against Standard Asset	(1,42,621)	(1,55,308)
Profit on sale of Current Investment (Net)	(58,659)	(28,280)
Loss on Sale of Investments	-	-
Provision for diminution in the value of Investments	(26,81,569)	70,568
Operating profit before working capital changes	3,84,563	50,51,076
Short term Loans & Advances	5,44,50,000	10,60,00,000
Other Current Assets	34,30,903	61,23,253
Long Term Loans & Advances	(14,050)	-
Short term Provisions	72,806	(22,921)
Cash generated from operations	5,83,24,222	11,71,51,408
Less : Direct Tax paid (net of refunds)	(1,63,981)	(15,66,222)
Net cash flow from operating activities	5,81,60,241	11,55,85,186
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Purchases of Current investment	(6,41,30,000)	(4,00,000)
Sale of Current investments	6,33,86,341	5,78,280
Purchases of Non Current investment	(10,00,00,000)	(11,57,14,028)
Sale of Non Current investments	4,26,51,828	-
Net cash flow from investing activities	(5,80,91,831)	(11,55,35,748)
C. CASH FLOW FROM FINANCING ACTIVITIES :-		
Net increase in cash & cash equivalent (A+B+C)	68,410	49,438
Cash and cash equivalents at the beginning of the year	1,39,751	90,313
Cash & Cash equivalents at the end of the year	2,08,162	1,39,751

Notes: 1) The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
2) Figures in brackets indicate cash outgo.
3) Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

This is the Cash Flow Statement referred to in our attached report of even date

For **S.S. RATHI & CO.**
Chartered Accountants
Firm Reg. No.108726W

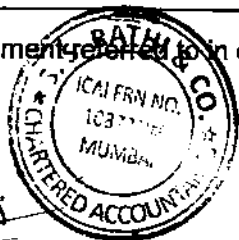
KEYUR P. PAREKH
Partner
Membership No. 154489

Place : Mumbai
Date : 30.05.2016

For and on behalf of the Board of Directors

(G.M. Loyalka)
Director
DIN : 00299416

(Rajshree Tapuria)
Director
DIN : 01655859



Rajshree Tapuria

KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2016

Note 2 - SHARE CAPITAL

	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
2 Authorised Share Capital		
20,00,000 (31 March 2015 : 20,00,000) Equity Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
	<u>2,00,00,000</u>	<u>2,00,00,000</u>
Issued, Subscribed and paid-up :		
19,92,000 (31 March 2015 : 19,92,000) Equity Shares of Rs. 10/- each	1,99,20,000	1,99,20,000
Total	<u>1,99,20,000</u>	<u>1,99,20,000</u>
2.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :		
Shares outstanding at the beginning of the year	19,92,000	19,92,000
Changes during the year	-	-
Shares outstanding at the end of the year	<u>19,92,000</u>	<u>19,92,000</u>

2.2 Terms/Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend, if any proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2016, the amount of dividend per share recognized as distributions to equity shareholders was Rs. Nil (Previous Year Rs. Nil)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the No. of equity shares held by the shareholders.

2.3 Details of Equity shareholders holding more than 5 % shares in the Company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Pick-Me-Quick Holdings Private Limited	4,20,100	21.09%	4,20,100	21.09%
Peigeon finance And Investment Private Limited	3,96,050	19.88%	3,96,050	19.88%
Benhur Investment Company Private Limited	4,52,650	22.72%	4,52,650	22.72%
Mragya Finance & Investment Private Limited	4,67,200	23.45%	4,67,200	23.45%
Five Star Trading & Investment Company Limited	2,41,000	12.10%	2,41,000	12.10%



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2016

	As at 31st March, 2016 Rs.		As at 31st March, 2015 Rs.	
Note 3 - RESERVES AND SURPLUS				
3.1 Capital Reserve				
Balance as per the last financial statement		2,06,69,380		2,06,69,380
3.2 General Reserve				
Balance as per the last financial statement		41,47,949		41,47,949
3.3 Reserve Fund under RBI Act, 1934				
Balance as per the last financial statement	5,25,97,412		5,19,06,923	
Add : Transfer from Surplus in the Statement of Profit and Loss.	<u>6,16,644</u>	5,32,14,056	<u>6,90,489</u>	5,25,97,412
3.4 Surplus in Statement of Profit and Loss :				
Balance as per the last financial statement	13,83,13,310		13,55,51,356	
Add: Profit for the year	<u>30,83,221</u>		<u>34,52,443</u>	
	14,13,96,531		13,90,03,799	
Less: Appropriations				
Transfer to Reserve Fund under RBI Act, 1934	<u>6,16,644</u>	14,07,79,887	<u>6,90,489</u>	13,83,13,310
Total Reserve and Surplus		<u>21,88,11,273</u>		<u>21,57,28,051</u>
Note 4 - OTHER CURRENT LIABILITIES				
Other Payables		1,17,750		44,944
		<u>1,17,750</u>		<u>44,944</u>
Note 5 - SHORT-TERM PROVISIONS				
Contingent provision against Standard Asset		12,488		1,55,109
Total		<u>12,488</u>		<u>1,55,109</u>



