

Ref.: BSE/30thAR/Reg34/2017-18

04th October, 2017

**Dept. of Corporate Services (CRD)**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**Scrip Code: 514322**

Dear Sirs,

**Sub.: Submission of Annual Report under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to inform that the Members of the Company at their Thirtieth Annual General Meeting ("AGM") held on Tuesday, 19th September, 2017 have approved and adopted Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.

We enclose herewith the Annual Report of the Company for the Financial Year 2016-17.

Kindly take the aforesaid on records.

Thanking you,

Yours faithfully,

for **Kamadgiri Fashion Limited**



**Siddhant Singh**  
**Company Secretary**

**Encl.: as above**



**KAMADGIRI**  
FASHION LIMITED

**ANNUAL REPORT**  
**2016-17**





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# KAMADGIRI FASHION LIMITED

CIN: L17120MH1987PLC042424

## BOARD OF DIRECTORS

Mr. Pradip Kumar Goenka	:	Chairman & Managing Director
Mr. Lalit Goenka	:	Director
Mr. Rahul Mehta	:	Director
Mr. Sanjeev Maheshwari	:	Director
Mr. Anil Biyani	:	Director
Ms. Bindu Shah	:	Director

CHIEF EXECUTIVE OFFICER	:	Mr. Abhay Kumat
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CHIEF FINANCIAL OFFICER	:	Mr. Jagdish Prasad Dave
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COMPANY SECRETARY	:	Mr. Siddhant Singh
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AUDITORS	:	M/s. Haribhakti & Co. LLP Chartered Accountants, Mumbai.
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BANKERS	:	State Bank of India Bank of Baroda
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# KAMADGIRI FASHION LIMITED

CIN: L17120MH1987PLC042424

REGISTERED OFFICE	:	B-104, The Qube, Off M.V. Road Marol, Andheri (E), Mumbai - 400 059 Website : <a href="http://www.kflindia.com">www.kflindia.com</a>
FACTORY/PLANT	:	43/2, 42/1, Ganga Devi Road, Umbergaon - 396 171 Dist. Valsad (Gujarat).  C-4/2/2, MIDC, Tarapur - 401 506 Dist. Thane (Maharashtra).  J-72/1, MIDC, Tarapur - 401 506 Dist. Thane (Maharashtra).
REGISTRAR & SHARE TRANSFER AGENT	:	Sharex Dynamic (India) Pvt. Ltd. Unit No.1, Luthra Industrial Premises Safed Pool, Andheri Kurla Road Andheri East, Mumbai – 400 072. Tel: 022 28515606/28515644 Fax: 022 28512885 Email: <a href="mailto:sharexindia@vsnl.com">sharexindia@vsnl.com</a>
VENUE OF ANNUAL GENERAL MEETING	:	Hotel Mirage International Airport Approach Road, Marol, Andheri (East) Mumbai - 400 059 Tel: 022 66721234/66721200



## KAMADGIRI FASHION LIMITED

### DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the Thirtieth Annual Report on the business and operation of the Company together with the Audited Financial Statements for the year ended 31st March, 2017.

#### FINANCIAL HIGHLIGHTS

(₹ in Lakh)

Particulars	2016-17	2015-16
Turnover	30,994.15	30,023.81
Other Income	20.78	38.26
<b>Profit before tax</b>	<b>372.59</b>	<b>320.20</b>
Less: Provision for current tax	220.00	(164.78)
Less: Net deferred tax liability/(asset)	(96.68)	(34.72)
<b>Profit for the year</b>	<b>249.27</b>	<b>190.14</b>
Add: Balance brought forward	1,173.46	1,091.04
Profit available for appropriation	1,422.73	1,281.18
<b>Appropriation:</b>		
Transferred to General Reserve	-	9.51
Proposed dividend	-	81.60
Tax on proposed dividend	-	16.61
<b>Balance carried forward</b>	<b>1,422.73</b>	<b>1,173.46</b>

#### OPERATIONS

During the year under review, the Company has achieved a turnover of ₹ 30,994.15 lakh as compared to ₹ 30,023.81 lakh in the previous year. Accordingly, there was a growth of 3.23%. The Profit after tax for the financial year 2016-17 was ₹ 249.27 lakh as compared to ₹ 190.14 lakh during the previous year which resulted in a growth of 31.10%.

The Company has been working on various measures to reduce cost and increase the efficiency.

#### FUTURE PLANS

The Company continues to concentrate on its core strength of weaving, manufacturing and trading of 'value for money' category of fabrics and ready-made apparels through its distribution networks, also sale of fabrics to garment manufacturers and also contract manufacturing of readymade garments to brands. The Company has embarked upon modernisation and expansion plan to improve overall efficiency. During the current financial year, the Company proposes to replace 24 Sulzer Looms with high speed 20 Rapier Looms and Automatic Drawing Machines from Staubli. This will help in improving efficiency with less manpower requirements. Further, the Company proposes to increase its garmenting division capacity to 4000 pieces per day by adding new space for cutting and finishing work and outsourcing stitching job to third parties. These initiatives will ensure more output with reduced cost and increased efficiency.

#### EQUITY SHARE CAPITAL

During the year, 429,505 Compulsorily Convertible Debentures

issued on preferential basis were converted into equal number of Equity shares and that resulted in increase in paid up Equity share capital of the Company from ₹ 543.89 lakh to ₹ 586.94 lakh.

#### DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 1.50 (i.e. 15%) per share on the Equity share capital of the Company for the year under review. The said Dividend shall be subject to the approval of the members at the ensuing Annual General Meeting.

#### PUBLIC DEPOSIT

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

#### RESERVES

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

#### CORPORATE GOVERNANCE REPORT

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

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is presented as a separate section forming part of this Annual Report.

## DISCLOSURE REQUIREMENTS

The process of Familiarisation program for Independent Directors is posted on website of the Company at the link <http://kflindia.com/wp-content/uploads/2015/08/KFL-ID-Familiarization.pdf>

The Board of Directors periodically review various business policies, strategies including internal processes and controls and the Directors are updated about new initiatives and developments at business and operational level during the course of Board Meeting and the Board spent about 3 (three) hours on the above matters during the year.

Policy on dealing with related party transactions is available on the website of the Company at the link <http://kflindia.com/wp-content/uploads/2015/08/KFL-RPT-Policy.pdf>

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4(d)(iv) of the Listing Regulations. Establishment of Vigil Mechanism is available on the website of the Company at the link <http://kflindia.com/wp-content/uploads/2015/08/KFL-Vigil-Mechanism.pdf>

## NUMBER OF BOARD MEETINGS

The Board of Directors met 4 (Four) times during the financial year 2016-17. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

## DECLARATION BY INDEPENDENT DIRECTORS

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

## PERFORMANCE EVALUATION OF BOARD

Subject to the provisions of the Section 134(3) of the Companies Act, 2013 and Regulation 17(10) and Regulation 25(4) of the Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually. At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board except the Independent Director being evaluated.

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

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Additional information on re-appointment of Director as required under Regulation 36 of Listing Regulations and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India is given in the Notice convening the ensuing Annual General Meeting.

## COMMITTEES OF THE BOARD OF DIRECTORS

### AUDIT COMMITTEE

During the year review, the Audit Committee of the Company comprised of 3 (three) Independent Directors viz., Mr. Sanjeev Maheshwari, Mr. Rahul Mehta and Ms. Bindu Shah. Mr. Sanjeev Maheshwari is the Chairman of the Audit Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts for the financial year ended 31st March, 2017, 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 31st March, 2017 and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts for the financial year ended 31st March, 2017, on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;



- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

At the Annual General Meeting of the Company held on 26th September 2014, M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai was appointed as statutory auditors of the Company to hold office till the conclusion of the 32nd Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, as statutory auditors of the Company, placed before for ratification by the shareholders.

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

### Secretarial Auditor

The Company has appointed M/s. H. S. Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2016-17 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor Report for the year ended 31st March, 2017 is annexed to this report as **Annexure A**. There is no observation or comment which requires your attention.

### Cost Auditor

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

The Board of Directors, on the recommendation of Audit Committee, has appointed Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to audit cost records of the Company for the financial year 2017-18 at a remuneration of ₹ 0.90 lakh plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Act, a resolution seeking ratification of members for the payment of remuneration to Cost Auditor forms part of the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year 2015-16 was filed with the Ministry of Corporate Affairs.

## EXTRACT OF ANNUAL RETURN

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

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations were in the ordinary course of business and on an arm's length basis. There

were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Accordingly, no disclosure is made in respect of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2.

Disclosure of transactions with related parties as required under the Accounting Standard (AS-18) has been made in the notes forming part of the financial statements.

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

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

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

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

## PARTICULARS OF EMPLOYEES

In terms of provisions Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed thereunder, the names and other particulars of employees are provided under **Annexure D**, which is annexed to this Report.

Addition to the above, a statement containing the particulars as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure E**.

## RISK MANAGEMENT POLICY AND INTERNAL CONTROL ADEQUACY

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

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

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

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

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

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

## **ACKNOWLEDGEMENT**

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

By Order of the Board  
For Kamadgiri Fashion Limited

Pradip Kumar Goenka  
Chairman & Managing Director

Place: Mumbai  
Date: 29th May, 2017

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2017.**

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

To,  
The Members,  
Kamadgiri Fashion Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KAMADGIRI FASHION LIMITED** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as given below:
  - i. The Environment (Protection) Act, 1986 and Rules made there under.
  - ii. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards.
  - iii. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.
  - iv. Industries (Development and Regulation) Act, 1951

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

- i. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India ; and
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors took place during the year.

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

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

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

1. Declared and paid the Final dividend for the financial year ended 31st March, 2016 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014; and
2. Allotted 4,29,505 Equity Shares on conversion of Compulsorily Convertible Debentures and the same was duly listed on Stock Exchange.

