

August 29, 2019

BSE Limited

Corporate Relationship Department

1st Floor, New Trading Wing,
Rotunda Building, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001.

Scrip Code: 514322

Dear Sir/Madam,

Sub.: Submission of Annual Report along with the Notice of the Annual General Meeting pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 34 of Listing Regulations, please find enclosed herewith the Annual Report for financial year 2018 - 19 alongwith Notice of the 32nd (Thirty-Second) Annual General Meeting of the Company which are being sent to shareholders of the Company through permitted mode.

Please note that the aforesaid documents are also available on website of the Company at www.kflindia.com.

You are requested to take the same on your records

Thanking you,

Yours faithfully,

For **Kamadgiri Fashion Limited**



Gaurav K. Soni

Company Secretary

Encl.: a/a



KAMALGIRI FASHION LIMITED

**ANNUAL REPORT
2018-2019**



 **RISQUE**





KAMADGIRI FASHION LIMITED

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KAMADGIRI FASHION LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. Pradip Kumar Goenka

Chairman & Managing Director (DIN: 00516381)

Mr. Anil Biyani

Non-Executive Director (DIN: 00005834)

Mr. Rahul Mehta

Independent Director (DIN: 00165521)

Mr. Sanjeev Maheshwari

Independent Director (DIN: 02431173)

Ms. Bindu Shah

Independent Director (DIN: 07131459)

Mr. Tilak Goenka

Executive Director (DIN: 00516464)

Chief Executive Officer

Mr. Abhay Kumart

Chief Financial Officer

Mr. Jagdish Prasad Dave

Company Secretary

Mr. Gaurav K. Soni

Statutory Auditors

M/s. Haribhakti & Co. LLP,
Chartered Accountants, Mumbai

Bankers

State Bank of India

Bank of Baroda

Registered Office

B-104, 'The Qube',
off. M.V. Road Marol,
Andheri (E), Mumbai - 400059.

Tel: (+91 22) 71613131

Fax: (+91 22) 71613199

Website : www.kflindia.com

Email: cs@kflindia.com

CIN

L17120MH1987PLC042424

Factory/Plant

43/2 & 42/1, Ganga Devi Road,
Umbergaon - 396171
Dist. Valsad (Gujarat).

C-4/2/2, MIDC, Tarapur - 401506
Dist. Thane (Maharashtra).

J-72/1, MIDC, Tarapur - 401 506
Dist. Thane (Maharashtra).

Registrar & Share Transfer Agent

Sharex Dynamic (India) Private Limited
C-101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400083.

Tel No.: (+91 22) 28515606/28515644

Fax No.: (+91 22) 28512885

Email: support@sharexindia.com

BOARD'S REPORT

Dear Stakeholders,

Your Directors are pleased to present the Thirty-Second Annual Report on the business and operation of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2019.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Income from Operations	31,861.26	33,152.52
Other Income	87.41	148.39
Profit before tax	737.03	1,062.03
Less: Provision for current tax	331.00	417
Less: Tax adjustment of earlier years	19.29	0
Less: Net deferred tax liability	(84.44)	(6.28)
Profit after tax	471.18	651.31
Other Comprehensive Income	2.30	7.74
Earning per share of ₹ 10/- each		
Basic (in ₹)	8.03	11.10
Diluted (in ₹)	8.03	11.10

COMPANY'S PERFORMANCE

During the year under review, the Company has achieved a turnover of ₹ 31,861.26 Lakhs as compared to ₹ 33,152.52 Lakhs in the previous year. Despite varying consumer demand, the Company was able to maintain the topline at near to previous year's level. The Profit after tax for the financial year 2018-19 was ₹ 471.18 Lakhs as compared to ₹ 651.31 Lakhs during the previous year.

FUTURE PLANS

The Company is in process of setting up a Readymade garments manufacturing unit at a premises located in Sanjan, Gujarat considering the steadily growing customer's requirement and various incentives available to apparel industry from Government of Gujarat. The unit is being set up in a leased premise having an area of (approx) 62,279 sq. ft. and it is proposed to have a capacity of making 2 (two) million units of garments per annum.

The Company's newly introduced brand "Risque", a Men's Casual Shirt Brand mainly targeted for online market and distribution network has initial encouraging response and the Company proposes to work on enhancing distribution network gradually. The Company has also ventured into a new category business that has designing and manufacturing of Women's Wear and initial response from customer brands is encouraging and the Company plans to build this business gradually.

The Finished Fabrics division which supplies fabrics to branded apparel manufacturers is expected to add more customers and improve its performance.

DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 2/- (i.e. 20%) per equity share on the equity capital of the Company for the year under review. The said dividend shall be subject to the approval of the Members at the ensuing Annual General Meeting ('AGM').

PUBLIC DEPOSIT

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

TRANSFER TO GENERAL RESERVE

During the year under review, the Board of Directors ('the Board') has decided not to transfer any amount to General Reserve.

CORPORATE GOVERNANCE REPORT

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 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 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts for the financial year ended March 31, 2019, 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Lalit Goenka ceased to be a Director of the Company w.e.f. May 26, 2018 and Mr. Gaurav K. Soni was appointed as Company Secretary (Key Managerial Personnel) w.e.f. May 26, 2018. Mr. Tilak Goenka was appointed as an Executive Director w.e.f. August 14, 2018.

The Independent Directors of the Company viz., Mr. Rahul Mehta and Mr. Sanjeev Maheshwari, were appointed at the AGM of the Company held on September 26, 2014 to hold office for a term of 5 (five) consecutive years up to September 25, 2019, in line with the provisions of Section 149 and other applicable provisions of the Act, including the rules made thereunder and the erstwhile Listing Agreement. Based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board it is proposed that these Independent Directors be re-appointed for a second term of 5 (five) consecutive years to hold office up to September 25, 2024, subject to the approval of the Members of the Company at the ensuing AGM.

In terms of Regulation 17(6)(e) of the Listing regulations approval of shareholders is also being sought for approval of remuneration exceeding 5% of net profit being paid to Mr. Pradip Kumar Goenka and Mr. Tilak Goenka, Executive Directors of the Company.

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

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Additional information on appointment/re-appointment of Directors as required under Regulation 36(3) of the Listing Regulations is given in the Notice convening the ensuing AGM.

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 Act, has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

NUMBER OF BOARD MEETINGS

The Board of Directors met 6 (Six) times during the year under review. 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.

PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Act 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.

COMMITTEES OF THE BOARD

Audit Committee

During the year under 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 this Annual Report.

Other Committees

Details of other Committees of the Board along with their terms of reference, composition and meeting(s) held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ('CSR') STATEMENT

During the year under review, the Company has constituted CSR Committee and approved the CSR policy. The details of terms of reference, composition and meeting held during the year are provided in the Corporate Governance Report which forms part of this Annual Report. The Company could not spend CSR amount and same will be spent in the financial year 2019-20.

The report on CSR activities in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out at **Annexure A**.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai were appointed as statutory auditors of your Company at the Twenty Seventh AGM held on September 26, 2014 for a term of 5 (five) consecutive years. As per the provisions of Section 139 of the Act, the firm of Statutory Auditors can be re-appointed for a further period of 1 (one) year.

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

A resolution proposing re-appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai as the Statutory Auditors of the Company pursuant to Section 139 of the Act forms part of the Notice of AGM.

Subject to the approval of the Members, the Board on the recommendation of the Audit Committee, proposes to re-appoint M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W) as Statutory Auditors of the Company to hold office from the conclusion of 32nd AGM until the conclusion of 33rd AGM of the Company. The Company has received the consent of M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai along with certificate under Section 139 of the Act to the effect that their re-appointment, if made, shall be in accordance with the prescribed conditions and that they are not disqualified to act as the Auditor of the Company.

Secretarial Auditor

The Company has appointed M/s. HS Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2018-19 in terms of provisions of Section 204 of the Act. The Secretarial Audit Report for the year ended March 31, 2019 is annexed to this report as **Annexure B**. 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 Act 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, on the recommendation of Audit Committee, has appointed Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to audit the accounts of the Company for the financial year 2019-20 at a remuneration of ₹ 0.90 Lakh plus applicable taxes 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 AGM.

The Cost Audit report for the financial year 2017-18 was filed with the Ministry of Corporate Affairs.

POLICIES & DISCLOSURE REQUIREMENTS

Details of programme for familiarisation of Independent Directors with the Company is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Policy on dealing with related party transactions is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Policy for archival of documents of the Company is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Policy for determining Materiality of Events of the Company is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

The code of conduct for Directors and senior management of the Company is available on website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

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 Act and Regulation 4(2)(d)(iv) of the Listing Regulations. Policy on Whistle Blower is available on website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

There are no material changes affecting the financial position of the Company, subsequent to the end of the financial year 2018-19 till the date of this report.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board ("SS-1") and on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Act.

EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 92(3) of the Act, an extract of Annual Return in prescribed format is annexed to this Report as **Annexure C**. The copy of the draft Annual Return is also available on the Company's website at <https://www.kflindia.com/annual-return/>.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered by the Company with related parties as defined under the Act and Regulation 23 of the 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.

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

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

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 Act.

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

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

PARTICULARS OF REMUNERATION TO MANAGERIAL PERSONNEL

Disclosure as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed there under, the names and other particulars of employees are provided under **Annexure E** is annexed to this Report.

A statement containing the particulars as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Annual Report.

In accordance with the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of ensuing AGM.

The aforesaid information would be made available to any Member interested in obtaining the same upon a request made to the Company.

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

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

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

The Audit Committee actively reviews 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.

TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("**IEPF Rules**"), dividend, if not claimed for a consecutive period of 7 (Seven) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF.