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2016

Note 6 - Non-Current Investments

	Face Value (Rs.)	As at March 31, 2016		Face Value (Rs.)	As at March 31, 2015	
		Quantity Nos.	Rs.		Quantity Nos.	Rs.
6.1 Non-trade Investments						
a Quoted, fully paid up In Equity Instruments						
Mangalam Timber Products Limited	10	3,52,838	98,66,263	10	3,52,838	98,66,263
Mangalam Cement Limited	10	-	-	10	23,525	59,10,203
Mansoon Trading Company Limited	10	3,66,000	43,88,304	10	3,66,000	43,88,304
Meenakshi Steel Industries Limited	10	2,55,500	90,46,821	10	2,55,500	90,46,821
Nilkanth Engineering Limited	10	2,06,000	62,86,317	10	2,06,000	62,86,317
Total			2,95,87,705			3,54,97,908
Less : Provision for Diminution in value of Quoted Investments			38,68,017			65,49,586
Total Quoted Investments (a)			2,57,19,688			2,89,48,322
b Unquoted-fully paid up						
Equity Shares of Associate Companies						
Five-Star Trading & Investment Company Limited	10	1,20,001	1,20,30,020	10	1,20,001	1,20,30,020
Park Avenue Engineering Limited	10	21,54,250	2,24,60,251	10	21,54,250	2,24,60,251
Equity Shares of Other Companies						
Aditya Bullions & Broking Private Limited	10	-	-	10	50,000	3,67,41,625
Arindam Sekhar Garments Marketing Private Limited	10	2,00,000	5,23,30,500	10	2,00,000	5,23,30,500
Niranjan Housing Private Limited	10	55,945	2,07,31,700	10	55,945	2,07,31,700
Total Unquoted Investments (b)			10,75,52,471			14,42,94,096
c Unquoted-fully paid up						
Preference Shares of Other Companies						
5% Cumulative Redeemable Fully Convertible Preference Shares of Niranjan Housing Private Limited	10	1,25,000	10,00,00,000	10	-	-
Total Unquoted Investments (c)			10,00,00,000			-
Total (a) + (b) + (c)			23,32,72,159			17,32,42,418

	Book Value		Market Value	
	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
Aggregate of Quoted Investments	2,57,19,688	2,89,48,322	79,52,996	1,15,22,020
Aggregate of Unquoted Investments	20,75,52,471	14,42,94,096	-	-
	23,32,72,159	17,32,42,418		

Note 7 - LONG TERM LOANS AND ADVANCES Unsecured, considered good

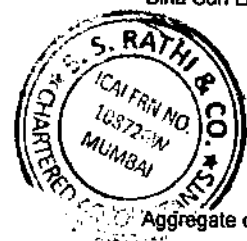
Advance Income Tax (Net of provisions for tax)			
Taxes Paid		5,82,255	19,83,466
Less : Provision for Taxes		(1,80,000)	(15,81,000)
		4,02,255	4,22,466
Loans and advances			
Advance to an employee		14,050	-
Total		4,16,305	4,22,466

Note 8 - CURRENT INVESTMENTS

Investment in Mutual Funds Unquoted - fully paid up

Birla Sun Life Cash Plus - Growth Regular Plan	100	3,410,442	8,02,318	100	-
Total			8,02,318		-

	Book Value		Repurchase Value	
	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
Aggregate of Unquoted Investments	8,02,318	-	8,27,967	-
	8,02,318	-	8,27,967	-



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2016

	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
Note 9 - CASH AND CASH EQUIVALENTS		
Cash on Hand	4,420	4,577
Balance with a Bank on Current Account	2,03,742	1,35,174
Total	2,08,162	1,39,751
Note 10 - SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans	33,00,000	5,77,50,000
	33,00,000	5,77,50,000
Note 11 - OTHER CURRENT ASSETS		
Other Advances	8,62,566	42,93,469
	8,62,566	42,93,469
	For the Year ended on March 31, 2016 Rs.	For the Year ended on March 31, 2015 Rs.
Note 12 - REVENUE FROM OPERATIONS		
Interest Income	11,84,283	55,02,060
Total	11,84,283	55,02,060
Note 13 - OTHER INCOME		
Net gain on Redemption of Units of Mutual Fund	58,659	28,280
Contingent Provision against Standard Asset	1,42,621	1,55,308
Provision for diminution in the value of Investments written back	26,81,569	-
Total	28,82,850	1,83,588
Note 14 - EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	2,20,547	1,79,000
Gratuity	66,000	-
Total	2,86,547	1,79,000
Note 15 - OTHER EXPENSES		
Advertisement Expenses	21,480	32,640
Bank Charges	435	791
Filing Fees	9,600	10,200
Legal and Professional Charges	8,145	12,000
Listing Fees	2,24,720	1,12,360
Demat Account Charges	2,881	899
Conveyance	45,360	38,108
General Expenses	213	1,503
Security Transaction Tax paid	7,071	-
Secretarial Audit Fees	22,800	-
Loss on Sale of Shares	97,532	-
Payment to Auditors :		
As Auditors		
Audit Fees	45,000	40,000
Income Tax matters	7,500	5,000
Certification Fees	10,500	11,500
Reimbursement of Service tax	9,936	6,983
Provision for diminution in the value of Investments	-	70,568
Total	5,13,173	3,42,552



KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to Financial Statements for the year ended 31st March, 2016

Note - 16

Contingent Liability not provided for in respect of

- a Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (Previous year Rs. Nil)
- b Other Contingent Liability - Rs. Nil (Previous Year. Rs. Nil)

Note - 17

In the opinion of the Board of Directors, the current assets, loans and advances, etc are approximately of the value stated in the accounts, if realized in the ordinary course of business, unless otherwise stated. The provision of all known liabilities is adequate and not in excess / short of amount considered reasonably necessary.

Note - 18

While determining diminution, other than temporary, in the value of the long term quoted investments, the objective of such investments and the asset base of the investee companies have been considered. In view thereof, the decline, if any, in the market value of such investments is considered to be of a temporary nature.

Note - 19

The Company is duly registered with the Reserve Bank of India (RBI) as a Non Banking Financial Company (NBFC) and the accounts have been prepared on the basis of relevant RBI guidelines.

Note - 20

In Compliance of Section 45-IC of the Reserve Bank of India Act 1934, the Company has created Special Reserve out of the profits after tax for the year.

Note 21 - Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

Sr. No	Particulars	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
i	Principal amount remaining unpaid and Interest due thereon.	NIL	NIL
ii	Interest paid in term of Section 16.	NIL	NIL
iii	Interest due and payable for the period of delay in payment.	NIL	NIL
iv	Interest accrued and remaining unpaid.	NIL	NIL
v	Interest due and payable even in succeeding years.	NIL	NIL

Note - 22

The Company is engaged in only one business segment i.e. Non Banking Financial Services (granting of loans, making Investments, etc.) and as such there are no separate reportable segments in accordance with Accounting Standard (AS) - 17 (Segment Reporting) issued by the Institute of Chartered Accountants of India.

Note - 23

No Deferred Tax Assets have been recognized on the carried forward Losses as per the Income Tax Act, 1961 considering the prudence aspect. However, the position would be reviewed on yearly basis.

Note - 24

The Company is registered with Reserve Bank of India as a NBFC. Accordingly, the Company has been legally advised that the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.



Note - 25

In compliance with AS-20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India the disclosures are as follows

Particulars	2015-16	2014-15
Calculation of Weighted average number of Equity Shares of Rs. 10/- each, fully paid up		
Number of shares at the beginning of the year	19,92,000	19,92,000
Shares issued during the year	Nil	Nil
Total number of equity shares outstanding at the end of the year	19,92,000	19,92,000
Net Profit after tax available for equity shareholders (Rs.)	30,83,221	34,52,443
Basic and diluted earnings per share (Rs.)	1.55	1.73

Note - 26

The Management has identified the following companies and individuals as Related Parties of the Company for the year ended March 31, 2016 for the purpose of reporting of Related Party disclosure as required in terms of Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

Name of the Related Parties :

1) Key Management Personnel /Directors :

a. Shri G.M.Loyalka

Director

2) Name of the Related Parties:

Name of the Party	Nature of relationship	Nature of Transaction
Benhur Investment Company Private Limited *	Associate Company	Nil
Five Star Trading & Investment Company Limited	Associate Company	Nil
Mragya Finance & Investment Private Limited *	Associate Company	Nil
Pick-Me-Quick Holdings Private Limited *	Associate Company	Nil
Park Avenue Engineering Limited	Associate Company	Nil

* In respect of which the Company is an Investee

The Company has confirmed that none of the transactions, if any, with the related parties were in material conflict with the interest of the Company.

Note - 27

As per the provisions of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Company is a Non Systemically Important Non Deposit Accepting Company since the asset size of the Company is less than Rs.500 Crores as at 31.03.2016. Further, the provisions of the said Directions are not applicable to the Company (since the Company does not have any Public Fund) except Para 15 relating to submission of a Certificate from Statutory Auditor to the Reserve Bank of India on an annual basis.

Note - 28

Previous year's figures have been regrouped/reclassified wherever necessary to conform with the current year's classification/disclosure.