For HS Associates  
Company Secretaries

Hemant S. Shetye  
Partner

Date: 29th May, 2017  
Place: Mumbai

FCS No.: 2827  
CP No.: 1483



**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

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

**I REGISTRATION AND OTHER DETAILS:**

i	CIN	L17120MH1987PLC042424
ii	Registration Date	4/2/1987
iii	Name of the Company	Kamadgiri Fashion Limited
iv	Category/Sub-category of the Company	Limited by Shares
v	Address of the Registered office and contact details	B-104, The Qube, M.V. Road, Marol, Andheri (East), Mumbai – 400 059 Phone: 022 71613131
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Pvt. Ltd., Luthra Ind. Premises, Unit-1, Safeed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072 Phone : 022 2851 5644

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Ready-made Garments	1410	47.60
2	Weaving, Finish Fabrics	1312	52.40

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

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

**IV. SHARE HOLDING PATTERN:**
**(i) Category-wise Share Holding**

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on 01st April, 2016				No. of Shares held at the end of the year as on 31st March, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group[2]									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	1346080	0	1346080	24.74	1346080	0	1346080	22.93	-1.81
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	468400	0	468400	8.61	468400	0	468400	7.98	-0.63
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Relatives of promoters)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>1814480</b>	<b>0</b>	<b>1814480</b>	<b>33.36</b>	<b>1814480</b>	<b>0</b>	<b>1814480</b>	<b>30.91</b>	<b>-2.44</b>

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on 01st April, 2016				No. of Shares held at the end of the year as on 31st March, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>1814480</b>	<b>0</b>	<b>1814480</b>	<b>33.36</b>	<b>1814480</b>	<b>0</b>	<b>1814480</b>	<b>30.91</b>	<b>-2.44</b>
<b>(B)</b>	<b>Public shareholding[3]</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions/Banks	870	0	870	0.02	870	0	870	0.01	-0.01
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Other (specify)									
(i-i)	Foreign Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>870</b>	<b>0</b>	<b>870</b>	<b>0.02</b>	<b>870</b>	<b>0</b>	<b>870</b>	<b>0.01</b>	<b>-0.01</b>
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	2835432	0	2835432	52.12	3101245	0	3101245	52.84	-0.69
i)	Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	387434	77235	464669	8.54	384262	76835	461097	7.86	-0.69

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on 01st April, 2016				No. of Shares held at the end of the year as on 31st March, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	318950	0	318950	5.86	434883	0	434883	7.41	1.55
(c)	Other (specify)									
(c-i)	Clearing Member	84	0	84	0.00	14242	0	14242	0.24	0.24
(c-ii)	Non Resident Indians	5281	100	5381	0.10	5401	100	5501	0.09	-0.01
(c-iii)	Director and their Relatives	0	0	0	0.00	0	0	0	0.00	0.00
(c-iv)	Trust	0	0	0	0.00	0	0	0	0.00	0.00
(c-v)	HUF	0	0	0	0.00	37053	0	37053	0.63	0.63
	<b>Sub-Total (B)(2)</b>	<b>3547181</b>	<b>77335</b>	<b>3624516</b>	<b>66.63</b>	<b>3977086</b>	<b>76935</b>	<b>4054021</b>	<b>69.07</b>	<b>2.44</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3548051</b>	<b>77335</b>	<b>3625386</b>	<b>66.64</b>	<b>3977956</b>	<b>76935</b>	<b>4054891</b>	<b>69.09</b>	<b>2.44</b>
	<b>TOTAL (A)+(B)</b>	<b>5362531</b>	<b>77335</b>	<b>5439866</b>	<b>100.00</b>	<b>5792436</b>	<b>76935</b>	<b>5869371</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5362531</b>	<b>77335</b>	<b>5439866</b>	<b>100.00</b>	<b>5792436</b>	<b>76935</b>	<b>5869371</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

### Share Holding of Promoters/Promoters Group

Sl. No.	Shareholders Name	Shareholding at the beginning of the year as on 01st April, 2016			Shareholding at the end of the year as on 31st March, 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mr. Pradip Kumar Goenka	721200	13.26	0.00	649200	11.06	0.00	-2.20
2	Mr. Tilak Pradip Goenka	424102	7.80	0.00	496102	8.45	0.00	0.66
3	Mrs. Asha Devi Goenka	199171	3.66	0.00	199171	3.39	0.00	-0.27
4	Mr. Lalit Goenka	1607	0.03	0.00	1607	0.03	0.00	0.00
5	M/s. Jagruti Synthetics Ltd.	31600	0.58	0.00	31600	0.54	0.00	-0.04
6	M/s. Ananddeep Cotsyn Pvt. Ltd.	436800	8.03	0.00	436800	7.44	0.00	-0.59
	<b>Total</b>	<b>1814480</b>	<b>33.36</b>	<b>0.00</b>	<b>1814480</b>	<b>30.91</b>	<b>0.00</b>	<b>-2.44</b>

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

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Pradip Kumar Goenka	721200	13.26	721200	12.29
	Less: 08th June 2016 - Inter-se transfer	-72000	-1.23	649200	11.06
	At the end of the year	649200	11.06		
2	Mr. Tilak Pradip Goenka	424102	7.80	424102	7.22
	Add: 08th June, 2016 - Inter-se transfer	72000	1.23	496102	8.45
	At the end of the year	496102	8.45		
3	Mrs. Asha Devi Goenka	199171	3.66	199171	3.39
	At the end of the year	199171	3.39		
4	Mr. Lalit Goenka	1607	0.03	1607	0.03
	At the end of the year	1607	0.03		
5	M/s. Jagruti Synthetics Ltd.	31600	0.58	31600	0.54
	At the end of the year	31600	0.54		
6	M/s. Ananddeep Cotsyn Pvt. Ltd.	436800	8.03	436800	7.44
	At the end of the year	436800	7.44		

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Loyal Apparels Private Limited	135500	2.49	135500	2.31
	At the End of the year	135500	2.31		
2	Quality Synthetic Industries Limited	69400	1.28	69400	1.18
	Less: 16th December, 2016 - Market Sale	-100	0.00	69300	1.18
	At the End of the year	69300	1.18		
3	PIL Industries Ltd.	1515884	27.87	1515884	25.83
	Add: 01st April 2016 - Conversion of CCDs	129505	2.21	1645389	28.03
	At the End of the year	1645389	28.03		
4	Abhay Jaswant Singh Kumat	130742	2.40	130742	2.23
	At the End of the year	130742	2.23		
5	Counseled Mercantile Private Limited	0	0.00	0	0.00
	Add: 28th March, 2017 - Market Purchase	199905	3.41	199905	3.41
	At the End of the year	199905	3.41		
6	Surplus Finvest Private Limited	269000	4.94	269000	4.58
	Add: 01st April 2016 - Conversion of CCDs	300000	5.11	569000	9.69
	At the End of the year	569000	9.69		
7	Srinarayan Rajkumar Merchants Pvt. Ltd.	59000	1.08	59000	1.16
	At the End of the year	59000	1.01		
8	Tritoma Hotels Pvt. Ltd.	325000	5.97	325000	5.54
	At the End of the year	325000	5.54		



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	Hemant Kumar Gupta	7470	0.14	7470	0.13
	Add: 03rd June, 2016 - Market Purchase	102179	1.74	109649	1.87
	Less: 05th August, 2016 - Market Sale	-150	0.00	109499	1.87
	Less: 19th August, 2016 - Market Sale	-1331	-0.02	108168	1.84
	Less: 09th September, 2016 - Market Sale	-1894	-0.03	106274	1.81
	Less: 16th September, 2016 - Market Sale	-6320	-0.11	99954	1.70
	Less: 07th October, 2016 - Market Sale	-1620	-0.03	98334	1.68
	Less: 14th October, 2016 - Market Sale	-661	-0.01	97673	1.66
	Less: 30th December, 2016 - Market Sale	-2000	-0.03	95673	1.63
	Less: 06th January, 2017 - Market Sale	-5125	-0.09	90548	1.54
	At the End of the year	90548	1.54		
10	Jyoti Abhay Kumart	72752	1.34	72752	1.24
	At the End of the year	72752	1.24		
11	Subramanian P	0	0.00	0	0.00
	Add: 14th October, 2016 - Market Purchase	63070	1.07	63070	1.07
	At the End of the year	63070	1.07		

**Note:**  
The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.

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

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year- 01st April, 2016		Change in Shareholding (No. of Shares )		Shareholding at the end of the year- 31st March, 2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Pradip Kumar Goenka	721200	13.26	-	72000	649200	11.06	649200	11.06
2	Mr. Lalit Goenka	1607	0.03	-	-	1607	0.03	650807	11.09
3	Mr. Jagdish Prasad Dave	295	0.01	-	-	295	0.01	651102	11.09

**Note:**  
Names of only those Directors and Key Managerial Personnel are mentioned who were holding shares at any time during the year.

#### V. INDEBTEDNESS:

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

(₹ in lakh)

PARTICULARS SECURED LOANS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
<b>Indebtedness at the beginning of the financial year - 01.04.2016</b>				
1) Principal Amount	960.07	100.00	63.00	1,123.07
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	7.78	0.00	0.00	7.78
<b>Total of (1+2+3)</b>	<b>967.85</b>	<b>100.00</b>	<b>63.00</b>	<b>1,130.85</b>

Change in Indebtedness during the financial year				
+ Addition	0.00	0.00	0.00	0.00
- Reduction	-263.76	0.00	0.00	-263.76
Net change	-263.76	0.00	0.00	-263.76
<b>Indebtedness at the end of the financial year - 31.03.2017</b>				
1) Principal Amount	696.31	100.00	63.00	859.31
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	10.52	0.00	0.00	10.52
<b>Total of (1+2+3)</b>	<b>706.83</b>	<b>100.00</b>	<b>63.00</b>	<b>869.83</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount (in ₹)

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

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

### B. Remuneration of other directors:

Amount (in ₹)

Sl. No.	Particulars of Remuneration*	Name of the Directors			Total
1	Independent Directors	Mr. Sanjeev Maheshwari	Mr. Rahul Mehta	Ms. Bindu Shah	
	(a) Fee for attending board and committee meetings	92,000	54,000	1,00,000	2,46,000
	(b) Commission	NIL	NIL	NIL	NIL
	(c) Others	NIL	NIL	NIL	NIL
	Total (1)	92,000	54,000	1,00,000	2,46,000
2	Other Non-Executive Directors	Mr. Anil Biyani		Mr. Lalit Goenka	
	(a) Fee for attending board and committee meetings	36,000		30,000	66,000
	(b) Commission	NIL		NIL	NIL
	(c) Others, please specify.	NIL		NIL	NIL
	Total (2)	36,000		30,000	66,000
	Total (B)=(1+2)				3,12,000
	Ceiling as per the Act	1% of the Net Profit calculated under Section 198 of the Companies Act, 2013			
	Total Managerial Remuneration (A+B)				57,12,000
	Overall Ceiling as per the Act	6% of the Net Profits calculated under Section 198 of the Companies Act, 2013.			

\* No remuneration is paid other than sitting fees

**C. Remuneration to Key Managerial Personnel (KMPs) Other Than MD/ Manager/ WTD**

Amount (in ₹)

Sr. No.	Particulars of Remuneration	Name of KMPs		Total
		Mr. Jagdish Prasad Dave (Chief Financial Officer)	Mr. Siddhant Singh (Company Secretary)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	11,19,500	4,65,176	<b>15,84,676</b>
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	NIL	NIL	<b>NIL</b>
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	<b>NIL</b>
2	Stock Option	NIL	NIL	<b>NIL</b>
3	Sweat Equity	NIL	NIL	<b>NIL</b>
4	Commission - As % of Profit - Others, specify	NIL	NIL	<b>NIL</b>
5	Others, please specify Provident Fund & other Funds	NIL	NIL	<b>NIL</b>
	<b>Total</b>	<b>11,19,500</b>	<b>4,65,176</b>	<b>15,84,676</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

By Order of the Board  
For Kamadgiri Fashion Limited

Place: Mumbai  
Date: 29th May, 2017

Pradip Kumar Goenka  
Chairman & Managing Director

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

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

<b>(A) Conservation of Energy :</b>	
(i) the steps taken or impact on conservation of energy	The operations of your Company are not energy intensive however adequate measures have been taken to reduce energy consumption.
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.
(iii) the capital investment on energy conservation equipments	NIL
<b>(B) Technology absorption :</b>	N.A.
(i) the efforts made towards technology absorption	
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv) the expenditure incurred on Research and Development	NIL
<b>(C) Foreign exchange earnings and Outgo :</b>	The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note nos. 25, 26 and 30 of Notes forming part of the Financial Statements.