The following table provides the due dates for the transfer of outstanding unpaid/unclaimed dividend by the Company as on March 31, 2019:

Particulars	Date of declaration	Last date for claiming due amount
2011-2012 (Final)	18/09/2012	24/10/2019
2012-2013 (Final)	24/09/2013	30/10/2020
2013-2014 (Final)	26/09/2014	01/11/2021
2014-2015 (Final)	25/09/2015	31/10/2022
2015-2016 (Final)	19/09/2016	25/10/2023
2016-2017 (Final)	19/09/2017	25/10/2024
2017-2018 (Final)	25/09/2018	31/10/2025

EQUITY SHARES IN THE SUSPENSE ACCOUNT

During the year under review, and in accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the Listing Regulations, there were no shares transferred to suspense account.

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.

For and on behalf of the Board

Mumbai
May 28, 2019

Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURE A

Report on Corporate Social Responsibility ('CSR') Activities

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act"), read with applicable rules thereto. CSR Policy of the Company is available on the website of the Company at the following link https://www.kflindia.com/policies-and-codes/
2.	The Composition of the CSR Committee	Mr. Pradip Kumar Goenka – Chairman Mr. Rahul Mehta – Member Mr. Anil Biyani – Member
3.	Average net profit of the Company for last three financial years	₹ 617.21 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 12.34 Lakhs
5.	Details of CSR spent during the financial year 2018 -19:	
	a. Total amount to be spent for the financial year 2018-19	₹12.34 Lakhs
	b. Amount unspent, if any	₹ 12.34 Lakhs

6. In case the Company has failed to spend 2% of the average net profit of the last 3 (three) financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report

CSR provisions became applicable to the Company during the year 2018-19. Being first year of applicability of CSR provisions, Board of Directors of the Company constituted a CSR Committee. The CSR Committee adopted a CSR policy. The CSR Committee is in the process of identifying projects to spend the unutilised CSR amount and the same will be spent in the financial year 2019-20.

7. Responsibility statement of the CSR Committee

We hereby declare that implementation of CSR Policy, is in compliance with CSR objectives & Policy of the Company.

Mumbai
May 28, 2019

Pradip Kumar Goenka
Chairman & Managing Director
Chairman of CSR Committee

ANNEXURE B

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR FINANCIAL YEAR ENDED ON MARCH 31, 2019

[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 read with Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015]

To,
The Members,
KAMADGIRI FASHION LIMITED.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company being in Textile Sector as given below:
 - (I) The Environment (Protection) Act, 1986 and Rules made there under;
 - (II) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards;
 - (III) Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the Sate Pollution Control Boards.

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

During the year under review, the Company in general has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards otherwise as mentioned elsewhere in this report.

We further report that:

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

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

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

We further report that during the Audit period:

1. Board Appointed Mr. Gaurav Soni as Company Secretary and Compliance Officer w.e.f. May 26, 2018.
2. Mr. Lalit Goenka ceased to be Director of the Company w.e.f. May 26, 2018.
3. Mr. Tilak Goenka was appointed as a Director of the Company at the Board Meeting held on August 14, 2018.
4. The Company in its 31st Annual General Meeting held on Tuesday, September 25, 2018 passed following resolutions:
 - a) A Ordinary Resolution pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Mr. Tilak Goenka as Executive Director of the Company for a period of three year from August 14, 2018 to August 13, 2021 and fixation of his remuneration.
 - b) A Ordinary Resolution pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for appointment of Mr. Pradip Kumar Goenka as Chairman and Managing Director of the Company for a period of three year from August 26, 2018 to August 25, 2021 and fixation of his remuneration.
 - c) A Ordinary Resolution pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) for Ratification of Remuneration payable to Cost Auditor of the Company for the financial year ended March 31, 2019.
 - d) Declared and paid the Final dividend of ₹ 2/- per equity share of ₹ 10/- each for the Financial year ended March 31, 2018 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.
5. Board transferred ₹ 56,283/- (Rupees Fifty-Six Thousand Two Hundred and Eighty-Three) as unpaid/unclaimed dividend to IEPF authority for the financial year ended 2010-11 pursuant to Section 124(5) of the Companies Act, 2013 read with applicable rules made thereunder.

For **HS Associates**
Company Secretaries

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

Mumbai
May 28, 2019

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

Annexure - I

To,
The Members,
KAMADGIRI FASHION LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **HS Associates**
Company Secretaries

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

May 28, 2019
Mumbai

ANNNERXURE C
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[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	04/02/1987
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', off. M.V. Road, Marol, Andheri (East), Mumbai – 400059. Tel No.: (+91 22) 71613131 Fax: (+91 22) 71613199 Website : www.kflindia.com Email: cs@kflindia.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Pvt. Ltd., C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083. Tel No.: (+91 22) 28515606/28515644 Fax: (+91 22) 28512885 Email: support@sharexindia.com

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	50.14%
2	Weaving, Finish Fabrics	1312	49.86%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

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

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

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on April 01, 2018				No. of Shares held at the end of the year as on March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	13,46,080	0	13,46,080	22.93	13,45,930	0	13,45,930	22.93	(0.002)
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	4,68,400	0	4,68,400	7.98	4,68,400	0	4,68,400	7.98	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on April 01, 2018				No. of Shares held at the end of the year as on March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Any Other (Relatives of promoters)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	18,14,480	0	18,14,480	30.91	18,14,330	0	18,14,330	30.91	(0.002)
2	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	18,14,480	0	18,14,480	30.91	18,14,330	0	18,14,330	30.91	(0.002)
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions/ Banks	870	0	870	0.01	870	0	870	0.01	0.00
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	870	0	870	0.01	870	0	870	0.01	0.00
2	Non-institutions									
(a)	Bodies Corporate	31,01,775	0	31,01,775	52.85	31,23,932	0	31,23,932	53.22	0.38
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹1 lakh.	3,93,772	60,725	4,54,497	7.74	3,76,330	57,425	4,33,755	7.39	(0.35)

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on April 01, 2018				No. of Shares held at the end of the year as on March 31, 2019				% 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.	3,81,554	0	3,81,554	6.50	3,88,510	0	3,88,510	6.62	0.12
(c)	Other (specify)									
(c-i)	Clearing Member	9,141	0	9,141	0.16	2,359	0	2,359	0.04	(0.12)
(c-ii)	Non Resident Indians	7,323	0	7,323	0.12	6,249	0	6,249	0.11	(0.01)
(c-iii)	IEPF	13,605	0	13,605	0.23	13,605	0	13,605	0.23	0.00
(c-iv)	HUF	85,426	700	86,126	1.47	85,061	700	85,761	1.46	(0.01)
	Sub-Total (B)(2)	39,92,596	61,425	40,54,021	69.07	39,96,046	58,125	40,54,171	69.07	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	39,93,466	61,425	40,54,891	69.09	39,96,916	58,125	40,55,041	69.09	0.00
(C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	58,07,946	61,425	58,69,371	100.00	58,11,246	58,125	58,69,371	100.00	0.00

(ii) Shareholding of Promoters

Share Holding of Promoters/Promoters Group

Sr. No.	Shareholders Name	Shareholding at the beginning of the year as on April 01, 2018			Shareholding at the end of the year as on March 31, 2019			% 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	6,49,200	11.06	0.00	6,49,200	11.06	0.00	0.00
2	Mr. Tilak Pradip Goenka	4,96,102	8.45	0.00	4,96,102	8.45	0.00	0.00
3	Mrs. Asha Devi Goenka	1,99,171	3.39	0.00	1,99,171	3.39	0.00	0.00
4	Mr. Lalit Goenka	1,607	0.03	0.00	1,457	0.028	0.00	(0.002)
5	Jagruti Synthetics Limited	31,600	0.54	0.00	31,600	0.54	0.00	0.00
6	Ananddeep Cotsyn Private Ltd	4,36,800	7.44	0.00	4,36,800	7.44	0.00	0.00
	Total	18,14,480	30.91	0.00	18,14,330	30.91	0.00	(0.002)

(iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	18,14,480	30.91	18,14,480	30.91
1.	Market Sale - July 13, 2018	(150)	(0.002)	18,14,330	30.91
	At the end of the year			18,14,330	30.91

(iv) Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Future Corporate Resources Private Limited*				
	At the beginning of the year	16,45,389	28.03	16,45,389	28.03
	At the End of the year			16,45,389	28.03
2	Surplus Finvest Private Limited				
	At the beginning of the year	5,69,000	9.69	5,69,000	9.69
	At the End of the year			5,69,000	9.69
3	Tritoma Hotels Private Limited				
	At the beginning of the year	3,25,000	5.54	3,25,000	5.54
	At the End of the year			3,25,000	5.54
4	Syntex Trading and Agency Private Limited#				
	At the beginning of the year	1,99,905	3.41	1,99,905	3.41
	At the End of the year			1,99,905	3.41
5	Loyal Apparels Private Limited				
	At the beginning of the year	1,35,500	2.31	1,35,500	2.31
	Market Sale - September 28, 2018	(1500)	(0.03)	1,34,000	2.28
	At the End of the year			1,34,000	2.28
6	Abhay Jaswant Singh Kumat				
	At the beginning of the year	1,30,742	2.29	1,30,742	2.29
	At the End of the year			1,30,742	2.29
7	Jyoti Abhay Kumat				
	At the beginning of the year	72,752	1.24	72,752	1.24
	At the End of the year			72,752	1.24
8	Quality Synthetic Industries Limited				
	At the beginning of the year	69,200	1.18	69,200	1.18
	At the End of the year			69,200	1.18
9	Subramanian P				
	At the beginning of the year	63,070	1.08	63,070	1.08
	At the End of the year			63,070	1.08
10	Srinarayan Rajkumar Merchants Private Limited				
	At the beginning of the year	59,000	1.01	59,000	1.01
	At the End of the year			59,000	1.01

Notes:

- 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.
- *Formerly known as Suhani Trading and Investment Consultants Private Limited
- # Counseled Mercantile Private Limited merged into Syntex Trading and Agency Private Limited

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

Sr. No.	Name of the Director/KMP	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	6,49,200	11.06	6,49,200	11.06
	At the end of the year			6,49,200	11.06
2	Mr. Lalit Goenka*	1,607	0.03	1,607	0.03
	Market Sale - July 13, 2018	(150)	(0.002)	1,457	0.028
	At the end of the year			1,457	0.028
3	Mr. Tilak Goenka#	4,96,102	8.45	4,96,102	8.45
	At the end of the year			4,96,102	8.45
4	Mr. Jagdish Prasad Dave	295	0.00	295	0.00
	At the end of the year			295	0.00
5	Mr. Gaurav K. Soni	NA	NA	NA	NA
	At the end of the year			Nil	Nil

Notes:

- Names of only those Directors & KMPs are mentioned who held shares at any during the year under review.
- *Mr. Lalit Goenka ceased as a Director of the Company w.e.f. May 26, 2018.
- #Mr. Tilak Goenka was appointed as Executive Director w.e.f. August 14, 2018.