As per our report of even date,
For S.S. RATHI & CO.
Chartered Accountants
Firm Reg. No.108726W

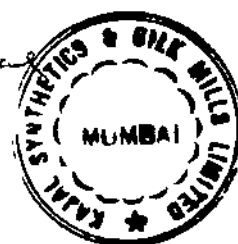
For and on behalf of the Board of Directors

KEYUR P. PAREKH
Partner
Membership No. 154489



G.M. Loyalka
Director
DIN : 00299416

Rajshree Tapuria
Director
DIN : 01655859



Place : Mumbai
Date : 30.05.2016



INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
KAJAL SYNTHETICS AND SILK MILLS LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KAJAL SYNTHETICS AND SILK MILLS LIMITED** ("the Parent Company") and its Associate Company's (the Parent Company and its Associate Company's together referred to as "the Group"), which comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statement").

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into accounts 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 Rules made there under.

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



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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of Other matter below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

Other Matters

- a) We did not audit the financial statements of the Associate Company's whose standalone financial statements reflect net assets of Rs. 8,73,74,413 and share in profit of Rs. 6,17,803 for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures to the these Associate Company's is based on the reports of the other auditors.
- b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, 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 purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion and the opinion of other auditors, proper books of account as required by law relating to the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and records of the other auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained by the Parent Company for the purpose of preparation of the consolidated financial statements.
- d) In our opinion and the opinion of other auditors, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the Parent Company as on March 31, 2016, and taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of Associate Company's incorporated in India, none of the directors of the Group disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls relevant to the preparation of the consolidated financial statements, we refer to Annexure-A of our separate report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the 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, we report that;
- i) There were no pending litigations which would impact the consolidated financial position of the Group.
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its Associates Company.

For S S Rathi & Co,
Chartered Accountants
(Registration No. 108726W)


KEYUR P PAREKH
Partner

Membership No.: 154489
Place: Mumbai
Date: September 2, 2016



Annexure A to Independent Auditors' Report

Referred to in paragraph of the Independent Auditors' Report of even date to the members of KAJAL SYNTHETICS AND SILK MILLS LIMITED on the Consolidated financial statements for the year ended 31 March, 2016.

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 financial statements of the Company as of and for the year ended March 31, 2016, we report on internal financial controls over financial reporting of **KAJAL SYNTHETICS AND SILK MILLS LIMITED**. ('the Parent Company') as of 31 March, 2016 and its Associate Company's , incorporated in India, based on the auditor's report of said entity.

Management's Responsibility for Internal Financial Controls

1. The respective Board of Directors of the Parent Company and the Associate Company, 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

2. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company and its Associate Company's, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and in terms of other auditor's report referred to in paragraph (a) 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 Group and its associate Company's.



Meaning of Internal Financial Controls over Financial Reporting

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

4. 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

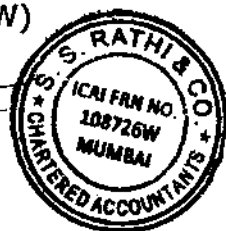
5. In our opinion, to the best of our information and according to the explanations given to us and based on auditor's report of an Associate, the Parent Company, and its Associate, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the ICAI.

Other Matters

(a) Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to an Associate Company's which are Companies incorporated in India, is based on the corresponding reports of the auditors of such Company's.

For S S Rathi & Co,
Chartered Accountants
(Registration No. 108726W)


Keyur P Parekh
Partner
Membership No.: 154489



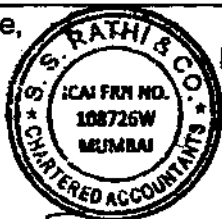
Place: Mumbai
Date: September 2, 2016

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

Particulars	Note No.	As at 31st March, 2016 Rs.
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	2	1,99,20,000
Reserves and Surplus	3	21,96,27,781
Non-Current Liabilities		
Current Liabilities		
Other current liabilities	4	1,17,750
Short-term provisions	5	12,488
Total		23,96,78,019
ASSETS		
Non-current assets		
Non-current investments	6	23,40,88,668
Long term loans and advances	7	4,16,305
Current assets		
Current investments	8	8,02,318
Cash and Cash Equivalents	9	2,08,162
Short-term loans and advances	10	33,00,000
Other current assets	11	8,62,566
Total		23,96,78,019
Significant Accounting Policies	1	
The accompanying Notes on Financial statement from Nos 16 to 28 are an integral part of the Financial Statements		

As per our report of even date,
For S.S. RATHI & CO.
Chartered Accountants
Firm Reg. No. 108726W



For and on behalf of the Board of Directors

Keyur P. Parekh
KEYUR P. PAREKH
Partner
Membership No. 154489

G.M. Loyalka
G.M. Loyalka
Director
DIN : 00299416

Rajshree Tapuria
Rajshree Tapuria
Director
DIN : 01655859

Place : Mumbai

Date : 2 SEP 2016



KAJAL SYNTHETICS AND SILK MILLS LIMITED**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