By Order of the Board  
For Kamadgiri Fashion Limited

Place: Mumbai  
Date: 29th May, 2017

Pradip Kumar Goenka  
Chairman & Managing Director



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

- I. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 and ratio of the remuneration of Managing Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2016-17 are as under:

Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2016-17 (₹ in lakh)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to MRE for Financial Year 2016-17
Mr. Pradip Kumar Goenka - Chairman & Managing Director	54.00	Nil	36.48
Mr. Jagdish Dave - Chief Financial Officer	11.39	11.25%	N.A
Mr. Siddhant Singh - Company Secretary	4.92	9.43%	N.A

- II. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 1.48 lakh previous year it was ₹ 1.19 lakh.
- III. The increase in MRE in the financial year 2016-2017, as compared to the financial year 2015-2016 was 23.91%.
- IV. There were 1,422 permanent employees on the rolls of Company as on 31st March, 2017.
- V. Average percentage increase made in the salaries of employees other than the managerial personnel in last financial year i.e. 2015-16 was 14.13% whereas there was increase by 31.65% in the managerial remuneration for the same financial year.
- VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

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

**ANNEXURE E**
**INFORMATION AS REQUIRED PURSUANT TO RULE 5(2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017.**

**Sl. No., Employee Name, Designation, Qualification, Experience (in Years), Date of Joining, Age, Remuneration received (in ₹), Last Employment.**

1. Mr. Abhay Kumar\*, Chief Executive Officer, M.Com, 36, 01st April, 2007, 57, 1,00,30,008/-, Stripes Apparels Ltd.; 2. Mr. Pradip Kumar Goenka, Chairman and Managing Director, Pre-University, 30, 04th February, 1987, 57, 54,00,000/-, started with Kamadgiri Fashion Limited; 3. Mr. Mohan Menon, Chief-Planning and Distribution, B.Com, 40, 01st January, 2012, 61, 31,50,851/-, Pantaloon Retail (India) Ltd.; 4. Mr. Tilak Goenka<sup>§</sup>, Business Development Manager, PGDM, 10, 08th January, 2007, 31, 25,69,496/-, started with Kamadgiri Fashion Limited; 5. Mr. Khandu Bonavate, Dy. General Manager, B.A., 25, 10th January, 2017, 56, 22,76,848/-, Pantaloon Industries Ltd.; 6. Mr. K. Mahesh Kumar Rao, General Manager-Operations, B.A. and Diploma in Fashion Designing, 36, 11th March 2015, 57, 19,10,576/-, Aruna Exports; 7. Mr. P. Samui, General Manager-Plant, B.Tech, 40, 06th June, 2014, 62, 15,75,000/-, Hanung Toys & Textiles Ltd.; 8. Mr. Rajeev Dani, COO-True Value, Diploma, 32, 01st August, 2005, 50, 15,39,482/-, Nahar Textiles Pvt. Ltd.; 9. Mr. Mahesh Dixit, Dy. General Manager-RMG, Diploma, 20, 08th August, 2015, 41, 11,86,322/-, S. Kumars Nationwide Ltd. (Belmonte); 10. Mr. Jagdish Prasad Dave, Chief Financial Officer, CA, 25, 01st October, 2009, 48, 11,28,333/-, Raj Rajendra Textile Exports Ltd.

\* holds more than 2% of the paid-up Equity Share Capital of the Company and draws remuneration more than the remuneration drawn by the Managing Director of the Company;

§ is related to the Chairman and Managing Director of the Company;

**Notes:**

- 1) Remuneration shown above includes Salary, HRA, Ex-gratia, LTA, Perquisites, Variable Pay and Company's contribution to Provident Fund etc. The monetary value of perquisite is calculated in accordance with the provisions of the Income-tax Act, 1961 and the related rules made there under;
- 2) The employees have adequate experience to discharge the responsibility assigned to him;
- 3) The nature of employment is contractual;
- 4) Terms and conditions of employment are as per Policy of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Textile sector is considered to be the oldest and largest sector of modern India as it is one of the largest contributors towards Country's exports. It has a formidable presence in the national economy and thus plays a key role by way of significant contribution to GDP, manufacturing output, employment generation and export earnings. The textile industry continues to be one of the largest source of employment generation in the country. The global focus is shifting to India due to cost and stability factors in Textile industry.

The encouragement for manufacturing through "Make in India programme", development of infrastructure for textile through scheme for integrated textile parks, technology upgradation fund schemes, skill development scheme and various other initiatives of Government are expected to boost textile industry in the Country. Development in the sector will eventually lead to more employment generation to unskilled or semi-skilled labour and this would help to improve GDP and overall development of the society at large.

### OPPORTUNITIES AND THREATS:

Goods & Services Tax (GST), being one nation one tax system, once implemented, it is expected to have considerable impact on the sector. It is expected to stimulate consumption demand and reduced overall manufacturing costs. The GST is seen as movement of the trade from unorganised unregulated sector to organised regulated sector. Further, with the country poised for the economic growth in view of its per capita GDP touching mark of \$2000, which has been seen as point of 2-3x growth in next decade, as already established in many other emerging economies. The major beneficiary of this economic growth would be consumption sector and the companies supporting the consumption sector. The Company is already in niche area of garment manufacturing for private brands and is having state of art manufacturing facilities, including availability of backend support from its weaving division. With increase in role of the organised regulated sector, the Company can expect further demand for its services. The Company can consider expanding its manufacturing facilities, in view of the future demand by various private brands for manufacturing facilities. In apparels, the large organised manufacturing facility with latest technology is advantage of the Company but it has to compete with small and large manufacturers.

One of the threat, which all companies in this sector would be facing introduction of capital intensive new investment to take care of centralised specialised manufacturing hub by big private brands or industrial houses. However, such an investment would take some time for final implementation and such hubs would be catering to the needs of those specific private brands/industrial houses only, leaving enough pie of cake for other operators in form of smaller private brands. Further, this threat can be converted into an opportunity, if the Company gets a chance to create such manufacturing hub for any private brand.

The Company continues to concentrate on the domestic market and cater to products, primarily in the 'value for money' segment. The management is confident that Company's tie ups with various brands and organised retailers, would ensure continuity of orders in apparel manufacturing as well as finished fabric marketing for the Company. The Company's own brands in fabrics viz., 'True Value',

and 'True Linen' have good recall value and is being continuously in demand in retail market.

Increasing costs of various input services and products is affecting the overall profitability as well as capability of the Company as well as industry to provide finished products at competitive costs in comparison to the other imported products of similar quality and specifications. The Company is doing all around efforts to minimise the effect of the increasing costs by achieving better efficiency through various employees initiative and continuous technological upgradation.

### PRODUCT AND PERFORMANCE:

Textile weaving unit continues to show good performance and 'True Linen' linen fabric brand of the Company is now established brand and has a good recall value with the customers. The business of readymade garmenting unit of the Company is showing improvement.

### OUTLOOK:

The Company expects to improve its performance in weaving and fabric business. In view of the better outlook for economy and in expectation of increase in overall consumption for consumer goods, the Company expects its readymade garmenting business to contribute better returns for the current financial year.

### RISKS AND CONCERNS:

With change in economic scenario and prospect of the further big investment in the textile sector, the Company would be required to ensure that it delivers the value for money product at optimum price. To achieve this, the Company will have to strive hard to control its cost of production and finance cost, hence would constrain its margin and profitability, which continues to remain the major area of concern. The said risk has been countered by better production management, innovation and tie up with various brands, organised retailers to ensure maximum capacity utilisation. The risk from competition has also been mitigated by continuing strategic partnership with the leading organised retailers.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company is following a proper and adequate system of internal control in respect of all its activities including safeguarding and protecting its assets against loss or unauthorised use or disposition. Further all transactions entered into by the Company are duly authorised, recorded correctly. The senior officials have been delegated authority to closely watch and monitor all expenses incurred on various heads. Internal auditors periodically conduct audit and give their report periodically to the Audit Committee. The Audit Committee periodically reviews reports of the internal auditors and also the design and adequacy of the internal control systems and requisite corrective actions were taken wherever required. All policies and procedures and guidelines have been documented. Your Company is using advanced customised software system, which is upgraded from time to time to suit the system need of the Company.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the total production for the Fabrics

unit is given hereunder. The production of fabrics and readymade garments (including job) were 78.81 lakh meters and 26.33 lakh pieces respectively as against 73.03 lakh meters and 21.71 lakh pieces in the previous financial year.

#### **Sales**

The Company's Sales and Other Operating Income has increased to ₹ 31,354.62 lakh for the financial year ended 31st March 2017 as against ₹ 30,061.44 lakh in the previous year.

#### **Profit Before Tax**

Profit Before Tax of the Company for the financial year ended 31st March, 2017 stood at ₹ 372.59 lakh as against ₹ 320.20 lakh in the previous financial year.

#### **Interest**

Interest & other borrowing cost outflow is ₹ 837.29 lakh for the financial year ended 31st March, 2017 as against ₹ 827.17 lakh in the previous financial year.

#### **Net Profit**

Net Profit of the Company for the financial year ended 31st March, 2017 stood at ₹ 249.27 lakh as against ₹ 190.14 lakh in the previous financial year.

#### **Dividend**

The Company has proposed a dividend of ₹ 1.50 (15%) per Equity Share for the financial year ended 31st March, 2017 which remained same as ₹ 1.50 (15%) in the previous year.

#### **Capital Employed**

The capital employed in the business is ₹ 4,853.50 as at 31st March 2017. Return on Capital employed during 2016-17 is 24.93% as compared to 23.76% during 2015-16.

#### **Surplus Management**

The Company generate a cash profit of ₹ 684.21 lakh for the financial year ended 31st March, 2017 as compared to ₹ 562.87 lakh in the previous financial year. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund growth. The growth of the Company has been partly funded by the cash generated from the business as well as from additional funds borrowed.

#### **Debt - Equity**

Debt - Equity ratio of the Company has decreased from 1.79 in the previous year to 1.42 as at 31st March, 2017.

#### **Earnings Per Share (EPS)**

The Company's Basic Earnings Per Share (EPS) has increased from ₹ 3.68 in the previous year to ₹ 4.25 and Diluted Earnings Per Share (EPS) has increased from ₹ 3.60 in the previous year to ₹ 4.25 for the financial year ended as on 31st March 2017.

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCE/ INDUSTRIAL RELATIONS FRONTS:**

As on 31st March 2017 the Company has permanent employee strength of 1,422. As the Company has now three different operating units, human resource and relationship with the employees plays key role in its smooth operations. The Company pays required attention on the development of workers and staff. The Management ensures that cordial and friendly relations are maintained with workers and initiatives were taken for solving workers problems through amicable negotiation. The top management continues to ensure better training, on site performance evaluation, reward mechanism to increase the motivation of the workers. The industrial relation climate in your Company was harmonious and constructive.

## CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Thus, Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

### 2. Board of Directors:

The Board composition is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations. The strength of the Board as on 31st March 2017 is 6 Directors comprising of 2 Promoter Directors, 1 Non-Executive Director and 3 Independent Directors.

#### Board Meeting

During the financial year 2016-2017, 4 (Four) Board Meetings were held i.e. on 30th May 2016, 11th August 2016, 14th November 2016 and 14th February 2017 and the time gap between the two meetings did not exceed maximum period mentioned under the section 173 of the Companies Act, 2013 and Regulation 17(2) of Listing Regulations. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

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

Name of Directors	Category of Directorship	#No. of other Directorships in public limited companies	^No. of Committee Memberships	No. of Board meetings attended	Attendance at last AGM	Shares held
Mr. Pradip Kumar Goenka	Promoter & Executive	1	-	4	Present	649200
Mr. Lalit Goenka	Promoter & Non-Executive	-	-	3	Present	1607
Mr. Anil Biyani	Non-Independent & Non-Executive	5	-	3	Present	NIL
Mr. Rahul Mehta	Independent & Non- Executive	2	-	2	Absent	NIL
Mr. Sanjeev Maheshwari	Independent & Non- Executive	2	-	4	Absent	NIL
Ms. Bindu Shah	Independent & Non-Executive	-	-	4	Present	NIL

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

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

There are no Nominees or Institutional Directors in the Company. None of the Directors have pecuniary or business relationship with the Company except to the extent as disclosed in note no. 28 of notes on Financial Statements. None of the Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director. There is no *inter se* relationship between Directors. None of the Directors on the Company is serving as an Independent Director in more than seven/three listed entities, as specified in Regulation 25 of the Listing Regulations.