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars secured loans	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year April 01, 2018				
1) Principal Amount	647.45	100.00	63.00	810.45
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	647.45	100.00	63.00	810.45
Change in Indebtedness during the financial year				
+ Addition	-	-	-	-
- Reduction	(263.75)	(100.00)	(7.79)	(371.54)
Net change	(263.75)	(100.00)	(7.79)	(371.54)
Indebtedness at the end of the financial year March 31, 2019				
1) Principal Amount	383.70	-	55.21	438.91
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	383.70	-	55.21	438.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the MD/WT/ Manager	Name of the MD/WT/ Manager	Total
		Mr. Pradip Kumar Goenka (Chairman & Managing Director)	Mr. Tilak Goenka# (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	54.00*	24.00*	78.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission as % of profit	NIL	NIL	NIL
5	Others	NIL	NIL	NIL
	Total (A)	54.00*	24.00*	78.00
	Ceiling as per the Act	10% of the Net Profit calculated under Section 198 of the Companies Act, 2013		

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

#Appointed w.e.f. August 14, 2018

B. Remuneration of other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total
1	Independent Directors	Mr. Sanjeev Maheshwari	Mr. Rahul Mehta	Ms. Bindu Shah	
	(a) Fee for attending board and committee meetings	1.34	0.92	1.42	3.68
	(b) Commission	NIL	NIL	NIL	NIL
	(c) Others	NIL	NIL	NIL	NIL
	Total (1)	1.34	0.92	1.42	3.68
2	Other Non-Executive Directors	Mr. Anil Biyani	Mr. Lalit Goenka*		
	(a) Fee for attending board and committee meetings	0.68	0.10		0.78
	(b) Commission	NIL	NIL		NIL
	(c) Others, please specify.	NIL	NIL		NIL
	Total (2)	0.68	0.10		0.78
	Total (B)=(1+2)				4.46
	Total Managerial Remuneration (A+B)				82.46
	Overall Ceiling as per the Act	1% of the Net Profits. No remuneration is paid other than sitting fees			

*Ceased to be director w.e.f. May 26, 2018

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of KMPs		Total
		Mr. Jagdish Prasad Dave (Chief Financial Officer)	Mr. Gaurav K. Soni[§] (Company Secretary)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	13.99	3.51	17.50
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission as % of Profit	NIL	NIL	NIL
5	Others, please specify: Provident Fund & other Funds	NIL	NIL	NIL
	Total	13.99	3.51	17.50

§ Appointed w.e.f. May 26, 2018

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year under review.

For and on behalf of the Board

Mumbai
May 28, 2019Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURE D
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC

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

(A) Conservation of Energy : (i) the steps taken or impact on conservation of energy	The operations of your Company are not energy intensive however adequate measures have been taken to reduce energy consumption.
(ii) the steps taken by the Company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.
(iii) the capital investment on energy conservation equipments	NIL
(B) Technology absorption : (i) the efforts made towards technology absorption	N.A.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (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
(C) Foreign exchange earnings and Outgo	NIL

For and on behalf of the Board

Mumbai
May 28, 2019

Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURE E

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 2018-19, ratio of the remuneration of Managing Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to MRE for Financial Year 2018-19
Mr. Pradip Kumar Goenka (Chairman & Managing Director)	54.00	Nil	33.13%
Mr. Tilak Goenka (Executive Director)	24.00 [#]	N.A.	24.53%
Mr. Jagdish Prasad Dave (Chief Financial Officer)	13.99	10.85%	N. A.
Mr. Gaurav K. Soni (Company Secretary) ^{\$}	3.51	Nil	N. A.

\$ Appointed w.e.f. May 26, 2018

Appointed w.e.f. August 14, 2018.

- II. The MRE of the Company during the financial year was ₹ 1.63 Lakhs previous year it was ₹ 1.84 Lakhs.
- III. The decrease in MRE in the financial year 2018-19, as compared to the financial year 2017-18 by 11.39% .
- IV. There were 1744 permanent employees on the rolls of Company as on March 31, 2019.
- V. Average percentage increase made in the salaries of employees other than the managerial personnel in financial year i.e. 2018-19 was 7.54% whereas there was increase by 44.44% 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.

For and on behalf of the Board

Mumbai
May 28, 2019

Pradip Kumar Goenka
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMIC SCENARIO

Indian economy is heading towards becoming more formalised economy post demonetisation and the implementation of the landmark Goods and Service Tax ('GST'). India's growth rate is expected to be around 7-7.3%. The Government of India is targeting to become US\$ 5 trillion economy by 2024-25.

INDIAN TEXTILE INDUSTRY

Indian textile industry has strength across the entire value chain from natural to man-made fiber to apparel to home furnishings. It is one of the largest industries in India. It is the second largest industry in terms of providing employment opportunities in the country. Its share in the nation's GDP is 6% and in exports is 13%. The sector is the second largest employer after agriculture. India has traditionally been exporting low value textiles products (fiber, yarn, fabric) more than apparel. India's focus now is shifting towards value addition within the country and in exports of finished products rather than exporting raw material and intermediate products. India is aspiring to achieve 20% growth in exports over the next decade. India would be exporting about US\$ 185 billion of textile and apparel by 2024-25. Considering the targeted growth in exports, India should by then have a market share of 15% to 20% of the global textile and apparel trade from the present level of 5%.

KEY GROWTH DRIVERS FOR INDIA

- Stability – Stable government;
- Reforms – Social, Economic and Cultural;
- Demography – 65% of the population is below the age of 35 years;
- Make in India – Encouragement for indigenous manufacturing;
- Startup hub – India is home to second largest start-up hub in the world.

OPPORTUNITIES AND THREATS

Opportunities

- International Trade Relations - Declining trade relations between United States of America and China;
- E-commerce – World's fastest growing market in retail sector and is expected to grow upto 7% by 2021;
- Policies – Various policy initiatives and programmes for development of textiles and handicrafts, particularly for technology, infrastructure creation, skill development.

Threats

- Retaining customers due to growing competition;
- Make balance between price and quality;
- Product obsolescence due to ever evolving fashion trends.

PERFORMANCE REVIEW

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

the satisfaction of customer brands. "Risque" Men's Casual Shirt Brand launched during the year, mainly targeted for online market and distribution network has had initial encouraging response.

FUTURE OUTLOOK

With stable policy, uniform tax regime and expected good monsoon, the Company expects the consumption to grow.

To cater the steadily growing requirement, the Company is proposing to add additional capacity in garmenting, which has been discussed in detail in Board's Report. The Company also has encouraging plans for recently launched "Risque" and its designing and manufacturing of Women's Wear initiative, which has also been discussed in detail in Board's Report.

The Company would continue to operate its existing manufacturing capacities at optimum level to continue its present performance. Further, the Company is trying to get into garmenting activities, which would be more revenue accretive and its initiative to reduce overall cost of operations, would further improve its profitability.

RISK MANAGEMENT

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

INTERNAL CONTROL SYSTEMS

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Sales

The Company's Sales were at ₹ 31,861.26 Lakhs for the financial year ended March 31, 2019 as against ₹ 33,152.52 Lakhs in the previous financial year.

Profit Before Tax

Profit Before Tax of the Company for the financial year ended March 31, 2019 stood at ₹ 737.03 Lakhs as against ₹ 1,062.03 Lakhs in the previous financial year.

Interest

Interest & other borrowing cost outflow is ₹ 723.82 Lakhs for the financial year ended March 31, 2019 as against ₹ 717.30 Lakhs in the previous financial year.

Net Profit

Net Profit of the Company for the financial year ended March 31, 2019 stood at ₹ 471.18 Lakhs as against ₹ 651.31 Lakhs in the previous financial year.

Dividend

The Company has proposed a dividend of ₹ 2/- (20%) per Equity Share for the financial year ended March 31, 2019 same as paid in the previous financial year.

Capital Employed

The capital employed in the business is ₹ 9,335.41 Lakhs as at March 31, 2019. Return on Capital employed during 2018-19 is 15.65% as compared to 18.85% during the previous financial year 2017-18.

Surplus Management

The Company generated a cash profit of ₹ 919.91 Lakhs for the financial year ended March 31, 2019 as compared to ₹ 1,093.65 Lakhs in the previous financial year. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund growth. The growth of the Company has been partly been funded by the cash generated from the business as well as from additional funds borrowed.