PARTICULARS	Note No.	For the Year ended on March 31, 2016 Rs.
INCOME		
Revenue from Operations	12	11,84,283
Other Income	13	28,82,849
Total Revenue		40,67,132
EXPENSES		
Employee benefit expenses	14	2,86,547
Other expenses	15	5,13,173
Total Expenses		7,99,720
Profit/(Loss) Before Tax		32,67,412
Tax expenses:		
Current tax		(1,80,000)
Tax adjustments for earlier years		(4,192)
Profit/(Loss) for the year		(1,84,192)
Share of Profit of Associates		30,83,220
Profit/(Loss) after Tax And Share of Profit of Associates		5,69,870
Earnings per equity share of face value of Rs. 10 each Basic and Diluted in Rs.		36,53,090
		1.83
Significant Accounting Policies	1	
The accompanying Notes on Financial statement from Nos 16 to 28 are an integral part of the Financial Statements		

As per our report of even date,
For S.S. RATHI & CO.
Chartered Accountants
Firm Reg. No.108726W



KEYUR P. PAREKH
Partner
Membership No. 154489

For and on behalf of the Board of Directors

G.M. Loyalka
Director
DIN : 00299416

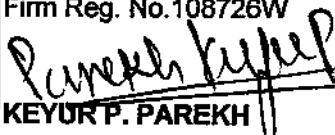

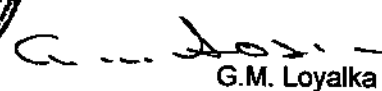
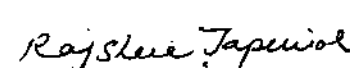

Rajshree Tapuria
Director
DIN : 01655859

Place : Mumbai

Date : **2 SEP 2016**



KAJAL SYNTHETICS AND SILK MILLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	2015-16 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Profit / (Loss) before Tax	32,67,412
ADJUSTMENTS	
Contingent provision against Standard Asset	(1,42,621)
Profit on sale of Current Investment (Net)	(58,659)
#REF!	(26,81,569)
Operating profit before working capital changes	3,84,563
Short term Loans & Advances	5,44,50,000
Other Current Assets	34,30,903
Long Term Loans & Advances	(14,050)
Short term Provisions	72,806
Cash generated from operations	5,83,24,222
Less : Direct Tax paid (net of refunds)	(1,63,981)
Net cash flow from operating activities	5,81,60,241
B. CASH FLOW FROM INVESTING ACTIVITIES :-	
Purchases of Current investment	(6,41,30,000)
Sale of Current investments	6,33,86,341
Purchases of Non Current investment	(10,00,00,000)
Sale of Non Current investments	4,26,51,828
Net cash flow from investing activities	(5,80,91,831)
C. CASH FLOW FROM FINANCING ACTIVITIES :-	
Net increase in cash & cash equivalent (A+B+C)	68,410
Cash and cash equivalents at the beginning of the year	1,39,751
Cash & Cash equivalents at the end of the year	2,08,162
Notes: 1) The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India. 2) Figures in brackets indicate cash outgo. 3) Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.	
This is the Cash Flow Statement referred to in our attached report of even date For S.S. RATHI & CO. Chartered Accountants Firm Reg. No.108726W  KEYUR P. PAREKH Partner Membership No. 154489 	
For and on behalf of the Board of Directors  G.M. Loyalka Director DIN : 00299416  Rajshree Tapuria Director DIN : 01655859 	
Place : Mumbai Date : 2 SEP 2016	

KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

NOTE. 1

1. Basis of preparation of consolidated financial statements

The consolidated financial statements of Kajal Synthetics And Silk Mills Limited ('the Company') and its associates company have been prepared on the basis of historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and comply in all material respects with the Standards notified under section 133 of the companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements are presented in Indian rupees.

2. Principals of Consolidation

A. The consolidated financial statements of the Company and its associates have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the companies (Accounts) Rules 2014.

B. The consolidated financial statements have been prepared on the following basis:

Investments in associates are accounted under equity method as per Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Under the equity method, the investment is initially recorded at cost, identifying goodwill/capital reserve arising at the time of acquisition and the carrying amount is increased/ decreased to recognize Group's share of profits/losses of the associates after the date of acquisition. Goodwill/Capital reserve arising on acquisition of the associates is included in the carrying amount of the respective investments. Unrealized profits resulting from transactions between the Group and the associates are eliminated to the extent of Group's interest in the associates. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

C. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

D. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

E. The companies considered in the consolidated financial statements are listed below:-

Sr. No	Name of the Company	Country of Incorporation	Date Of Becoming Associate	% Holding as on 31.3.2016
> Associate Company:				
1	Five Star Trading & Investment Company Limited	India	26/03/2008	47.05%
2	Park Avenue Engineering Limited	India	24/03/2008	44.11%