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

The Code of conduct as applicable to the Directors and the members of the Senior Management had been approved by the Board and it is being abided by all of them. The Annual Report contains declaration to this effect from the Chairman & Managing Director.

#### Familiarisation Programme for Directors

The details of programmes for familiarisation of Independent Directors with the Company are available on the website of the Company at the link <http://kflindia.com/wp-content/uploads/2015/08/KFL-ID-Familiarization.pdf>

### 3. Audit Committee

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

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

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

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

The Committee met 4 times during the year under report on 30th May 2016, 11th August 2016, 14th November 2016 and 14th February 2017. The time gap between the two meetings was not more than one hundred and twenty days shall elapse between two meetings.

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

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

#### The terms of reference of the Audit Committee include:

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

### 4. Stakeholders Relationship Committee:

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

During the year 2016-2017, the Committee met 4 times i.e., on 30th May 2016, 11th August 2016, 14th November 2016 and 14th February 2017.



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

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

The Committee's composition is in line with the provisions of section 178(5) of the Act and Regulation 20 of the Listing Regulations.

**Compliance Officer**

Mr. Siddhant Singh, Company Secretary of the Company is the Compliance Officer of the Company.

During the year 2016-2017 the Company had received one complaint from SEBI (Securities and Exchange Board of India) and shareholders/investors, which was redressed. There was no complaint pending as on 31st March 2017. There was also no request for transfer and dematerialisation was pending as on the said date.

**5. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee presently comprises of 3 Non-Executive Independent Directors. KFL's remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth.

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

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

During the year 2016-2017, the Committee met 1 time i.e., on 11th August 2016.

**Composition of Nomination and Remuneration Committee and details of the meeting attended:**

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

**The terms of reference of the Nomination and Remuneration Committee includes:**

- Recommendation of salary (including annual increments), perquisites and allowances, performance linked remuneration, to the Board, if any;
- Commission to be paid to the Company's Executive/Whole-Time Director (ED/WTD);
- Finalisation of perquisites and allowances package within the overall ceiling fixed by the Board;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Formulation of policy on diversity of Board of Directors.

**Remuneration Policy:**

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

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



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

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

#### Remuneration of Directors:

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

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

The details of remuneration paid to the Executive Director of the Company during the year ended 31st March 2017 are given as under:

Sr. No.	Particulars	Unit	2016-17
a)	Salary p.a.	₹	54,00,000/-
b)	Fixed Component – Contribution to Provident Fund	₹	2,59,200/-
c)	Bonus, Benefits & Other Allowances	₹	Nil
d)	Service contract	Years	3
e)	Notice Period	Months	3
f)	Severance Fees	₹	Nil

The Company has also paid sitting fees of ₹ 54,000/- to Mr. Rahul Mehta, ₹ 92,000/- to Mr. Sanjeev Maheshwari, ₹ 36,000/- to Mr. Anil Biyani, ₹ 30,000/- to Mr. Lalit Goenka, and ₹ 1,00,000/- to Ms. Bindu Shah, Non-Executive Directors of the Company.

#### 6. Committee of Directors

The Board of Directors has constituted a Committee of Directors and delegated powers to transact certain regular matters relating to the business of the company. A total of 8 (eight) meetings were held during the financial year 2016-17.

#### 7. Risk Management Committee

The Risk Management Committee's constitution comprised of Mr. Sanjeev Maheshwari, Mr. Pradip Kumar Goenka and Mr. Anil Biyani. During the year under review, there was no meeting held and the Committee was dissolved by the Company voluntarily.

#### 8. General Body Meetings

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

Financial Year	Date	Time	Venue	No. of Special Resolution(s) passed
2015-16	19.09.2016	10:30 AM	Hotel Mirage International Airport, Approach Road, Marol, Andheri (East), Mumbai - 400059	NIL
2014-15	25.09.2015	10:00 AM	Hotel Mirage International Airport Approach Road, Marol, Andheri (East), Mumbai - 400059	Three
2013-14	26.09.2014	11:00 AM	Hotel Mirage International Airport, Approach Road, Marol, Andheri (East), Mumbai - 400059	Two

#### 9. Means of Communication:

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

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

## 10. General Shareholders Information:

### a) Annual General Meeting

Day, Date and Time: Tuesday the 19th September, 2017 at 10:00 AM  
Venue: Hotel Mirage, International Airport Approach Road, Marol,  
Andheri (East), Mumbai - 400 059

### b) Financial Calendar for 2017-18:

#### Results for the quarter ending 30th June 2017

On or before 14th September 2017

#### Results for quarter ending 30th September 2017

On or before 14th December 2017

#### Results for quarter ending 31st December 2017

On or before 14th February 2017

#### Results for year ending 31st March 2018

On or before 30th May 2018

#### Annual General Meeting:

On or before 30th September 2018

### c) Financial Year

The financial year covers the period from 1st April of every year to 31st March of the next year.

### d) Record Date/Book Closure

The Company has fixed Tuesday, 12th September, 2017 as the Record Date for the purpose of payment of Dividend for the financial year 2016-17.

### e) Dividend payment Date

Dividend will be paid on or before 18th October, 2017

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

The Company’s shares are listed on:

BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

### g) Listing Fees

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

### h) Stock Code & ISIN

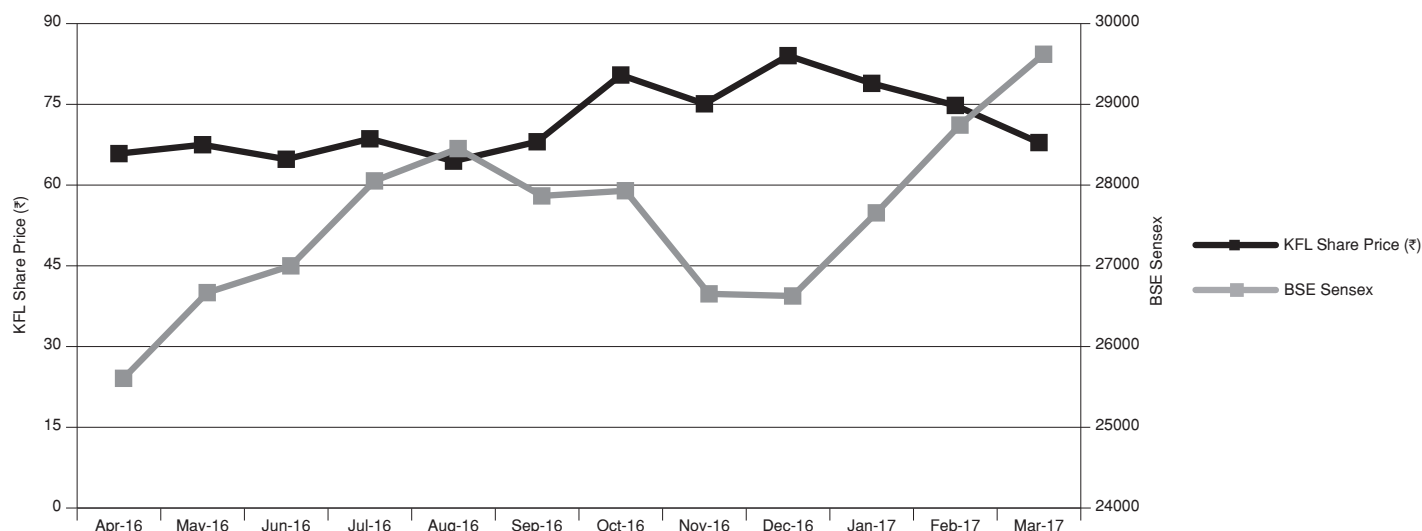
Stock Code at BSE Limited is 514322. ISIN is INE535C01013.

### i) Market Price Data

(i) The monthly high and low quotations of shares traded on BSE Limited for the financial year of 12 months from 01st April 2016 to 31st March 2017 was as follows:

Month	(Amount in ₹ )		
	High	Low	Volume
April, 2016	89.00	61.80	3675
May, 2016	78.25	61.30	3357
June, 2016	72.20	59.40	5464
July, 2016	71.95	63.60	11621
August, 2016	78.00	58.90	15551
September, 2016	88.20	62.05	57449
October, 2016	83.40	66.20	12659
November, 2016	83.50	64.05	11012
December, 2016	86.00	70.00	32600
January, 2017	88.00	61.20	65664
February, 2017	89.90	64.30	8743
March, 2017	74.45	63.50	210415

(ii) Performance of the stock in comparison to BSE Sensex.



(j) Registrar and Share Transfer Agent

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

Sharex Dynamic (India) Private Limited  
Unit No.1, Luthra Industrial Premises, Safed Pool  
Andheri - Kurla Road, Andheri (East)  
Mumbai - 400 072. Phone - 28515606 & 5644 Fax: 28512885.  
Concerned officer in charge of the Registry is Mr. T. Shashi Kumar.  
Email: sharexindia@vsnl.com

(k) Share Transfer System

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

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

Physical shares received for dematerialisation requests.

(l) Distribution of shareholding as on 31st March 2017:

No. of Shares	No. of Shareholders	% of Shareholders	Number of shares	% of Shareholding
Upto 500	1317	86.53	188045	3.20
501 – 1000	93	6.11	74786	1.27
1001 – 2000	40	2.63	58370	0.99
2001 – 3000	22	1.45	55447	0.94
3001 – 4000	11	0.72	38135	0.65
4001 – 5000	6	0.39	27033	0.46
5001 – 10000	8	0.53	61944	1.06
10001 and above	25	1.64	5365611	91.42
<b>Total</b>	<b>1522</b>	<b>100.00</b>	<b>5869371</b>	<b>100.00</b>

**Categories of Shareholders as on 31st March 2017 is as under:**

Category	Number of shares	% of Shareholding
Promoters	1814480	30.91
Banks/MFs/FIs	870	0.02
Private Bodies Corporate	3101245	52.84
Indian Public	933033	15.90
NRIs/OCBs	5501	0.09
Clearing Members	14242	0.24
<b>Total</b>	<b>5869371</b>	<b>100.00</b>

**(m) Dematerialisation of shares**

About 98.69% of the shares have been dematerialised as on 31st March 2017. The Equity shares of KFL are traded in the BSE Limited.

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

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

During the year 429,505 Compulsorily Convertible Debentures (CCDs) got converted into Equity shares of ₹ 10/- each, due to which the Equity shares stands increased from 5,439,866 to 5,869,371.

**(o) Plant Locations**

The Company's plant is located at:

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

**(p) Address for investor correspondence**

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

Sharex Dynamic (India) Private Limited  
Unit No.1, Luthra Industrial Premises, Safed Pool  
Andheri Kurla Road, Andheri (East), Mumbai – 400 072.  
Phone – 022 28515606 & 022 28515644 Fax: 022 28512885.  
Concerned officer incharge of the Registry is Mr. T. Shashi Kumar.  
Email: sharexindia@vsnl.com

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

**11. CEO/CFO Certification**

As per requirement of Part B of Schedule II of Regulation 17(8) of Listing Regulations, the Chairman and Managing Director and Chief Financial Officer of the Company have certified to the Board regarding Financial Statements for the year ended 31st March, 2017.