Debt- Equity

Debt – Equity ratio of the Company has decreased from 1.30 in the previous financial year to 1.13 as at March 31, 2019.

Earnings Per Share ('EPS')

The Company's Basic EPS has decreased from ₹ 11.10 in the previous financial year to ₹ 8.03 and Diluted EPS has decreased from ₹ 11.10 in the previous financial year to ₹ 8.03 for the financial year ended as on March 31, 2019.

HUMAN RESOURCE

Your Company strongly believes that its employees are its biggest assets and have played a major role in its growth. The Company has permanent employee strength of 1,744 as on March 31, 2019. The Company believes in inclusive growth and being an employer of choice. As the Company has now three different operating units, human resource and relationship with the employees plays a key role in its smooth operations. The Company pays required attention on the development and social needs of workers and staff. The Company is in a continuous process of evaluating, training, motivating and rewarding its employees for their unstinted performance and contributions to the Company so that the Company also receives the same in future.

CORPORATE GOVERNANCE REPORT

The Board of Directors ('the Board') of the Company lays great emphasis on the broad principles of Corporate Governance. Thus, Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

1. COMPANY'S PHILOSOPHY ON CODE ON GOVERNANCE

Company's policy on Corporate Governance is based on the principles of accountability, integrity and transparency.

The Company reiterates its commitment to adhere to the highest standards of Corporate Governance. The Company recognizes that good Corporate Governance is a continuing exercise and is committed to pursue the highest standard of governance in the overall interest of the stakeholders.

2. BOARD OF DIRECTORS

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 ('the Act') and Regulation 17 of Listing Regulations. The strength of the Board as on March 31, 2019 is 6 (Six) Directors comprising of 2 (two) Promoter Directors, 1 (one) Non-Executive Director and 3 (three) Independent Directors.

Name of Director & Category	Name of other Listed entities where he/she is a director & (category of directorship)	No. of Directorships [#]		No. of Memberships/ Chairmanships of Committees in other public companies ^{##}	
		Public	Private/ Non-profit	Memberships	Chairmanship
Mr. Pradip Kumar Goenka (Promoter & Executive)	None	1	1	0	0
Mr. Lalit Goenka* (Promoter & Non-Executive)	None	-	1	0	0
Mr. Anil Biyani (Non-Executive & Non-Independent)	None	1	5	0	0
Mr. Rahul Mehta (Non-Executive & Independent)	None	1	8	0	0
Mr. Sanjeev Maheshwari (Non-Executive & Independent)	Mudra Financial Services Limited – Non-Executive Director	2	1	0	0
Ms. Bindu Shah (Non-Executive & Independent)	None	-	-	0	0
Mr. Tilak Goenka ^{\$} (Promoter & Executive)	None	1	1	0	0

* Ceased to be Director w.e.f. May 26, 2018

\$ Appointed as Executive Director w.e.f. August 14, 2018

No. of directorships held by the Directors does not include directorships in foreign companies

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

Board Meetings

During the financial year 2018-19, 6 (Six) Board Meetings were held i.e. on May 26, 2018, August 14, 2018, November 03, 2018, December 04, 2018, February 05, 2019 and March 19, 2019. The time gap between two meetings did not exceed maximum period mentioned under the Section 173 of the Act and the Regulation 17(2) of the Listing Regulations. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Name of Directors	No. of Board meetings attended	Attendance at last Annual General Meeting	No. of shares held
Mr. Pradip Kumar Goenka	6	Present	6,49,200
Mr. Lalit Goenka*	1	N.A.	1,457
Mr. Anil Biyani	6	Present	NIL
Mr. Rahul Mehta	4	Absent	NIL
Mr. Sanjeev Maheshwari	6	Present	NIL
Ms. Bindu Shah	6	Present	NIL
Mr. Tilak Goenka ^{\$}	5	Present	4,96,102

* Ceased to be Director w.e.f. May 26, 2018

\$ Appointed as Executive Director w.e.f. August 14, 2018

There are no Nominees or Institutional Directors in the Company. None of the Directors have pecuniary or business relationship with the Company except to the extent as disclosed in note no. 38 of notes on Financial Statement. None of the Director of the Company is either member in more than 10 (ten) committees and/or Chairman of more than 5 (five) committees across all Companies in which he/she 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 7 (seven)/3 (three) listed entities, as specified in Regulation 25 of the Listing Regulations.

Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. During the year under review, no Independent Director ceased to be Director of the Company.

Chart/matrix setting out the skills/expertise/competence

The Board comprises qualified members who bring in the required skills, competence and expertise such as working in cohesion, management and strategy, financial knowledge and leadership these allow them to make effective contributions to the Board and its committees.

However, the Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Skills/Expertise/Competencies in specific functional area
Mr. Pradip Kumar Goenka	Manufacturing and operations in textile industry, Effective capacity utilization, cost control, Strategic decision making
Mr. Anil Biyani	Manufacturing and operations in textile and apparel industry, Business administration, Strategic decision making, Branding
Mr. Rahul Mehta	Manufacturing and operations in garments and consumer industry, Regulatory updates, Policy making, Market and technology know-how
Mr. Sanjeev Maheshwari	Finance, Taxation, Audit, Governance and Compliance
Ms. Bindu Shah	Legal and Corporate Laws, Corporate Governance and ethics
Mr. Tilak Goenka	Business development and administration, Ready Made garments, Product development, Sales

Code of conduct for Directors and Senior Management

The Code of conduct as applicable to the Directors and the members of the Senior Management had been approved by the Board and it is being abided by all of them. The Annual report contains declaration to this effect from the Chairman & Managing Director. It is also available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Familiarisation Programme for Directors

The details of programme for familiarisation of Independent Directors with the Company are available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

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 Act and Regulation 18 of Listing Regulations. The Committee acts as a link between the management, the statutory auditors and the Board and oversees the financial reporting process.

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

The functions of the Audit Committee are as per the Act and the 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 6 (Six) times during the financial year 2018-19 of the report, i.e. on May 26, 2018, August 14, 2018, November 03, 2018, December 04, 2018, February 05, 2019 and March 19, 2019. The time gap between the two meetings did not exceed one hundred and twenty days.

Composition of Audit Committee and details of the meetings attended

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Mr. Sanjeev Maheshwari	Independent & Non-Executive	Chairman	6
2.	Mr. Rahul Mehta	Independent & Non-Executive	Member	4
3.	Ms. Bindu Shah	Independent & Non-Executive	Member	6

The terms of reference of the Audit Committee includes

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of the audit process;
- Examination of financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the Company, whenever it is necessary;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management system;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing the functioning of the Whistle Blower mechanism;
- Approval of payment to statutory auditors for any other services rendered by them;
- 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. NOMINATION & REMUNERATION COMMITTEE ('NRC')

The NRC presently comprises of 3 (three) Independent Directors. The Company's remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth. The Company's NRC is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of Whole-Time Directors and to deal with all the elements of remuneration package of all such Directors.

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

During the year under review, the Committee met 2 (Two) times on May 26, 2018 and August 14, 2018.

Composition of NRC and details of the meetings attended

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

The terms of reference of the NRC includes

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on diversity of the Board;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director(s) on the basis of the report of performance evaluation of Independent Director(s);
- Recommendation by NRC to the Board for all remuneration, in whatever form, payable to senior management.

Remuneration Policy

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

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Managing Director and CEO, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the NRC evaluates the remuneration paid by the comparable organisation 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 no sitting fees are paid for attending meeting of Corporate Social Responsibility Committee. The Board shall from time to time decide sitting fees payable to any new committees, if constituted or revision of sitting fees, if any.

Performance Evaluation

The Company has 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.

5. REMUNERATION OF DIRECTORS

The Company has no pecuniary relationship or transaction with its Non-Executive 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 Directors of the Company during the year ended March 31, 2019 are given as under:

Name of Director	Salary p.a. (₹ in Lakhs)	Fixed Component – Contribution to Provident Fund (₹ in Lakhs)	Bonus, Benefits & Other Allowances	Service Contract (Years)	Notice Period (Months)	Severance Fees (₹)
Mr. Pradip Kumar Goenka	54.00	-	Nil	3	3	Nil
Mr. Tilak Goenka ^{\$}	24.00	-	Nil	3	3	Nil

^{\$} Appointed as Executive Director w.e.f. August 14, 2018

The details of remuneration paid to the Non-Executive Directors of the Company during the year ended March 31, 2019 are given as under:

Name of the Director	Mr. Rahul Mehta	Mr. Sanjeev Maheshwari	Ms. Bindu Shah	Mr. Anil Biyani	Mr. Lalit Goenka*
Sitting fees paid (₹ in Lakhs)	0.92	1.34	1.42	0.68	0.10

* Ceased to be director w.e.f. May 26, 2018

6. STAKEHOLDERS RELATIONSHIP COMMITTEE ('SRC')

The SRC comprises of 3 (three) Non-Executive Directors including 2 (two) Independent Directors. The SRC 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 under review, the SRC met 4 (four) times i.e. on May 26, 2018, August 14, 2018, November 03, 2018 and February 05, 2019.

Composition of SRC and details of the meetings attended

Sr. No.	Name of Directors	Director 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	4
3.	Mr. Anil Biyani	Non-Independent & Non-Executive	Member	4

Compliance officer

Mr. Gaurav K. Soni, Company Secretary is the compliance officer of the Company w.e.f. May 26, 2018.

During the financial year 2018-19, the Company had received 4 (four) complaints which were redressed. There was no complaint pending as on March 31, 2019. There was also no request for transfer & dematerialisation pending as on the said date.