3. Significant Accounting Policies

A. Use of estimates

The preparation of consolidated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to carrying amounts of assets or liabilities in future periods

B. Revenue Recognition

- i. The Group's income from operation is accounted for on accrual basis.
- ii. Dividend Income is recognized when the right to receive the dividend is established.
- iii. Revenue from sale of shares is recognized as per the terms of the contract/agreement entered into with the parties when the relevant conditions of the contract/agreement are performed.
- iv. Revenue from Sale of goods is recognized upon passage of title to the customer which would generally coincide with delivery thereof. Claims due to uncertainty in realization are accounted for an acceptance / cash basis.
- v. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- vi. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9) -Revenue Recognition. Accordingly, wherever there are uncertainties in the ascertainment / realisation of income such as interest from Parties (including the financial condition of the person from whom the same is to be realized), the same is not accounted for.

C. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The Investments are classified as Quoted & Unquoted Investments and valued as under:-

- a. Long term Investments are stated at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each Investment.
- b. Current Investments are stated at lower of cost and fair market value determined by category of Investments.

D. Taxation

- a. Current Tax: A provision for current income tax is made on the taxable income using the applicable tax rates and tax laws.
- b. Deferred Tax: Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

E. Earnings per share

Basic Earnings per share are computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculated Diluted Earnings per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

F. Provisions / contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Contingent liabilities are not provided for and are disclosed in the Notes on Accounts. Contingent assets are not recognised.

G. Retirement benefits

(i) Gratuity

Company is providing Gratuity based on management estimate.

(ii) Leave Encashment

Leave encashment is accounted at the year end on actual basis and is charged to the Statement of Profit and Loss.



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2016

Note 2 - SHARE CAPITAL

	As at 31st March, 2016 Rs.
2 Authorised Share Capital	
20,00,000 (31 March 2015 : 20,00,000) Equity Shares of Rs. 10/- each	2,00,00,000
	<u>2,00,00,000</u>
Issued, Subscribed and paid-up :	
19,92,000 (31 March 2015 : 19,92,000) Equity Shares of Rs. 10/- each	1,99,20,000
Total	<u>1,99,20,000</u>

2.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :

Shares outstanding at the beginning of the year	19,92,000
Changes during the year	-
Shares outstanding at the end of the year	<u>19,92,000</u>

2.2 Terms/Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend, if any proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2016, the amount of dividend per share recognized as distributions to equity shareholders was Rs. Nil (Previous Year Rs. Nil)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the No. of equity shares held by the shareholders.

2.3 Details of Equity shareholders holding more than 5 % shares in the Company

Particulars	As at 31st March, 2016	
	No. of Shares held	% of holding
Pick-Me-Quick Holdings Private Limited	4,20,100	21.09%
Peigeon finance And Investment Private Limited	3,96,050	19.88%
Benhur Investment Company Private Limited	4,52,650	22.72%
Mragya Finance & Investment Private Limited	4,67,200	23.45%
Five Star Trading & Investment Company Limited	2,41,000	12.10%



KAJAL SYNTHETICS AND SILK MILLS LIMITED**Notes to Financial Statements for the year ended 31 March, 2016**

**As at
31st March, 2016
Rs.**

Note 3 - RESERVES AND SURPLUS**3.1 Capital Reserve**

Balance as per the last financial statement

2,06,69,380

3.2 General Reserve

Balance as per the last financial statement

41,47,949

3.3 Reserve Fund under RBI Act, 1934

Balance as per the last financial statement

5,25,97,412

Add : Transfer from Surplus in the Statement of
Profit and Loss.