**12. Disclosures:**

- There were no other related party transactions of material nature with the Promoters, Directors, the management or relatives during the year that may have potential conflict with the interest of the Company at large. However, attention is drawn to note no. 28 of Notes to Financial Statements.
- There were no instances of non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.
- The Company has a Whistle Blower Mechanism in its place. The Board affirms that no personnel have been denied access to the Audit Committee during the year in terms of the Whistle Blower Policy.
- The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance. A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and attached to this report.

- (e) The web link of policy on dealing with related party transactions is available on the website of the Company at the link <http://kflindia.com/wp-content/uploads/2015/08/KFL-RPT-Policy.pdf>
- (f) The policy on dealing with material subsidiaries is not applicable to the Company as there are no subsidiaries

### 13. DISCRETIONARY REQUIREMENTS

- (a) **The Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.
- (b) **Shareholders' Right:** As the financial results of the Company is published every quarter in English and Marathi newspapers having a wide circulation, the same need not be sent to shareholders individually. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.
- (c) **Audit Qualifications:** There are no audit qualifications or observations on the Financial Statements for the year 2016-17.
- (d) **Separate posts of Chairman and CEO:** The position of Chairman and Managing Director is not separately held.
- (e) **Reporting of Internal Auditor:** The Internal auditors are invited to Audit Committee Meetings to make their presentation directly to the Audit Committee.

### 14. Compliance

A certificate from the statutory auditors of the Company regarding compliance of corporate governance and a declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management has been obtained and attached to this report.

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

To The Members of  
**Kamadgiri Fashion Limited**

1. This Certificate is issued in accordance with the terms of our engagement letter dated 29th September, 2016.
2. We have examined the compliance of conditions of Corporate Governance by Kamadgiri Fashion Limited, for the year ended on 31st March, 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### Management's Responsibility

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

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

### Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2017.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Sumant Sakhardande  
Partner  
Membership No.: 034828

Place: Mumbai  
Date: 29th May, 2017

## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, Abhay Kumat, Chief Executive Officer of the Company hereby declare that all Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct laid down by the Board on an annual basis.

For Kamadgiri Fashion Limited

Place: Mumbai  
Date: 29th May, 2017

Abhay Kumat  
Chief Executive Officer



## INDEPENDENT AUDITORS' REPORT

### To the Members of Kamadgiri Fashion Limited Report on the Financial Statements

We have audited the accompanying financial statements of Kamadgiri Fashion Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 on Contingent Liabilities to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the company and as

produced to us by the Management (Refer Note No. 33 to the financial statements).

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

Place : Mumbai  
Date : 29th May, 2017

Sumant Sakhardande  
Partner  
Membership No. 034828

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kamadgiri Fashion Limited on the financial statements for the year ended 31st March, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us, the Company don't have any loans, Investment, guarantees or

securities falling within the provisions of Section 185 and 186 of the Act.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	122.35	2010-2011* 2011-2012* 2012-2013* 2013-2014* 2014-2015*	CIT (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	31.02	2001-2002 2002-2003	Commissioner (Appeals)

\* Assessment Year

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. Further there are no borrowings from government or dues to debenture holders.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is 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 explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related

parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Mumbai  
Date : 29th May, 2017

Sumant Sakhardande  
Partner  
Membership No. 034828

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kamadgiri Fashion Limited on the financial statements for the year ended 31st March, 2017]

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kamadgiri Fashion Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place : Mumbai  
Date : 29th May, 2017

Sumant Sakhardande  
Partner  
Membership No. 034828

## BALANCE SHEET AS AT 31ST MARCH 2017

(₹ in Lakh)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
a) Share capital	1	586.94	543.99
b) Reserves & Surplus	2	2,861.40	2,612.14
		<b>3,448.34</b>	<b>3,156.13</b>
<b>Non-Current Liabilities</b>			
a) Long-term borrowings	3	518.39	783.44
b) Deferred tax liabilities (Net)	4	210.43	307.11
c) Other Long term liabilities	5	408.52	418.48
d) Long-term provisions	6	267.82	163.14
		<b>1,405.16</b>	<b>1,672.17</b>
<b>Current Liabilities</b>			
a) Short-term borrowings	7	4,093.73	4,596.49
b) Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		<b>3,181.29</b>	<b>3,381.05</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises			
c) Other current liabilities	9	1,701.26	1,462.41
d) Short-term provisions	10	46.05	126.06
		<b>9,022.33</b>	<b>9,566.01</b>
<b>TOTAL</b>		<b>13,875.83</b>	<b>14,394.31</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
a) Fixed assets			
(i) Property, Plant & Equipment	11	2,784.54	2,976.74
(ii) Intangible assets	11	15.57	18.84
(iii) Capital work-in-progress	11	35.62	3.66
b) Long-term loans and advances	12	182.64	180.02
		<b>3,018.37</b>	<b>3,179.26</b>
<b>Current assets</b>			
a) Inventories	13	5,350.24	5,627.55
b) Trade receivables	14	5,161.23	5,179.12
c) Cash and bank balances	15	62.22	122.43
d) Short-term loans and advances	16	212.32	197.89
e) Other current assets	17	71.45	88.06
		<b>10,857.46</b>	<b>11,215.05</b>
<b>TOTAL</b>		<b>13,875.83</b>	<b>14,394.31</b>

Notes along with significant accounting policies form an integral part of the financial statements 1 to 35

As per our Report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN No. 103523W/W100048

For and on behalf of the Board

**Sumant Sakhardande**

Partner

Membership No. 034828

**Pradip Kumar Goenka**

Chairman & Managing Director

DIN: 00516381

**Anil Biyani**

Director

DIN: 00005834

Date : 29th May, 2017

Place : Mumbai

**Jagdish Prasad Dave**

Chief Financial Officer

**Siddhant Singh**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2017**

(₹ in Lakh)

Particulars	Note	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>I Income</b>			
Revenue from operations (Gross)	18	<b>31,354.62</b>	30,061.44
Less : Excise Duty		<b>360.47</b>	37.63
Revenue from operations (Net)		<b>30,994.15</b>	30,023.81
<b>II Other income</b>	19	<b>20.78</b>	38.26
<b>III Total Revenue (I+II)</b>		<b>31,014.93</b>	30,062.07
<b>IV Expenses:</b>			
(a) Cost of materials consumed	20	<b>14,617.74</b>	13,295.77
(b) Purchases of Stock-in-Trade		<b>3,235.59</b>	3,769.08
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	<b>(47.30)</b>	33.88
(d) Employee benefits expense	22	<b>3,409.60</b>	2,915.52
(e) Depreciation and amortization expense	11	<b>434.94</b>	372.73
(f) Finance costs	23	<b>837.29</b>	827.17
(g) Other expenses	24	<b>8,154.48</b>	8,527.72
<b>Total expenses</b>		<b>30,642.34</b>	29,741.87
<b>V Profit before Tax (III-IV)</b>		<b>372.59</b>	<b>320.20</b>
<b>VI Tax Expense:</b>			
a) Current tax		<b>220.00</b>	163.00
Less: Mat Credit Entitlement		-	1.78
b) Deferred tax		<b>(96.68)</b>	(34.72)
		<b>123.32</b>	130.06
<b>VI Profit for the year (V-VI)</b>		<b>249.27</b>	<b>190.14</b>
<b>VII Earnings per equity share of face value of ₹ 10 each (PY ₹ 10 each)</b>	27		
Basic (in ₹ )		<b>4.25</b>	3.68
Diluted (in ₹ )		<b>4.25</b>	3.60
Notes along with significant accounting policies form an integral part of the financial statements 1 to 35			

As per our Report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN No. 103523W/W100048

For and on behalf of the Board

**Sumant Sakhardande**

Partner

Membership No. 034828

**Pradip Kumar Goenka**

Chairman &amp; Managing Director

DIN: 00516381

**Anil Biyani**

Director

DIN: 00005834

Date : 29th May, 2017

Place : Mumbai

**Jagdish Prasad Dave**

Chief Financial Officer

**Siddhant Singh**

Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lakh)

PARTICULARS	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	372.59	320.20
Adjustments:		
Depreciation and amortisation expense	434.94	372.73
(Profit)/Loss on sale of fixed assets	15.06	(43.95)
Interest income	(2.96)	(3.47)
Interest Expenses	837.29	827.17
	1,284.32	1,152.48
<b>Operating Profit before Working Capital changes</b>	1,656.91	1,472.68
Inventories	277.31	(192.72)
Trade Receivable	17.90	18.78
Fixed Deposits and Margin Money with Bank	(5.34)	14.28
Loans & Advances	0.51	(3.26)
Trade Payable	(199.77)	(558.19)
Current Liabilities	226.90	35.32
Provisions	122.88	56.83
	440.39	(628.96)
Cash generated from operations	2,097.30	843.72
Direct Taxes Paid	(218.22)	(86.75)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	1,879.08	756.97
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Inflow:		
Proceeds From Sale of Fixed Assets	1.70	44.09
Interest income	0.22	0.50
	1.92	44.59
Outflow:		
Acquisition of Fixed Assets	(288.17)	(675.04)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(286.25)	(630.45)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inflow:		
Proceeds from Long Term Borrowings	-	463.72
Proceeds from Short Term Borrowings (Net)	-	239.57
Issued of Equity Shares & CCD	-	498.80
	-	1,202.09
Outflow:		
Repayment of Long Term Borrowings	(263.76)	(587.13)
Repayment of Short Term Borrowings	(459.82)	-
Dividend to IEPF	(0.70)	(0.32)
Interest Paid	(837.29)	(827.17)
Dividend Paid (Including Dividend Distribution Tax)	(97.51)	(91.13)
	(1,659.08)	(1,505.75)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(1,659.08)	(303.66)
Net Increase In Cash And Cash Equivalents (A+B+C)	(66.24)	(177.14)
Opening Balance Of Cash And Cash Equivalents	77.27	254.41
Closing Balance Of Cash And Cash Equivalents	11.03	77.27
<u>Notes to Cash Flow Statements:</u>		
Cash & Cash Equivalents comprise of: (Refer Note.15)		
Cash on hand	5.23	9.86
Bank Balances with Scheduled Banks:		
In Current Accounts	5.80	67.41
<b>TOTAL</b>	11.03	77.27

As per our Report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN No. 103523W/W100048

For and on behalf of the Board

**Sumant Sakhardande**

Partner

Membership No. 034828

**Pradip Kumar Goenka**

Chairman & Managing Director

DIN: 00516381

**Anil Biyani**

Director

DIN: 00005834

Date : 29th May, 2017

Place : Mumbai

**Jagdish Prasad Dave**

Chief Financial Officer

**Siddhant Singh**

Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

### A. Company overview

Kamadgiri Fashion Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE in India. The company is engaged in the manufacturing and job work in Textile Industry.

### B. Significant accounting policies

#### 1. Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with 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. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and 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 the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 3. Plant, Property and Equipment, Intangible Assets and Capital Work in Progress

Plant, Property and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price and any attributable cost required for bringing the asset to its working conditions for its intended use.

Capital Work-in-Progress includes advances paid to acquire fixed assets, and the costs of fixed assets that are not ready for their intended use at the balance sheet date.