The terms of reference of the SRC includes

- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

7. CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

During the year under review, pursuant to the applicability of Section 135 of the Act as amended from time to time, the Board constituted the CSR Committee. The CSR Committee presently comprises of 3 (three) Directors.

During the year under review, the CSR Committee met 1 (one) time on November 03, 2018.

Composition of CSR Committee and details of the meeting attended

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of meeting attended
1.	Mr. Pradip Kumar Goenka	Promoter & Executive	Chairman	1
2.	Mr. Rahul Mehta	Independent & Non-Executive	Member	1
3.	Mr. Anil Biyani	Non-Independent & Non-Executive	Member	1

The terms of reference of the CSR Committee includes

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the CSR activities;
- monitor the CSR expenditure spent from time to time.

8. COMMITTEE OF DIRECTORS

The Board has constituted a Committee of Directors and delegated powers to transact certain regular matters relating to the business of the Company. A total of 6 (Six) meetings were held during the year under review.

9. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	No. of Special Resolution(s) passed
2017-18	September 25, 2018	10:00 am	Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059	Nil
2016-17	September 19, 2017	10:00 am		
2015-16	September 19, 2016	10:30 am		

Postal ballot – No resolution was passed through postal ballot during the year under review.

10. 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. The results are normally published in "Free Press" or "Business Standard" - English Newspaper and "Mumbai Lakshadeep" - Marathi Newspaper within 48 hours after the approval of the Board. These were not sent individually to the shareholders. However, the Company furnishes the same on receipt of a request from the shareholder.

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

11. GENERAL SHAREHOLDERS INFORMATION**a) Annual General Meeting**

Day, Date and Time: Tuesday, September 24, 2019 at 10:00 am

Venue: Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059

b) Financial Calendar for 2019-20

Results for the quarter ending June 30, 2019

By August 14, 2019

Results for quarter ending September 30, 2019

By November 14, 2019

Results for quarter ending December 31, 2019

By February 14, 2020

Results for year ending March 31, 2020

By May 30, 2020

Annual General Meeting

By September 30, 2020

c) Financial Year

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

d) Record Date / Book Closure

The Company has fixed Tuesday, September 17, 2019 as the Record Date for the purpose of payment of Dividend for the year 2018-19.

e) Dividend payment date

Dividend will be paid on or before October 23, 2019

f) Listing on Stock Exchange

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 where shares of the Company are listed.

h) Stock Code & ISIN

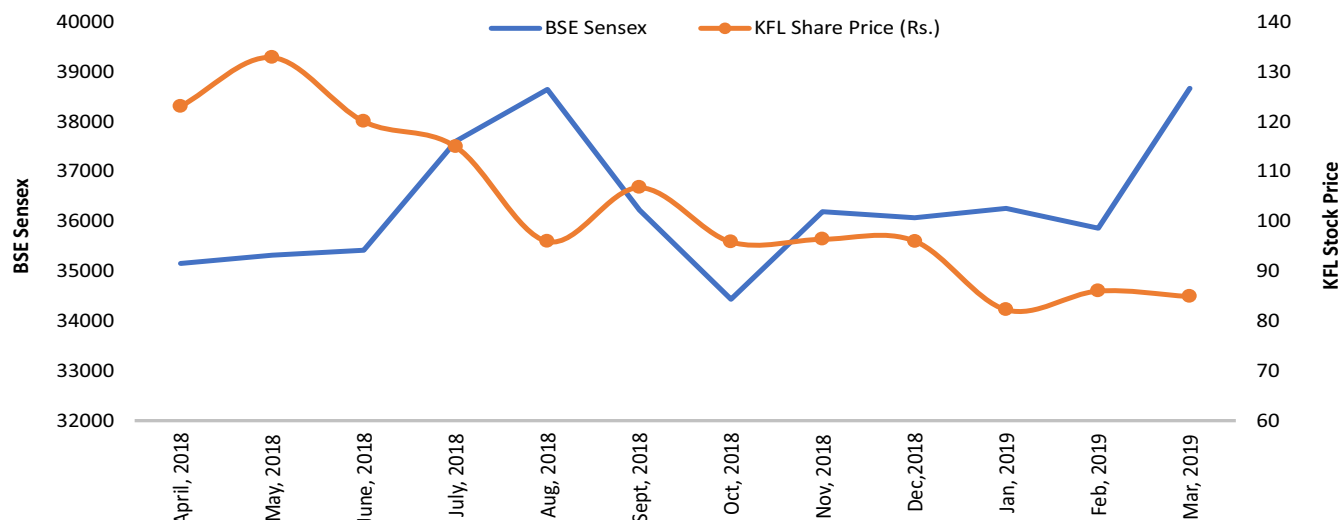
Stock Code at BSE is 514322. ISIN is INE535C01013.

i) Market Price Data

- i. **The monthly high and low quotations of shares of the Company traded on BSE for the financial year ended March 31, 2019 was as follows:**

Month	(Amount in ₹)		Volume
	High	Low	
April, 2018	136.00	110.00	22,446
May, 2018	145.10	116.40	19,882
June, 2018	135.00	110.00	13,827
July, 2018	132.00	98.40	9,630
August, 2018	120.00	87.55	13,635
September, 2018	122.90	83.00	9,781
October, 2018	119.90	78.35	21,098
November, 2018	108.00	73.10	9,922
December, 2018	115.00	79.20	14,299
January, 2019	100.00	75.00	23,242
February, 2019	92.50	67.50	19,112
March, 2019	94.00	71.80	22,676

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

C-101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400083.

Tel No.: (+91 22) 28515606/28515644

Fax: (+91 22) 28512885

Concerned officer in charge of the Registry is Mr. B.S. Baliga

Email: support@sharexindia.com

k) **Share Transfer System**

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

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

l) **Distribution of shareholding as on March 31, 2019**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Upto 500	1,402	86.81	1,85,276	3.16
501 – 1000	96	5.94	75,426	1.29
1001 – 5000	79	4.89	1,78,136	3.03
5001 – 10000	9	0.56	61,268	1.04
10001 and above	29	1.80	53,69,265	91.48
Total	1,615	100.00	58,69,371	100.00

Categories of Shareholders as on March 31, 2019 is as under:

Category	Number of shares	% of Shareholding
Promoters	18,14,330	30.91
Banks/MFs/FIs/Central/State Govt. Institution	14,475	0.25
Private Bodies Corporate	31,23,932	53.22
Indian Public	9,08,026	15.47
NRIs/OCBs	6,249	0.11
Clearing Members	2,359	0.04
Total	58,69,371	100.00

m) Dematerialisation of shares

About 99.01% of the shares have been dematerialised as on March 31, 2019. The equity shares of the Company are traded at BSE.

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

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

o) Plant Locations

The Company's plants are located at:

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

p) Address for investor correspondence

For any assistance regarding dematerialisation 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

C-101, 247 Park, L.B.S Marg,

Vikhroli (West), Mumbai – 400083.

Tel No.: (+91 22) 28515606/28515644

Fax: (+91 22) 28512885

Concerned officer incharge of the Registry is Mr. B.S. Baliga

Email: support@sharexindia.com

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

12. CEO/CFO Certification

As per requirement of Part B of Schedule II of Regulation 17(8) of the Listing Regulations, the Managing Director and CFO of the Company have certified to the Board regarding Financial Statements for the year ended March 31, 2019.

13. DISCLOSURES

- a) There were no other related party transactions of material nature with the Promoters, Directors, the management or relatives during the year that may have potential conflict with the interest of the Company at large. However, attention is drawn to note no. 38 of Notes to Financial Statements.
- b) There were no instances of non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.
- c) The Company has a Whistle Blower Mechanism in place. The Board affirms that no personnel have been denied access to the Audit Committee during the year in terms of the Whistle Blower Policy.
- d) The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance. A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and attached to this report.
- e) The policy on dealing with material subsidiaries is not applicable to the Company as there are no subsidiaries.
- f) The web link of policy on dealing with related party transactions is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

g) Commodity price risks & Commodity hedging activities

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations: Not Applicable

- i) A certificate has been received from M/s. HS Associates, Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- j) During the year under review, there were no instances where the Board had not accepted any recommendations of any of the Committees of the Board.

k) **Total fees paid to the statutory auditor for all services**

Sr. No.	Particulars of Service	Amount (₹ in Lakhs)
1.	Statutory Audit	8.25
2.	Tax Audit	1.75
3.	Limited Review	6.00
4.	Company Law Matters	1.00
5.	Certification Expenses	1.00
Total		18.00

- l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** During the year under review, there were no complaints filed/received in terms of sexual harassment.

14. 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 are 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 2018-19.
- 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.

15. 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 the Board and senior management personnel have affirmed compliance to the Company's code of conduct for the board of directors and senior management has been obtained and attached to this report.

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, hereby declare that all Board Members and Senior Management Personnel have affirmed compliance to the Company's Code of Conduct for the year ended March 31, 2019.

For Kamadgiri Fashion Limited

Mumbai
May 28, 2019

Pradip Kumar Goenka
Chairman & Managing Director

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

To The Members of

Kamadgiri Fashion Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 25, 2018.
2. We have examined the compliance of conditions of Corporate Governance by Kamadgiri Fashion Limited ('the Company'), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

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

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai
May 28, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Kamadgiri Fashion Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Kamadgiri Fashion Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

	Key Audit Matter	Our Response
1	Valuation of inventories Inventory is carried in the Financial Statements at the lower of cost and net realizable value. Inventory valuation in the readymade Garment and Textile market can be very volatile, with consumers demand changing significantly based on current trends.	Our audit procedures focused on the valuation of inventory, as described below: We understood and tested the design and operating effectiveness of controls as established by the management for valuation of inventory. We obtained an understanding of management's process of valuation of inventories and in determination of net realizable value (NRV) of inventory as on balance sheet date.