6,16,644

5,32,14,056

3.4 Surplus in Statement of Profit and Loss :

Balance as per the last financial statement

13,83,13,310

Add: Profit for the year

36,53,090

Share of Profit of Associate at the beginning

2,46,639

14,22,13,039

Less: Appropriations

Transfer to Reserve Fund under RBI Act, 1934

6,16,644

14,15,96,395

Total Reserve and Surplus

21,96,27,781

Note 4 - OTHER CURRENT LIABILITIES

Other Payables

1,17,750

1,17,750

Note 5 - SHORT-TERM PROVISIONS

Contingent provision against Standard Asset

12,488

Total

12,488



Notes to Consolidated Financial Statements for the year ended 31 March, 2016

Note 6 - Non-Current Investments

	Face Value (Rs.)	As at March 31, 2016	
		Quantity Nos.	Rs.
6.1 Non-trade Investments			
a Quoted, fully paid up			
In Equity Instruments			
Mangalam Timber Products Limited	10	3,52,838	98,66,263
Mansoon Trading Company Limited	10	3,66,000	43,88,304
Meenakshi Steel Industries Limited	10	2,55,500	90,46,821
Nilkanth Engineering Limited	10	2,06,000	62,86,317
Total			2,95,87,705
Less : Provision for Diminution in value of Quoted Investments			38,68,017
Total Quoted Investments (a)			2,57,19,688
b Unquoted-fully paid up			
Equity Shares of Associate Companies			
Five-Star Trading & Investment Company Limited (Including goodwill as mentioned below)	10	1,20,001	1,53,32,565
Add: Post Acquisition Profit/(Loss)			33,01,493
Add: Goodwill/(Capital Reserve) on Investment in Associates			(33,02,545)
			1,53,31,513
Park Avenue Engineering Limited (Including goodwill as mentioned below)	10	21,54,250	2,49,36,440
Add: Post Acquisition Profit/(Loss)			(24,84,984)
Add: Goodwill/(Capital Reserve) on Investment in Associates			(24,76,189)
			1,99,75,267
Equity Shares of Other Companies			
Arindam Sekhar Garments Marketing Private Limited	10	2,00,000	5,23,30,500
Niranjan Housing Private Limited	10	55,945	2,07,31,700
Total Unquoted Investments (b)			10,83,68,980
c Unquoted-fully paid up			
Preference Shares of Other Companies			
5% Cumulative Redeemable Fully Convertible Preference Shares of Niranjan Housing Private Limited	10	1,25,000	10,00,00,000
Total Unquoted Investments (c)			10,00,00,000
Total (a) + (b) + (c)			23,40,88,668
	Book Value		Market Value
	As at		As at
	31st March,		31st March,
	2016		2016
	(Rs.)		(Rs.)
Aggregate of Quoted Investments	2,57,19,688		79,52,996
Aggregate of Unquoted Investments	20,83,68,980		-
	23,40,88,668		79,52,996



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2016

	As at 31st March, 2016
Rs.	Rs.
Note 7 - LONG TERM LOANS AND ADVANCES	
Unsecured, considered good	
Advance Income Tax (Net of provisions for tax)	
Taxes Paid	5,82,255
Less : Provision for Taxes	<u>(1,80,000)</u>
	4,02,255
Loans and advances	
Advance to an employee	<u>14,050</u>
Total	<u>4,16,305</u>

Note 8 - CURRENT INVESTMENTS

Investment in Mutual Funds	Face Value	As at March 31, 2016	
Unquoted - fully paid up		Quantity	Rs.
	(Rs.)	Nos.	
Birla Sun Life Cash Plus - Growth Regular Plan	100	3,410.442	8,02,318
Total			<u>8,02,318</u>
	Book Value	Repurchase Value	
	As at	As at	
	31st March,	31st March,	
	2016	2016	
	(Rs.)	(Rs.)	
Aggregate of Unquoted Investments	<u>8,02,318</u>	<u>8,27,967</u>	
	<u>8,02,318</u>	<u>8,27,967</u>	
		As at	
		31st March, 2016	
	Rs.	Rs.	

Note 9 - CASH AND CASH EQUIVALENTS

Cash on Hand	4,420
Balance with a Bank on Current Account	2,03,742
Total	<u>2,08,162</u>

Note 10 - SHORT TERM LOANS AND ADVANCES

Unsecured, considered good	
Loans	33,00,000
	<u>33,00,000</u>

Note 11 - OTHER CURRENT ASSETS

Interest accrued on Loans	8,62,566
	<u>8,62,566</u>



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2016

For the
Year ended on
March 31, 2016
Rs.

Note 12 - REVENUE FROM OPERATIONS

Interest Income	11,84,283
Total	11,84,283

Note 13 - OTHER INCOME

Net gain on Redemption of Units of Mutual Fund	58,659
Contingent Provision against Standard Asset	1,42,621
Provision for diminution in the value of Investments written back	26,81,569
Total	28,82,849

Note 14 - EMPLOYEE BENEFIT EXPENSES

Salary, Wages and Bonus	2,20,547
Gratuity	66,000
Total	2,86,547

Note 15 - OTHER EXPENSES

Advertisement Expenses	21,480
Bank Charges	435
Filing Fees	9,600
Legal and Professional Charges	8,145
Listing Fees	2,24,720
Demat Account Charges	2,881
Conveyance	45,360
General Expenses	213
Security Transaction Tax paid	7,071
Secretarial Audit Fees	22,800
Loss on Sale of Shares	97,532
Payment to Auditors :	
As Auditors	
Audit Fees	45,000
Income Tax matters	7,500
Certification Fees	10,500
Reimbursement of Service tax	9,936
Total	5,13,173