Intangible assets are stated at acquisition cost less accumulated amortization and accumulated impairment losses if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The cost of an intangible asset comprises the consideration paid for acquisition, including any duties and taxes and any directly attributable expenditure on making the asset ready for its intended use.

Gains or losses arising from derecognition of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### 4. Depreciation and Amortization

Depreciation on fixed assets is provided on "Straight line method" at the rates specified in Scheduled II to the Companies Act, 2013. Further,

- Cost of leasehold land is amortized over the period of lease.
- Cost of software capitalised is amortised over a period of three years.
- Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the date on which such assets are capitalized.
- Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the date on which such assets are disposed off.
- Effective 1<sup>st</sup> April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act.

## 5. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and Interim dividend are recorded as a liability on the date of the declaration by the company's Board of Directors.

## 6. Investments

Investments that are readily realizable and intended to be held generally for not more than a year are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investment are carried at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 7. Valuation of Inventories

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

## 8. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue shall be reliably measured.

### Sale of goods

Revenue is recognized on transfer of significant risks and rewards of ownership of the goods (which is generally on the dispatch of goods) to the buyer.

### Job Work Charges

Incomes from job charges are recognized as and when the services are rendered.

### Interest Income

Interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

## 9. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is an indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Net selling price is the amount obtainable from sale of the asset in an arm length transaction between knowledgeable, willing parties, less the cost of disposal. After impairment the depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 10. Employee Benefits

- a) Employee benefits comprise both defined contribution and defined benefit plans.

**b) Provident fund is a defined contribution plan**

Each eligible employee and the Company make an equal contribution at a percentage of the basic salary specified under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further obligations under the plan beyond its periodic contributions.

**c) Gratuity and Leave Encashment are defined benefit plans:-**

The company's liability towards gratuity and leave encashment are charged off to the Statement of Profit & Loss in the period in which the employee has rendered services at the present value of the amounts payable determined using actuarial valuation techniques. The actuarial method used for measuring the liability is the Projected Unit Credit method.

d) Actuarial gains and/or losses in respect of post-employment benefits are charged to Statement of Profit and Loss or capitalised in case of new projects taken up by the company.

e) All short term employee benefits are accounted for on undiscounted basis during the accounting period based on services rendered by employees.

## **11. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate is possible. Provisions are not discounted to its present value and are determined on the basis of the best estimate required to settle the obligation as on the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent Liabilities are not recognized in the financial statements but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## **12. Taxes on Income**

Tax expense comprises current and deferred tax. Provision for current tax is made in accordance with and at the rates and in the manner specified under the Income Tax Act, 1961 as amended from time to time. Income taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax based on the tax liability computed after considering tax allowances and exemptions.

Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement."

### 13. Leases

Where the company is lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

Where the company is lessor:

Lease income is recognised in Statement of Profit and Loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal cost, brokerage, etc. are recognised immediately in the Statement of Profit and Loss.

### 14. Transaction in Foreign Currencies

#### a) **Initial Recognition:**

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### b) **Conversion:**

Foreign Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of the historical cost denominated in the foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at a fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed on the date the values were determined.

#### c) **Exchange Difference:**

The exchange difference arising on the settlement of monetary items or on reporting unsettled monetary items at the rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or as expenses in the period in which they arise.

#### d) **Forward Exchange Contracts:**

In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.

Exchange differences on such contracts are recognised in the statement of Profit and Loss in the period in which they occur.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for that period.

#### e) Non-monetary foreign currency items such as investments are carried at cost.

### 15. Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investment with an original maturity of three month or less.

### 16. Earnings per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in the dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events like bonus issue, bonus element in a rights issue to the existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity share holders and the weighted average no. of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**17. Government Grants**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of promoter's contribution are credited to Capital Reserve. Revenue Grants are recognised in the Profit and Loss Account in accordance with the related scheme and in the period in which there is realisation.

**18. Borrowing Costs :**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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

**19. Application of Securities Premium Account:**

Share and debenture Issue expenses and Premium payable on Redemption of Debentures, are charged first against available balance in Securities Premium Account.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 1 SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Authorised Share Capital</b>		
2,00,00,000 (Previous Year : 2,00,00,000) Equity Shares of ₹ 10/- each (PY ₹ 10/- each)	2,000.00	2,000.00
<b>Issued, Subscribed and Paid up</b>		
58,69,371 (Previous Year : 54,39,866) Equity Shares of ₹ 10/- each (PY ₹ 10/- each)	586.94	543.99
<b>TOTAL</b>	<b>586.94</b>	<b>543.99</b>

#### a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period : (₹ in Lakh)

Particulars	Number	As at 31st March 2017	Number	As at 31st March 2016
At the beginning of the period	5,439,866.00	543.99	5,064,866.00	506.49
Issued during the period	429,505.00	42.95	375,000.00	37.50
Outstanding at the end of the period	<b>5,869,371.00</b>	<b>586.94</b>	5,439,866.00	543.99

#### b) Shareholders holding more than 5 percent shares in the Company:

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of Share held	% of Holding	No. of Share held	% of Holding
Ananddeep Consultancy Services Pvt Ltd.	436,800	7.44	436,800	8.03
PIL Industries Ltd.	1,645,389	28.03	1,515,884	27.87
Tritoma Hotels Pvt. Ltd.	325,000	5.54	325,000	5.97
Surplus Finvest Private Ltd.	569,000	9.69	-	-
Pradip Kumar Goenka	649,200	11.06	721,200	13.26
Tilak Pradip Goenka	496,102	8.45	424,102	7.80

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

#### d) Terms/rights attached to Equity shares :

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

In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

### 2 RESERVES AND SURPLUS

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Capital Reserves</b>		
As per last Balance sheet	37.00	37.00
Current Year Transfer	-	-
Written Back in Current Year	-	-
As per last Balance Sheet :- Closing Balance	37.00	37.00
<b>Securities Premium Account</b>		
Opening Balance	731.66	313.32
Addition during the year on issue of Securities	-	418.34
Closing Balance	<b>731.66</b>	731.66

Cont....

Particulars	As at 31st March 2017	As at 31st March 2016
<b>General Reserves</b>		
Opening Balance	670.02	660.51
Current Year Transfer	-	9.51
Written Back in Current Year	-	-
Closing Balance	670.02	670.02
<b>Surplus in the statement of profit and loss</b>		
Balance as per last Balance Sheet	1,173.46	1,091.04
Add : Profit for the year	249.27	190.14
Amount available for appropriation	1,422.73	1,281.18
Less : Appropriation		
Proposed final equity dividend	-	81.60
[amount per share ₹ Nil (Previous Year : ₹ 1.50)]		
Tax on Proposed dividend	-	16.61
Transfer to General Reserve	-	9.51
Total appropriations	-	107.72
<b>Net surplus in the statement of profit and loss</b>	1,422.73	1,173.46
<b>TOTAL</b>	<b>2,861.40</b>	<b>2,612.14</b>

**3 LONG TERM BORROWINGS**

(₹ in Lakh)

Particulars	Non - Current Portion		Current Portion	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
<b>Secured</b>				
(a) <b>From Bank</b>				
Term Loans	408.10	683.06	275.00	275.04
Vehicle Loans	10.29	0.38	2.91	1.59
<b>Unsecured</b>				
(a) <b>From Related Parties**</b>	100.00	100.00	-	-
	518.39	783.44	277.91	276.63
<b>The above amount includes</b>				
"Other current liabilities" (refer note 8)	-	-	(277.91)	(276.63)
<b>TOTAL</b>	<b>518.39</b>	<b>783.44</b>	<b>-</b>	<b>-</b>

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

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

Term Loan from bank amounting of ₹ 600 Lakh sanctioned during the FY 2014-2015 and end on FY 2018-2019. The Same is repayable in 60 Monthly installments of ₹ 10.00 Lakh each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries.

The rate of interest on the above mentioned Term Loans ranges between 12.50 % p.a to 12.75 % p.a.

ii) Vehicle loans taken from Toyota Financial services india ltd was carried interest @ 9.50% . The loan is repayable in 49 instalments of ₹ 32,302 including the interest, from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.

**\*\* Loans from Related Party**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Enterprises having significant influence in the company	100.00	100.00
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

**4 DEFERRED TAX LIABILITY (Net)**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	347.39	399.19
<b>Deferred Tax Assets</b>		
Disallowance under Income Tax Act, 1961	136.96	92.08
<b>TOTAL</b>	<b>210.43</b>	<b>307.11</b>

**5 OTHER LONG TERM LIABILITIES**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Deposits from Dealers, Agent, etc.	345.52	355.48
Deposits against Lease Premises	63.00	63.00
<b>TOTAL</b>	<b>408.52</b>	<b>418.48</b>

**6 LONG TERM PROVISIONS**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Provision for employee benefits</b>		
Gratuity	193.54	129.41
Unavailed leave	74.28	33.73
<b>TOTAL</b>	<b>267.82</b>	<b>163.14</b>

**7 SHORT TERM BORROWINGS**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b><u>Secured</u></b>		
<b>Loans repayable on demand</b>		
Cash credit from bank*	2,130.83	4,553.54
Foreign Currency Demand Loan*	1,962.90	-
	<b>4,093.73</b>	<b>4,553.54</b>
<b><u>Unsecured</u></b>		
<b>Loans repayable on demand</b>		
Compulsorily Convertible Debentures	-	42.95
	-	42.95
<b>TOTAL</b>	<b>4,093.73</b>	<b>4,596.49</b>

\* Cash credit & FCDL from banks is secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable and carries interest @ 12.00% p.a to 13.50% p.a and the same is repayable on demand

**8 TRADE PAYABLES**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Outstanding dues of Micro, Small and Medium Enterprises	-	-
Outstanding dues of Creditors other than the Micro, Small and Medium Enterprises	3,181.29	3,381.05
<b>TOTAL</b>	<b>3,181.29</b>	<b>3,381.05</b>

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

**9 OTHER CURRENT LIABILITIES**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Current Maturities of long term borrowings (refer note 3)	277.91	276.63
Unclaimed dividend	3.94	3.25
Statutory Dues	172.48	175.84
Employees Dues	291.33	227.75
Advance Received from Customers	21.68	14.12
Others	933.92	764.82
<b>TOTAL</b>	<b>1,701.26</b>	<b>1,462.41</b>

**10 SHORT TERM PROVISIONS**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Provision for employee benefits</b>		
Gratuity	8.03	14.38
Leave Encashment	5.44	11.24
<b>Other Provisions</b>		
Provision for Income Tax [Net of Advance Tax of ₹ 889.83 Lakh (Previous Year ₹ 758.90 Lakh)]	32.58	2.23
Proposed dividend	-	81.60
DDT on Proposed dividend	-	16.61
<b>TOTAL</b>	<b>46.05</b>	<b>126.06</b>

**11 FIXED ASSETS**

(₹ in Lakh)