	Key Audit Matter	Our Response
	Considering the materiality of the amount involved and degree of management judgment in valuation, we have identified valuation of inventory as a key audit matter for the current year audit.	We tested on a sample basis the cost of the inventory by tracing the purchase cost of raw materials to purchase invoices and actual production costs arrived and measured by the management. We performed NRV testing by comparing subsequent sale/order value.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably

be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
 - e. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
 - f. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 37 on Contingent Liabilities to Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W /W100048

Sumant Sakhardande

Partner

Membership No. 034828

Mumbai
May 28, 2019

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 Ind AS financial statements for the year ended March 31, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory (excluding stocks lying with third party) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us, there are no loans, investment, guarantees and security where provisions of Section 185 and 186 of the Act are required to be complied with. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues outstanding with respect to, income tax, sales tax, service tax, value added tax, goods and service

tax, customs duty, excise duty on account of any dispute except as mentioned below:

Name of the statute	Nature of dues	Amount In Rs. (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	96.41	2010-2011*, 2011-2012*	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 banks. Further there are no borrowings from financial institution, government or dues to debenture holder.
- (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 IND AS Financial Statements etc., as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W /W100048

Sumant Sakhardande

Partner

Membership No. 034828

Mumbai
May 28, 2019

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 Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Kamadgiri Fashion Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

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

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

Meaning of Internal Financial Controls with reference to

Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W /W100048

Sumant Sakhardande

Partner

Membership No. 034828

Mumbai

May 28, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	2,645.56	2,910.22
Capital work-in-progress	2	139.07	6.23
Investment property	3	40.59	41.37
Intangible Assets	2	21.80	26.12
Financial Assets			
Other Financial Assets	4	111.47	53.52
Other non current assets	5	49.52	46.60
Total Non-Current Assets		3,008.01	3,084.06
Current Assets			
Inventories	6	5,888.25	5,248.15
Financial Assets			
Trade Receivables	7	5,602.93	7,030.18
Cash and Cash Equivalents	8	3.83	18.92
Bank Balances other than Cash and Cash Equivalents above	9	45.25	82.13
Loans	10	12.21	13.08
Others Financial Assets	11	172.41	211.37
Other Current Assets	12	364.61	214.17
Total Current Assets		12,089.49	12,818.00
Total Assets		15,097.50	15,902.06
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	586.94	586.94
Other Equity	14	3,801.14	3,469.17
Total Equity		4,388.08	4,056.11
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	211.05	379.56
Other financial liabilities	16	518.00	464.40
Provisions	17	295.44	285.71
Deferred tax liabilities (net)	18	71.89	155.19
Other non current liabilities	19	55.21	55.84
Total Non-Current Liabilities		1,151.59	1,340.70
Current Liabilities			
Financial Liabilities			
Borrowings	20	4,564.85	4,645.18
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	21	13.05	2.48
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	3,317.32	3,806.84
Other Financial Liabilities	22	1,377.96	1,791.11
Other Current Liabilities	23	190.31	127.32
Provisions	24	54.50	27.09
Current tax liabilities (Net)	25	39.84	105.23
Total Current Liabilities		9,557.83	10,505.25
Total Equity and Liabilities		15,097.50	15,902.06

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

As per our Report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN No. 103523W/W100048

For and on behalf of the Board

Sumant Sakhardande

Partner

Membership No. 034828

May 28, 2019

Mumbai

Pradip Kumar Goenka

Chairman & Managing Director

DIN : 00516381

Jagdish Prasad Dave

Chief Financial Officer

Tilak Pradip Goenka

Director

DIN : 00516464

Gaurav K. Soni

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

PARTICULARS	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
REVENUE			
I Revenue From Operations	26	31,861.26	33,152.52
II Other Income	27	87.41	148.39
III Total Revenue (I +II)		31,948.67	33,300.91
IV EXPENSES			
Cost of Materials Consumed	28	13,954.93	15,251.88
Purchases of Stock-in-Trade		5,763.38	5,166.14
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	(473.65)	(108.96)
Employee Benefits Expense	30	3,914.21	3,704.85
Finance Costs	31	723.82	717.30
Depreciation and Amortization Expenses	2	448.73	442.34
Other Expenses	32	6,880.22	7,065.33
Total Expenses (IV)		31,211.64	32,238.88
V Profit Before Tax (III - IV)		737.03	1,062.03
VI Tax Expense			
(1) Current tax	35	331.00	417.00
(2) Deferred tax	35	(84.44)	(6.28)
(3) Tax adjustment of earlier years		19.29	-
		265.85	410.72
VII Profit For The Year (V-VI)		471.18	651.31
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurement of defined employee benefit plans		3.45	11.57
b) Income tax effect on above		(1.15)	(3.83)
(ii) Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income For The Year (i + ii)		2.30	7.74
IX Total Comprehensive Income For The Year (VII + VIII)		473.48	659.05
Earnings Per Equity Share of Face Value of ₹ 10/- each			
Basic (₹)	36	8.03	11.10
Diluted (₹)	36	8.03	11.10

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

As per our Report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN No. 103523W/W100048

For and on behalf of the Board

Sumant Sakhardande

Partner

Membership No. 034828

May 28, 2019

Mumbai

Pradip Kumar Goenka

Chairman & Managing Director

DIN : 00516381

Jagdish Prasad Dave

Chief Financial Officer

Tilak Pradip Goenka

Director

DIN : 00516464

Gaurav K. Soni

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	737.03	1,062.03
Adjustments for:		
Depreciation and amortisation expense	448.73	442.34
Gain on sale of Property, Plant and Equipments(net)	(0.33)	(121.08)
Interest income	(1.40)	(2.39)
Finance costs	723.82	717.30
Bad debts	-	42.86
Allowance For Doubtful Debts	(26.77)	53.22
	1,144.05	1,132.25
Operating Profit before Working Capital changes	1,881.08	2,194.28
Movement in working capital :		
(Increase)/Decrease in Inventories	(640.10)	102.09
(Increase)/Decrease in Trade Receivable	1,454.01	(1,976.16)
(Increase)/Decrease in Loans & Advances	(3.10)	(1.67)
(Increase)/Decrease in Others Financial Assets	22.72	(93.05)
(Increase)/Decrease in Other Current and Non Current Assets	(153.36)	(55.05)
Increase/(Decrease) in Trade Payable	(478.95)	458.81
Increase/(Decrease) in Other Current and Non-Current Liabilities	158.81	(70.40)
Increase/(Decrease) in Other financial liabilities	(362.64)	494.70
Increase/(Decrease) in Provisions	40.59	4.63
	37.98	(1,136.10)
Cash generated from operations	1,919.06	1,058.18
Income Tax Paid	(415.66)	(314.00)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,503.40	744.18
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Inflow:		
Sale of Property, Plant and Equipments	27.15	224.74
Interest Received/(paid)	0.55	34.44
	27.70	259.18
Outflow:		
Purchase of Property, Plant and Equipments	(348.07)	(699.47)
	(320.37)	(440.29)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	(320.37)	(440.29)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Inflow:		
Proceeds of Long Term Borrowings	-	250.00
Proceeds of Short Term Borrowings (Net)	(80.33)	569.19
	(80.33)	819.19
Outflow:		
Repayment of Long Term Borrowings	(264.97)	(294.59)
Interest Paid	(711.30)	(714.61)
Dividend Paid (Including Dividend Distribution Tax)	(141.52)	(105.99)
	(1,117.79)	(1,115.19)
NET CASH (USED IN) FINANCING ACTIVITIES	(1,198.12)	(296.00)
Net Increase In Cash And Cash Equivalents (A+B+C)	(15.09)	7.89
Opening Balance Of Cash And Cash Equivalents	18.92	11.03
Closing Balance Of Cash And Cash Equivalents	3.83	18.92
Notes to Cash Flow Statements:		
Cash & Cash Equivalents comprise of: (Refer Note.8)		
Cash on hand	8.97	5.48
Bank Balances with Scheduled Banks:		
In Current Accounts	(5.14)	13.44
TOTAL	3.83	18.92

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

Changes in liabilities arising from financial activities

Particulars	As at March 31, 2018	Current/Non Current Classification	Non Cash Changes	As At March 31, 2019
Borrowings Non current	379.56	(171.43)	-	211.05
Other Financial Liabilities	360.15	171.43	-	171.43
Borrowings current	4,645.18		-	4,564.85

As per our Report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI FRN No. 103523W/W100048

Sumant Sakhardande

Partner

Membership No. 034828

May 28, 2019

Mumbai

For and on behalf of the Board

Pradip Kumar Goenka

Chairman & Managing Director

DIN : 00516381

Jagdish Prasad Dave

Chief Financial Officer

Tilak Pradip Goenka

Director

DIN : 00516464

Gaurav K. Soni

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
Balance as at the beginning of the year	586.94	586.94
Add/Less: Change in equity share capital during the year	-	-
Balance as at end of the year	586.94	586.94

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Other Equity				Total
	Reserves and surplus				
	Securities premium	Capital Reserve	General Reserve	Retained Earnings	
As at April 1, 2017	731.66	37.00	670.02	1,477.43	2,916.11
Profit for the year	-	-	-	651.31	651.31
Dividends on equity shares	-	-	-	(88.04)	(88.04)
Tax on dividend	-	-	-	(17.95)	(17.95)
Other Comprehensive Income :					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	7.74	7.74
As at March 31, 2018	731.66	37.00	670.02	2,030.49	3,469.17
Profit for the year	-	-	-	471.18	471.18
Dividends on equity shares	-	-	-	(117.39)	(117.39)
Tax on dividend	-	-	-	(24.12)	(24.12)
Other Comprehensive Income :					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	2.30	2.30
As at March 31, 2019	731.66	37.00	670.02	2,362.46	3,801.14

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

May 28, 2019**Mumbai****Pradip Kumar Goenka**

Chairman & Managing Director

DIN : 00516381

Jagdish Prasad Dave

Chief Financial Officer

Tilak Pradip Goenka

Director

DIN : 00516464

Gaurav K. Soni

Company Secretary

Notes to Financial Statements for the year ended March 31, 2019

1. Corporate Information

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

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

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 28, 2019.