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

16. Contingent Liability in respect of income tax demands raised/arrears by the Income Tax department but disputed by the Company is Rs. 5,62,051/-.
17. As per the provisions of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Company is a Non Systemically Important Non Deposit Accepting Company since the asset size of the Company is less than Rs. 500 Crores as at 31.03.2016. Further the provisions of the said directions are not applicable to the Company (since the company does not have any public fund) except Para 15 relating to submission of a certificate from Statutory Auditor to the Reserve Bank of India on an annual basis.
18. The Group is primarily engaged in investment & financial activities. These in context of Accounting Standard -17 on Segment Reporting in the opinion of the management, are considered to one single Primary Segment.
19. There were no dues outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors (Previous Year – Nil).
20. In Compliance of Section 45-IC of the Reserve Bank of India Act 1934, the Parent Company has created Special Reserve out of the profits after tax for the year.
21. No Deferred Tax Assets have been recognized on the carried forward Losses as per the Income Tax Act, 1961 considering the prudence aspect. However, the position would be reviewed on yearly basis.
22. In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made of funds all known liabilities.
23. In case of associate, in the opinion of management amount of Gratuity is not certain therefore not provided.
24. Earnings Per Share

Particulars	For the Year Ended March 31,2016
(a) Calculation of weighted average number of Equity Shares of Rs. 10/- each	
No. of Equity Shares at the beginning of the year	19,92,000
Equity Shares issued during the year	NIL
Total number of Equity Shares outstanding at the end of the year	19,92,000
(b) Net Profit / (Loss) after tax available for equity shareholders (Rs.)	36,53,090
(c) Basic and diluted Earnings per Equity Share of Rs. 10/- each	1.83



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

25. Additional information as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Associate Companies:

Name of Entities	Net Assets i.e. Total Assets minus Total Liability		Share in profit or loss	
	As % of Consolidated net assets	Amount (Rs.)	As % of Consolidated profit or loss	Amount (Rs.)
Parent				
Kajal Synthetics And Silk Mills Limited	99.65%	23,87,31,273	84.40%	30,83,221
Total	99.65%	23,87,31,273	84.40%	30,83,221
Associates (Investments as per the equity method)				
a) Indian				
Five Star Trading & Investment Company Limited	6.41%	1,53,53,848	17.03%	6,22,096
Park Avenue Engineering Limited	8.34%	1,99,90,368	-1.43%	(52,226)
Sub Total		3,53,44,216		5,69,870
Less: Adjustment on account of Inter Company Elimination	-14.40%	(3,44,90,271)	0.00%	-
Grand Total	100.00%	23,95,85,218	100.00%	36,53,091

26. Statement pursuant to section 129(3) of the Companies Act, 2013 relating to Associate Companies :-:

Name of Associate Company	Park Avenue Engineering Ltd.	Five Star Trading And Investment Company Ltd.
Latest audited Balance Sheet Date	31-03-2016	31-03-2016
Date on which the Associate was associated or acquired	24.03.2008	26.03.2008
Share of Associate held by the company on the year end:		
Number of Shares	21,54,250	1,20,001
Amount of Investment in Associates (In lacs)	2,24,60,251	12,030,020
Extend of Holding(%)	44.11%	47.05%
Description of how there is significant influence	Refer Note 1	Refer Note 1
Reasons why the associate is not consolidated	NA	NA
Net worth attributable to shareholding as per latest Audited Balance Sheet	2,24,51,457	1,86,34,057



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2016

Profit or Loss for the year		
i. Considered in Consolidation	(52,226)	6,22,096
ii. Not Considered in Consolidation	(66,173)	7,00,105

Note 1:

- a) There is a significant influence due to percentage (%) of share capital.
- b) The above statement also indicates Performance of the Associates.
- c) Name of associate which are yet to commence operations:
None
- d) Name of associate which have been liquidated or sold during the year:
None

27. Related Party Disclosures:-

I. Other Related Parties with whom the company had transactions:-

Name of the Company	Nature of Relationship	Nature of Transaction
Benhur Investment Company Private Limited	Associate Company	Nil
Five Star Trading & Investment Company Limited	Associate Company	Nil
Mragya Finance & Investment Private Limited	Associate Company	Nil
Pick-Me Quick Holdings Private Limited	Associated Company	Nil
Park Avenue Engineering Limited	Associate Company	Nil

II. During the year, there were no transactions with any of the related parties.

28. Comparative figures for the previous year have not been presented in view of the Transition provision of Accounting Standard 21 'Consolidated Financial Statements. Further in the preparation of the cash flow statement from the current year, management certified accounts of the previous year have been considered.

As per our report of even date attached

FOR S.S. RATHI & CO.,
Chartered Accountants,
Firm Registration No. 108726W

KEYUR P. PAREKH
PARTNER
Membership No.: 154489

Mumbai:

Date: **2 SEP 2016**



For and on behalf of the Board of Directors

G.M. Loyalka
Director

Rajshree Tapuria
Director