Description	Gross Block				Accumulated Depreciation and amortization				Net block	
	As at 01st April, 2016	Additions during the year	Deductions/ Retirement during the year	As at 31st March, 2017	As at 01st April, 2016	For the Year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
<b>a. Property, Plant &amp; Equipment</b>										
Land	49.91	-	-	49.91	-	-	-	-	49.91	49.91
Land under lease	21.45	-	-	21.45	2.94	0.20	-	3.14	18.31	18.51
Buildings	479.41	3.39	-	482.80	112.81	15.13	-	127.94	354.86	366.60
Residential Flat	65.90	-	-	65.90	22.98	0.78	-	23.76	42.14	42.92
Plant and Equipment	3,632.80	209.03	32.99	3,808.84	1,376.98	351.96	16.24	1,712.70	2,096.14	2,255.82
Electrical Installation	158.28	1.75	-	160.03	96.60	10.55	-	107.15	52.88	61.68
Furniture & Fixtures	211.71	3.82	-	215.53	120.05	18.89	-	138.94	76.59	91.66
Vehicles	46.58	21.49	-	68.07	23.28	7.25	-	30.53	37.54	23.30
Office equipment	94.16	3.81	-	97.97	63.02	10.52	-	73.54	24.43	31.14
Computers	238.01	8.07	-	246.08	202.80	11.54	-	214.34	31.74	35.20
<b>Sub Total ( A )</b>	<b>4,998.21</b>	<b>251.36</b>	<b>32.99</b>	<b>5,216.58</b>	<b>2,021.46</b>	<b>426.82</b>	<b>16.24</b>	<b>2,432.04</b>	<b>2,784.54</b>	<b>2,976.74</b>
<b>b. Intangible Assets</b>										
Software	63.73	4.85	-	68.58	44.89	8.12	-	53.01	15.57	18.84
<b>Sub Total ( B )</b>	<b>63.73</b>	<b>4.85</b>	<b>-</b>	<b>68.58</b>	<b>44.89</b>	<b>8.12</b>	<b>-</b>	<b>53.01</b>	<b>15.57</b>	<b>18.84</b>
<b>c. Capital Work In Progress</b>	3.66	31.96	-	35.62	-	-	-	-	35.62	3.66
<b>Sub Total ( C )</b>	<b>3.66</b>	<b>31.96</b>	<b>-</b>	<b>35.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.62</b>	<b>3.66</b>
<b>TOTAL</b>	<b>5,065.60</b>	<b>288.17</b>	<b>32.99</b>	<b>5,320.78</b>	<b>2,066.35</b>	<b>434.94</b>	<b>16.24</b>	<b>2,485.05</b>	<b>2,835.73</b>	<b>2,999.24</b>

(₹ in Lakh)

Description	Gross Block				Accumulated Depreciation and amortization				Net block	
	As at 01st April, 2015	Additions during the year	Deductions/ Retirement during the year	As at 31st March, 2016	As at 01st April, 2015	For the Year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>a. Property, Plant &amp; Equipment</b>										
Land	49.91	-	-	49.91	-	-	-	-	49.91	49.91
Land under lease	21.45	-	-	21.45	2.74	0.20	-	2.94	18.51	18.71
Buildings	457.80	21.61	-	479.41	98.08	14.73	-	112.81	366.60	359.71
Residential Flat	65.90	-	-	65.90	22.20	0.78	-	22.98	42.92	43.72
Plant and Equipment	3,097.81	588.53	53.54	3,632.80	1,142.60	287.92	53.54	1,376.98	2,255.82	1,955.16
Electrical Installation	144.53	13.75	-	158.28	83.98	12.62	-	96.60	61.68	60.57
Furniture & Fixtures	204.99	6.72	-	211.71	101.12	18.93	-	120.05	91.66	103.89
Vehicles	45.46	1.12	-	46.58	18.25	5.03	-	23.28	23.30	27.23
Office equipment	80.96	13.20	-	94.16	50.37	12.65	-	63.02	31.14	30.60
Computers	211.56	26.45	-	238.01	187.87	14.94	-	202.81	35.20	23.69
<b>Sub Total ( A )</b>	<b>4,380.37</b>	<b>671.38</b>	<b>53.54</b>	<b>4,998.21</b>	<b>1,707.21</b>	<b>367.80</b>	<b>53.54</b>	<b>2,021.47</b>	<b>2,976.74</b>	<b>2,673.18</b>
<b>b. Intangible Assets</b>										
Software	63.73	-	-	63.73	39.96	4.93	-	44.89	18.84	23.76
<b>Sub Total ( B )</b>	<b>63.73</b>	<b>-</b>	<b>-</b>	<b>63.73</b>	<b>39.96</b>	<b>4.93</b>	<b>-</b>	<b>44.89</b>	<b>18.84</b>	<b>23.76</b>
<b>c. Capital Work In Progress</b>	0.13	3.66	0.13	3.66	-	-	-	-	3.66	0.13
<b>Sub Total ( C )</b>	<b>0.13</b>	<b>3.66</b>	<b>0.13</b>	<b>3.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.66</b>	<b>0.13</b>
<b>TOTAL</b>	<b>4,444.23</b>	<b>675.04</b>	<b>53.67</b>	<b>5,065.60</b>	<b>1,747.17</b>	<b>372.73</b>	<b>53.54</b>	<b>2,066.36</b>	<b>2,999.24</b>	<b>2,697.07</b>

**12 LONG TERM LOANS AND ADVANCES**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Security Deposits (unsecured, considered good)</b>		
Rental Deposit to Related Party*	112.76	113.08
Electricity deposits	39.48	36.54
	152.24	149.62
<b>Other Loans and Advances (unsecured, considered good)</b>		
Mat Credit Entitlement	30.40	30.40
	30.40	30.40
<b>TOTAL</b>	<b>182.64</b>	<b>180.02</b>

**\* Deposits with Related Party**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Company in which director is a member	40.00	40.00
<b>TOTAL</b>	<b>40.00</b>	<b>40.00</b>

**13 INVENTORIES**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>LOWER OF COST OR NRV</b>		
Raw Materials and components [Includes in transit ₹ 18.65 lakh (Previous Year ₹ 60.55 lakh)]	1,033.97	1,363.63
Work-in-progress	1,374.48	1,367.51
Finished goods	2,724.55	2,684.22
Stores, Spares and Others	217.24	212.19
<b>TOTAL</b>	<b>5,350.24</b>	<b>5,627.55</b>

For mode of valuation, refer Accounting Policy

**13.1 Details of Raw Materials**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Yarn	623.44	833.51
Stitching Materials	110.36	175.96
Fabrics	300.17	354.16
<b>TOTAL</b>	<b>1,033.97</b>	<b>1,363.63</b>

**13.2 Details of Work in Progress**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Grey Fabrics	160.30	139.12
Fabrics	295.35	253.17
Garment	918.83	975.22
<b>TOTAL</b>	<b>1,374.48</b>	<b>1,367.51</b>

**13.3 Details of Finished Goods**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Fabrics	2,164.35	2,405.09
Readymade Garment	560.20	279.13
<b>TOTAL</b>	<b>2,724.55</b>	<b>2,684.22</b>



**14 TRADE RECEIVABLE**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	118.10	303.76
Unsecured, considered doubtful	-	11.70
Less: Provision for Doubtful Debts	-	(11.70)
	118.10	303.76
<b>Trade receivables outstanding for a period less than six months from the date they are due for payment.</b>		
Unsecured, considered good	5,043.13	4,875.36
	5,043.13	4,875.36
<b>TOTAL</b>	<b>5,161.23</b>	<b>5,179.12</b>

**15 CASH AND BANK BALANCES**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Cash and Cash equivalents :-</b>		
Balance with banks		
Current Accounts	5.80	67.41
Cash on hand	5.23	9.86
	11.03	77.27
<b>Other Bank Balances :</b>		
Unclaimed Dividend account	3.94	3.25
Balances with banks to the extent held as margin money (Refer Note No.31)	37.93	32.93
Fixed deposits with original maturity for more than 12 months	9.32	8.98
	51.19	45.16
<b>TOTAL</b>	<b>62.22</b>	<b>122.43</b>

**16 SHORT TERM LOANS AND ADVANCES**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
<b><u>Unsecured, Considered Good</u></b>		
Prepaid Expenses	66.41	53.54
Withholding and other Taxes receivable	42.36	55.36
Advance to Suppliers	48.44	54.40
Staff Loan & Advances	11.41	3.35
Advance Receivable in Cash and Kind	43.70	31.24
<b>TOTAL</b>	<b>212.32</b>	<b>197.89</b>

**17 OTHER CURRENT ASSETS**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Interest Subsidy & Interest Receivable	60.93	80.28
Interest Accured But Not Due	10.52	7.78
<b>TOTAL</b>	<b>71.45</b>	<b>88.06</b>

**18 REVENUE FROM OPERATIONS**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Sales of Products	30,912.98	29,380.97
Sales of services (Job charges Received)	351.73	530.28
Other operating revenues	89.91	150.19
	31,354.62	30,061.44
Less : Excise Duty	360.47	37.63
<b>TOTAL</b>	<b>30,994.15</b>	<b>30,023.81</b>

**18.1 PARTICULARS OF SALE OF PRODUCTS**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Finish Fabrics	16,081.15	14,595.49
Readymade garments	14,819.49	14,773.03
Others	12.34	12.45
<b>TOTAL</b>	<b>30,912.98</b>	<b>29,380.97</b>

**19 OTHER INCOME**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>Interest Income on</b>		
Bank FD	2.96	3.47
<b>Others</b>	-	-
Other non operating income	17.82	34.79
<b>TOTAL</b>	<b>20.78</b>	<b>38.26</b>

**20 COST OF MATERIALS CONSUMED**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Inventory at the beginning of the year	1,363.63	1,135.26
Add: purchases	14,288.08	13,524.14
	15,651.71	14,659.40
Less : Inventory at the end of the year	1,033.97	1,363.63
<b>TOTAL</b>	<b>14,617.74</b>	<b>13,295.77</b>

**20.1 PARTICULARS OF MATERIALS CONSUMED**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Yarn	3,312.92	2,334.62
Accessories	1,386.21	1,370.86
Finished Fabrics	9,918.61	9,590.29
<b>TOTAL</b>	<b>14,617.74</b>	<b>13,295.77</b>

**21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**
**STOCK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>Inventories at the end of the year</b>		
Work-in-Progress	1,374.48	1,367.51
Finished goods	2,724.55	2,684.22
	4,099.03	4,051.73
<b>Inventories at the beginning of the year</b>		
Work-in-Progress	1,367.51	772.87
Finished goods	2,684.22	3,312.74
	4,051.73	4,085.61
<b>TOTAL</b>	<b>(47.30)</b>	<b>33.88</b>

**22 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Salaries, wages and bonus	3,069.93	2,670.51
Contributions to Provident and Other funds	147.16	96.34
Gratuity	70.67	58.38
Leave Encashment	54.68	28.13
Staff welfare expenses	67.16	62.16
<b>TOTAL</b>	<b>3,409.60</b>	<b>2,915.52</b>

**22.1 Defined Contribution Plan**

Contribution to Defined Contribution Plans, recognized as expense for the year as under.

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Employer's Contribution to Provident Fund	147.16	96.34

**Defined Benefit Plan**

The employees' gratuity fund scheme is unfunded. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized in the same manner as gratuity.

**i) Reconciliation of opening and closing balances of Defined Benefit Obligation**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
	Gratuity (unfunded)	Gratuity (unfunded)
Defined Benefit obligation at beginning of year	143.79	100.99
Current Service Cost	35.41	27.72
Interest Cost	10.99	8.08
Actuarial (gain)/loss	24.27	22.58
Benefit Paid	12.89	15.58
Defined Benefit obligation at year end	201.57	143.79

## i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Defined Benefit obligation at beginning of year	44.97	30.94
Current Service Cost	21.40	15.11
Interest Cost	2.80	2.48
Actuarial (gain)/loss	30.48	10.54
Benefit Paid	19.93	14.10
Defined Benefit obligation at year end	79.72	44.97

## ii) Reconciliation of Fair value of assets and obligation

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
	Gratuity (unfunded)	Gratuity (unfunded)
Fair value of Plant assets	-	-
Present Value of obligation	201.57	143.79
Amount recognized in balances sheet	201.57	143.79

## ii) Reconciliation of Fair value of assets and obligation

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Fair value of Plant assets	-	-
Present Value of obligation	79.72	44.97
Amount recognized in balances sheet	79.72	44.97

## iii) Expenses recognized in the statement of profit &amp; loss

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
	Gratuity (unfunded)	Gratuity (unfunded)
Current service cost	35.41	27.72
Interest Cost	10.99	8.08
Excepted return on plan assets	-	-
Actuarial (gain)/ loss	24.27	22.58
Net Cost	70.67	58.38

## iii) Expenses recognized in the statement of profit &amp; loss

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Current service cost	21.40	15.11
Interest Cost	2.80	2.48
Excepted return on plan assets	-	-
Actuarial (gain)/ loss	30.48	10.54
Net Cost	54.68	28.13

**iv) Actuarial assumption**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
	Gratuity (unfunded)	Gratuity (unfunded)
Mortality Table (LIC)		
Discount Rate (per annum)	7.50%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%

**iv) Actuarial assumption**

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Mortality Table (LIC)		
Discount Rate (per annum)	7.50%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%

**v) Experiences**

(₹ in Lakh)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Defined Benefit Obligation	82.36	92.51	100.99	143.79	201.57
Plan Assets (includes bank balance)	N.A	N.A	N.A	N.A	N.A
Surplus/(Deficit)	N.A	N.A	N.A	N.A	N.A
Experience adjustments on Plan Liabilities[Gain/(Loss)]	2.58	(7.32)	2.65	22.58	10.51
Experience on Plan Assets	N.A	N.A	N.A	N.A	N.A

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**23 FINANCE COST**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Interest Expenses	775.67	784.56
Other borrowing cost	61.62	42.61
<b>TOTAL</b>	<b>837.29</b>	<b>827.17</b>

[Net of Subsidy of ₹ 9.37 lakh (Previous year ₹ 23.20 lakh)]

**24 OTHER EXPENSES**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>Manufacturing Expenses</b>		
Consumption of stores, spare parts and others. (Refer note 24.1)	342.55	313.59
Consumption of Packing Materials	418.90	480.27
Power and fuel.	536.27	529.32
Machine Hire Charges	-	3.66
Job Work	3,837.96	4,390.61
Labour Charges	169.93	133.56
Repairs to buildings.	43.90	28.34
Repairs to machinery.	27.00	17.45
Repairs to others.	126.39	104.28
<b>SUB TOTAL</b>	<b>5,502.90</b>	<b>6,001.08</b>
<b>Selling and Distribution Expenses</b>		
Travelling and conveyance	130.56	131.65
Brokerage and commission	378.65	370.95
Advertisement and marketing expenses	161.38	141.02
Incentives and discount	871.71	896.42
Freight outward charges	389.30	341.93
<b>SUB TOTAL</b>	<b>1,931.60</b>	<b>1,881.97</b>
<b>Establishment Expenses</b>		
Printing and Stationery	41.62	30.66
Communication Cost	23.44	27.11
Legal and professional fees	156.70	152.19
Postage, telegram and courier charges	28.48	26.68
Loss on Sale of Machinery	15.06	-
Provision for Doubtful Debts	-	11.70
Exchange Difference (net)	2.55	-
Sundry balance written off	1.00	1.20
Rent.	323.02	255.86
Insurance .	24.82	28.93
Rates and taxes, excluding, taxes on income.	23.73	23.55
Payment to the auditor (Refer note 24.3)	19.91	18.64
Miscellaneous expenses,	59.65	68.15
<b>SUB TOTAL</b>	<b>719.98</b>	<b>644.67</b>
<b>TOTAL</b>	<b>8,154.48</b>	<b>8,527.72</b>

**24.1 IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS CONSUMED**

Particulars	For the Year Ended 31st March 2017		For the Year Ended 31st March 2016	
	(₹ in Lakh)	%	(₹ in Lakh)	%
<b>Raw Materials</b>				
Imported	-	-	-	-
Indigenous	14,617.74	100%	13,295.77	100%
<b>TOTAL</b>	<b>14,617.74</b>	<b>100%</b>	<b>13,295.77</b>	<b>100%</b>
<b>Store &amp; Spare Parts</b>				
Imported	35.93	10.49%	15.35	4.48%
Indigenous	306.62	89.51%	298.24	87.06%
<b>TOTAL</b>	<b>342.55</b>	<b>100%</b>	<b>313.59</b>	<b>100%</b>



**24.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Raw Material	-	-
Stores and Spares parts	36.56	15.35
Capital Goods	93.69	29.36

**24.3 PAYMENT TO THE AUDITORS**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>As Auditor</b>		
Audit fees	9.49	8.59
Tax audit fees	2.01	2.00
Limited review	5.75	5.14
<b>In other capacity</b>		
Company law matters	1.15	0.86
Certification fees	1.15	1.72
Reimbursement of expenses	0.36	0.33
<b>TOTAL</b>	<b>19.91</b>	<b>18.64</b>

- The payment made to auditors are inclusive of service tax.

**25 EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Travelling Expenses	12.38	11.11

**26 EARNINGS IN FOREIGN CURRENCY**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Revenue from Exports on FOB Basis	60.55	42.84

**27 EARNING PER SHARE (EPS)**

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
(i) Net profit after taxes as per statement of profit and loss attributed attributed to equity shareholders (₹ in Lakh) to equity shareholders (₹ in Lakh)	249.27	190.14
(ii) Weighted Average Number of equity shares used as denominator for calculation of EPS	5,869,371	5,166,578
Weighted Average Number of equity shares (including dilutive shares) used as denominator for calculation of DPS	5,869,371	5,283,074
(iii) Basic Earning per share (amount in ₹)	4.25	3.68
(iv) Diluted Earning per share (amount in ₹)	4.25	3.60
(v) Face value per equity share (amount in ₹)	10.00	10.00

**28 RELATED PARTY DISCLOSURES:**

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below.

**i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

Name of the Related Party	
1 PIL Industries Ltd	Enterprises having significant influence in the company
2 Jagruti Synthetics Ltd	Other Related Parties (Enterprises - KMP having significant influence/Owned by Major Shareholders)
3 Mr. Pradip Kumar Goenka	Key Management Personnel (KMP)
4 Mr. Abhay Kumart	
5 Mr. Tilak Goenka	Relatives of Key Management Personnel (KMP)
6 Mrs. Jyoti Kumart	
7 Srishti Mall Management Company Private Limited	Other Related Parties (Enterprises - KMP having significant influence)

**(ii) Related Party Transactions**

(₹ in Lakh)

Particulars		Transaction during the year 2016-17		Outstanding Balance 31st March 2017		Outstanding Balance 31st March 2016	
		31st March 2017	31st March 2016	Receivable	Payable	Receivable	Payable
a) <b>Sales:</b>							
	Jagruti Synthetics Limited	0.62	3.15	-	-	-	-
b) <b>Purchase:</b>							
	Jagruti Synthetics Limited	1,429.04	788.30	-	139.62	-	-
c) <b>Job Charges Paid:</b>							
	Jagruti Synthetics Limited	236.98	154.12	-	12.82	-	-
d) <b>Interest Paid :</b>							
	Jagruti Synthetics Limited	-	18.68	-	-	-	-
e) <b>Rent Expenses:</b>							
	PIL Industries Limited	86.20	68.35	-	-	-	5.23
	Jagruti Synthetics Limited	58.35	57.83	-	-	-	-
	Mrs.Jyoti Kumart	5.64	5.20	-	-	-	-
f) <b>Electricity Expenses:</b>							
	Jagruti Synthetics Limited	1.89	1.88	-	-	-	-
g) <b>Managerial Remuneration:</b>							
	Mr. Pradip Kumar Goenka	54.00	54.00	-	-	-	-
	Mr. Abhay Kumart	100.00	100.00	-	-	-	-
h) <b>Salary :</b>							
	Mr. Tilak Goenka	24.50	21.36	-	-	-	-
i) <b>Deposit Given :</b>							
	Jagruti Synthetics Limited	-	-	-	40.00	-	40.00
j) <b>Loan Taken :</b>							
	PIL Industries Limited	-	-	-	100.00	-	100.00
	Srishti Mall Management Company Private Limited	-	5.21	-	-	-	-

29 The company is engaged in manufacturing (in house and outsourced) fabrics, ready to wear garments, considering the overall nature, the management is of the opinion that the entire operation of the company falls under one segment i.e. Textiles and as such there is no separate reportable segment for the purpose of disclosure as required under Accounting Standard - 17 segment reporting.

**30 UNHEDGED FOREIGN CURRENCY EXPOSURE**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017		For the Year Ended 31st March 2016	
	USD	INR	USD	INR
Trade Payable	-	-	-	-
Trade Receivable	-	-	\$0.26	18.39

**31 CONTINGENT LIABILITIES AND OTHER COMMITMENTS**

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
<b>Contingent Liabilities</b>		
a) Claims against the company not acknowledged as debt	153.37	143.09
b) Guarantees	35.90	50.56
c) Bonus Payable (As Per Revised Bonus Act) F.Y 2014-15	23.64	23.64
	212.91	217.29
<b>Commitments</b>		
a) other commitments - pending obligation under EPCG scheme	319.85	319.85
	319.85	319.85
<b>TOTAL</b>	<b>532.76</b>	<b>537.14</b>

**32 DETAILS OF FOREIGN SHAREHOLDING AND DIVIDEND PAID**

(Amount in ₹)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
No. of non resident shareholders	8	9
No. of shares held by them on which dividend was paid	4,511.00	5,381.00
Gross Dividend (₹)	6,767.00	8,072.00

\* Dividend for the F.Y. 2015-2016 was declared in AGM held on 19th September 2016 and paid on 24th September 2016

**33 DISCLOSURE IN RESPECT OF SPECIFIED BANK NOTE HELD AND TRANSACTED**

(₹ in Lakh)

Particulars	SBNs	Other denomination notes	Total
<b>Closing cash in hand as on 8th November 2016</b>	<b>7.71</b>	<b>3.04</b>	<b>10.75</b>
(+) Permitted receipts	-	19.98	19.98
(-) Permitted payments	-	17.51	17.51
(-) Amount deposited in Banks	7.71	-	7.71
<b>Closing cash in hand as on 30th December 2016</b>	<b>-</b>	<b>5.51</b>	<b>5.51</b>

34 The Company has not entered into any non-cancellable lease during the year. Lease rental expense aggregating to ₹ 323.02 Lakh (previous year ₹ 255.86 Lakh) recognised in statement of profit & loss.

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

As per our Report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN No. 103523W/W100048

For and on behalf of the Board

**Sumant Sakhardande**

Partner

Membership No. 034828

**Pradip Kumar Goenka**

Chairman & Managing Director

DIN: 00516381

**Anil Biyani**

Director

DIN: 00005834

Date : 29th May, 2017

Place : Mumbai

**Jagdish Prasad Dave**

Chief Financial Officer

**Siddhant Singh**

Company Secretary





# TRUE VALUE

Superfine Suitings & Shirtings





#### **CAUTIONARY STATEMENT**

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

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