1.1 Significant Accounting Policies

Basis of Preparation of Financial Statements

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

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

ii. Current and Non-current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in Schedule III to the Act and IND-AS 1- Presentation of Financial Statements.

iii. Rounding of amounts

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

iv. Notes on Financial statements are prepared on historical cost except certain financial instrument.

1.2 Summary of significant accounting policies

I. Foreign currency translation

(i) Functional and presentation currency

The company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

(ii) Transactions and balances

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

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

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

II. Property, plant and equipment

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

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if future economic benefit will flow to the entity and cost can be reliably measured.

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

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

Depreciation methods, estimated useful lives and residual value

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

Particulars	Useful Life
Buildings	30 Years
Plant and Equipments	7.5 Years to 15 Years
Electrical Installation	10 Years
Furniture and Fixtures	10 Years
Office Equipments	5 Years
Computer	3 Years
Vehicles	8 Years

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

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

III. Investment property

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

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

The Company is following straight line method of depreciation in respect of residential flat. Depreciation on flat is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of flat is 60 years and estimated residual value is 5% which is as per schedule II to Companies Act, 2013.

The Company had leased out the property for 99 years of lease period and there is no intention to sale this property in future. Also, due to non-availability of recent price of similar property in active market, the fair value of the property will not be reliably determinable on the continuing basis and at the year end.

IV. Intangible assets and Amortisation

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

Amortisation methods and periods

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

V. Capital Work In Progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

VI. Impairment of non-financial assets

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

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

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

VII. Leases

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

(i) As a lessee

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

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

(i) As a lessor

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

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

VIII. Inventories

- Raw Materials (Including goods in transit) are valued at cost. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Stores and Spares are valued at cost.
- Work in process is valued at cost which includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- Finished Stocks are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads.
- Cost is ascertained on the FIFO basis as applicable. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing inventories to their present location and condition.
- 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.

IX. Revenue recognition

The Company derives revenue primarily from sale of manufactured goods, traded goods and related services.

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts. Goods and service Tax (GST) is collected by the seller on behalf of the government, accordingly it is excluded from the revenue.

Effective 01 April 2018, the Company has applied Indian Accounting Standard 115 (Ind AS 115) – Revenue from Contracts with Customers' which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

(i) Sale of goods

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The Performance Obligations in our contract are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

(ii) Sale of Services

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

(iii) Interest Income

Interest income is recognized using the effective interest rate (EIR) method.

X. Financial Instruments

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

Initial Recognition

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

Classification and Subsequent Measurement: Financial Assets

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

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

a) Amortised Cost

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

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

b) Fair Value through other comprehensive income

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

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

c) Fair Value through Profit or Loss

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

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

Classification and Subsequent Measurement: Financial liabilities

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

d) Financial Liabilities at FVTPL

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

e) Other Financial Liabilities:

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

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

f) Impairment of financial assets

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

g) Derecognition of financial assets

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

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

h) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original

liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Equity investment in subsidiaries, joint ventures and associates

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

i) Offsetting of financial instruments

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

j) Financial liabilities and equity instruments

Classification as debt or equity

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

k) Equity instruments

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

l) Convertible financial instrument

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

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

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

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

m) Fair Value Measurement

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements

are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

XI. Employee benefits**(i) Short-term obligations**

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

(ii) Other long-term employee benefit obligations

Entitlements to annual leave are recognized when they accrue to employees subject to a restriction on the maximum number of accumulation of leave. Expenses related to other long term employee benefits is recognized in the Statement of Profit and loss (including actuarial gain and loss).

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

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

(iii) Post-employment obligations

The company operates the following post-employment schemes:

- a. defined benefit plans viz. gratuity,
- b. defined contribution plans viz. provident fund.

Defined benefit plans

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

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

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

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

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted

for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iv. **Termination benefits**

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

XII. Income Tax (includes current tax as well as deferred tax)

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

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

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

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

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

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

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

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

XIII. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Contingent assets are not recognised in financial statements.

XIV. Borrowing costs

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

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

XV. Segment Reporting

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

XVI. Government Grants

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

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

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

XVII. Earnings per share**Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

XVIII. Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

XIX. Cash Flow Statement

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

XX. Significant accounting judgements, estimates and assumptions

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

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

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

a) Impairment of financial assets

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is

made on the expected credit loss model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

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

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

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

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

d) **Valuation of deferred tax assets**

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

e) **Defined benefit plans**

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

Claims, Provisions & Contingent Liabilities

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

f) **Fair value measurement**

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

XXI. Recent Accounting Developments

Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from April 1, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

Ind AS 116, Leases:

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Electrical Installation	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total
Gross Carrying amount									
As at April 1, 2017	49.91	369.99	2,446.33	63.43	95.48	34.95	38.23	44.79	3,143.11
Additions	-	288.08	379.50	24.89	6.43	3.67	5.61	19.41	727.59
Disposals	-	-	(123.81)	-	-	(0.41)	-	(9.66)	(133.88)
Balance at March 31, 2018	49.91	658.07	2,702.02	88.32	101.91	38.21	43.84	54.54	3,736.82
As at April 1, 2018	49.91	658.07	2,702.02	88.32	101.91	38.21	43.84	54.54	3,736.82
Additions	-	51.16	98.44	15.07	17.86	11.29	5.82	-	199.64
Disposals	-	-	(56.23)	-	-	-	-	(16.57)	(72.80)
Balance at March 31, 2019	49.91	709.23	2,744.23	103.39	119.77	49.50	49.66	37.97	3,863.66
Accumulated Depreciation									
As at April 1, 2017	-	15.13	350.18	10.55	18.89	10.52	11.55	7.25	424.07
Depreciation charge for the year	-	15.80	365.58	7.93	17.59	6.99	11.36	7.50	432.75
Disposals	-	-	(26.81)	-	-	-	-	(3.41)	(30.22)
Balance at March 31, 2018	-	30.93	688.95	18.48	36.48	17.51	22.91	11.34	826.60
As at April 1, 2018	-	30.93	688.95	18.48	36.48	17.51	22.91	11.34	826.60
Depreciation charge for the year	-	24.91	367.53	9.65	11.81	8.59	7.44	7.54	437.47
Disposals	-	-	(30.79)	-	-	-	-	(15.18)	(45.97)
Balance at March 31, 2019	-	55.84	1,025.69	28.13	48.29	26.10	30.35	3.70	1,218.10
Net carrying amount									
As at March 31, 2019	49.91	653.39	1,718.54	75.26	71.48	23.40	19.31	34.27	2,645.56
As at March 31, 2018	49.91	627.14	2,013.07	69.84	65.43	20.70	20.93	43.20	2,910.22

2. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Carrying amount at the beginning of the year	6.23	35.61
Additions during the year	139.07	6.23
Capitalised during the year	(6.23)	(35.61)
Carrying amount at the end of the year	139.07	6.23

2. INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	Amount
Software	
Gross Carrying amount	
As at April 1, 2017	28.74
Additions	14.30
Disposals	-
Balance as at March 31, 2018	43.04
Additions	6.16
Disposals	-
Balance as at March 31, 2019	49.20
Accumulated Amortisation	
As at April 1, 2017	8.11
Amortisation charge for the year	8.81
Disposals	-
Balance as at March 31, 2018	16.92
Amortisation charge for the year	10.48
Disposals	-
Balance as at March 31, 2019	27.40
Net carrying amount	
As at March 31, 2019	21.80
As at March 31, 2018	26.12

3. INVESTMENT PROPERTY

(₹ in Lakhs)

PARTICULARS	Amount
Residential Flat*	
Gross Carrying amount	
As at April 1, 2017	42.93
Balance as at March 31, 2018	42.93
Balance as at March 31, 2019	42.93
Accumulated Depreciation	
As at April 1, 2017	0.78
Depreciation charge for the year	0.78
Balance as at March 31, 2018	1.56
Depreciation charge for the year	0.78
Balance as at March 31, 2019	2.34
Net Carrying amount	
As at March 31, 2019	40.59
As at March 31, 2018	41.37
*Refer Note No. 1.2 Point No. III	

4. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Deposit with others*	50.02	6.59
Electricity deposits	52.68	38.16
Fixed deposits with bank with more than 12 months maturity	8.77	8.77
TOTAL	111.47	53.52

* Includes Deposit to Related Party. (Refer Note No. 38)

5. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Prepaid Expenses	5.64	4.92
Capital Advance	6.00	23.59
Prepaid Lease rent	37.88	18.09
TOTAL	49.52	46.60

6. INVENTORIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Charged by way of hypothecation against borrowings of the Company.)		
Raw Materials and components	1,048.30	904.00
Work-in-progress	1,506.74	1,293.76
Finished goods	3,174.90	2,914.23
Stores, Spares and Others	158.31	136.16
(Refer Note No. 1.2 Point No. VIII)		
TOTAL	5,888.25	5,248.15

7. TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
(Charged by way of hypothecation against borrowings of the Company.)		
Unsecured, considered good	5,602.93	7,030.18
Unsecured, considered doubtful	37.58	64.35
TOTAL	5,640.51	7,094.53
Less: allowance for bad and doubtful debts	(37.58)	(64.35)
TOTAL	5,602.93	7,030.18

8. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
On Current Accounts	(5.14)	13.44
Cash on Hand	8.97	5.48
TOTAL	3.83	18.92

9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Unclaimed Dividend account*	4.60	4.34
Fixed deposits with original maturity for more than 3 months but less than 12 months	40.65	77.79
TOTAL	45.25	82.13

* Earmarked for payment of unclaimed dividend

10. LOANS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured Considered good unless otherwise stated)		
Advance to Staff	12.21	13.08
TOTAL	12.21	13.08

11. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Interest Accrued But Not Due	8.29	3.47
Interest Receivable	94.28	100.02
Security Deposits and Other Advances*	69.84	107.88
TOTAL	172.41	211.37

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

12. OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Prepaid Expenses	55.10	41.25
Balances with Government Authorities	258.00	127.25
Other Advances	51.51	45.67
TOTAL	364.61	214.17

13. EQUITY SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
Authorised				
2,00,00,000 (Previous Year : 2,00,00,000) Equity Shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
TOTAL	2,00,00,000	2,000	2,00,00,000	2,000
Issued, Subscribed and Fully Paid up				
58,69,371 (Previous Year : 58,69,371) Equity Shares of ₹ 10/- each	5,869,371	586.94	5,869,371	586.94
TOTAL	5,869,371	586.94	5,869,371	586.94

(i) Reconciliation of Number of Equity Shares

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
As at the beginning of the year	5,869,371	586.94	5,869,371	586.94
Add: Issued During the Year	-	-	-	-
As at end of the year	5,869,371	586.94	5,869,371	586.94

(ii) Terms/Rights Attached to Equity Shares

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

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

(iii) Details of Shareholders holding more than 5% equity shares in the Company

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Ananddeep Cotsyn Pvt Ltd.	436,800	7.44	436,800	7.44
Future Corporate Resources Pvt Ltd (erstwhile known as Suhani Trading & Investment Consultant Pvt Ltd)	1,645,389	28.03	1,645,389	28.03
Surplus Finvest Pvt Ltd	569,000	9.69	569,000	9.69
Tritoma Hotels Pvt. Ltd.	325,000	5.54	325,000	5.54
Pradip Kumar Goenka	649,200	11.06	649,200	11.06
Tilak Pradip Goenka	496,102	8.45	496,102	8.45

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

14. OTHER EQUITY

(₹ in Lakhs)

PARTICULARS	Other Equity				Total Other Equity
	Securities premium	Capital Reserve	General Reserve	Retained Earnings	
As at April 1, 2017	731.66	37.00	670.02	1,477.43	2,916.11
Profit for the year	-	-	-	651.31	651.31
Dividends on equity shares	-	-	-	(88.04)	(88.04)
Tax on dividend	-	-	-	(17.95)	(17.95)
Other Comprehensive Income :					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	7.74	7.74
As at March 31, 2018	731.66	37.00	670.02	2,030.49	3,469.17
Profit for the year	-	-	-	471.18	471.18
Dividends on equity shares	-	-	-	(117.39)	(117.39)
Tax on dividend	-	-	-	(24.12)	(24.12)
Other Comprehensive Income :					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	2.30	2.30
As at March 31, 2019	731.66	37.00	670.02	2,362.46	3,801.14

Description of nature and purpose of each reserve**Securities Premium:**

This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Capital Reserve :

This Reserve represents amount of subsidy received from government for capital expansion.

General Reserve :

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

NON-CURRENT FINANCIAL LIABILITIES**15. BORROWINGS**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Secured		
(a) From Bank		
Term Loans (Refer Note 15.1)	207.11	372.16
Vehicle Loans (Refer Note 15.2)	3.94	7.40
TOTAL	211.05	379.56

15.1 Term Loan from bank amounting of ₹ 400 Lakhs sanctioned during the FY 2014-2015 and end on FY 2019-2020. The Same is repayable in 60 Monthly installments of ₹ 6.67 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

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

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

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

15.2 Vehicle loans taken from Toyota Financial Services India Ltd carries interest @ 9.50% p.a. The loan is repayable in 49 monthly installments of ₹ 0.32 Lakh each along with interest. The loan is secured by hypothecation of specific vehicle.

16. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deposits from Dealers & Agent	518.00	464.40
TOTAL	518.00	464.40

17. PROVISIONS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity (Refer Note 34)	220.59	213.55
Compensated Absence	74.85	72.16
TOTAL	295.44	285.71

18. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability		
Related to Property, Plant and Equipment	253.33	318.75
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	(181.53)	(163.56)
TOTAL	71.80	155.19

(Refer to Note No. 35)

19. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deferred Lease Expenses	55.21	55.84
TOTAL	55.21	55.84

CURRENT LIABILITIES
20. BORROWINGS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand (Refer Note 20.1)		
Cash credit from bank	3,028.75	3,120.18
Working Capital Demand Loan	1,536.10	1,525.00
TOTAL	4,564.85	4,645.18

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

21. TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(a) total outstanding dues of micro enterprises and small enterprises (Refer Note 21.1)	13.05	2.48
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,317.32	3,806.84
TOTAL	3,330.37	3,809.32

21.1 Note:

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are provided as under for the year ended March 31, 2019, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	13.05	2.48
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the MSMED Act, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

22. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Current Maturities of long term borrowings	171.43	267.89
Loan From Body Corporates (Refer Note 38)	-	92.26
Unclaimed dividend	4.60	4.35
Acceptance	140.96	-
Creditors for capital goods	69.43	60.00
Employee Dues	308.59	276.84
Liabilities towards Incentive & discounts	545.18	568.96
Others Liabilities	137.77	520.81
TOTAL	1,377.96	1,791.11

23. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Advance Received from Customers	112.47	17.28
Statutory Dues	77.84	110.04
TOTAL	190.31	127.32

24. PROVISION CURRENT

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits (Refer to Note No. 34)		
Gratuity	40.68	13.00
Compensated Absence	13.82	14.09
TOTAL	54.50	27.09

25. CURRENT INCOME TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax [(Net of Advance tax of ₹ 1616.63 Lakhs (as at March 31, 2018 ₹ 1163.64 Lakhs)]	39.84	105.23
TOTAL	39.84	105.23

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of Products	31,047.33	32,615.24
Sales of services (Job charges Received)	703.94	423.46
Other operating revenues	109.99	113.82
TOTAL	31,861.26	33,152.52

Reconciliation of Gross Revenue with the Revenue from Contracts with Customers	Year Ended March 31, 2019	Year Ended March 31, 2018
Gross Revenue	32,597.74	33,985.44
Less: Incentive & Discounts	(736.48)	(832.92)
TOTAL	31,861.26	33,152.52

According to the requirements of schedule III of the companies act, 2013, sales for the period April 01, 2017 to June 30, 2017, presented in these financial statements are inclusive of excise duty. consequent to the applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, sales are shown net of GST.

27. OTHER INCOME

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income on -		
Bank Deposits	1.40	2.39
Security Deposits	1.37	4.44
Lease income	0.82	0.82
Other non operating income	56.72	17.83
Profit on Sale of Property, Plant and Equipments	0.33	122.91
Reversal of Allowance of Doubtful Debts	26.77	-
TOTAL	87.41	148.39

28. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventory at the beginning of the year	904.00	1,033.96
Add: purchases	14,099.23	15,121.92
	15,003.23	16,155.88
Less : Inventory at the end of the year	1,048.30	904.00
COST OF MATERIAL CONSUMED	13,954.93	15,251.88

29. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Inventories		
Work-in-Progress	1,293.76	1,374.48
Finished goods	2,914.23	2,724.55
TOTAL	4,207.99	4,099.03
Closing Inventories		
Work-in-Progress	1,506.74	1,293.76
Finished goods	3,174.90	2,914.23
TOTAL	4,681.64	4,207.99
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	(473.65)	(108.96)

30. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, Wages and Bonus	3,524.77	3,310.18
Contribution to Provident and Other Funds (Refer Note 34.1)	285.85	304.07
Staff Welfare Expenses	103.59	90.60
TOTAL	3,914.21	3,704.85

31. FINANCE COSTS

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expenses*	616.02	543.00
Other borrowing cost	107.80	174.30
TOTAL	723.82	717.30

* [Net of Subsidy of ₹3.21 Lakhs (Previous Year ₹18.71 Lakhs)]

32. OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Consumption of stores, spare parts and others	388.85	363.27
Consumption of Packing Materials	342.30	462.11
Power and fuel	615.05	570.99
Job Work Charges	3,533.52	3,588.34
Repairs and Maintenances-Buildings	35.14	37.50
Repairs and Maintenances-Machinery	46.72	43.02
Repairs and Maintenances-Others	112.94	99.75
Excise Duty	-	54.47
Travelling and conveyance	161.83	152.23
Brokerage and commission	313.88	348.30
Advertisement and marketing expenses	216.58	144.02
Freight outward charges	409.01	394.30
Rent	285.37	283.95
Lease rent amortization	0.21	0.21
Legal and professional fees	180.00	163.52
Loss on Sale of Property, Plant & Equipments	-	1.83
Allowance for Bad and Doubtful Debts	-	53.22
Bad Debts	-	42.86
Insurance	25.79	30.11
Rates and taxes, excluding, taxes on income	-	9.55
Payment to the auditor (Refer note 33)	18.22	18.00
Lease expenses	1.61	3.89
Miscellaneous expenses	193.19	199.89
TOTAL	6,880.21	7,065.33

33. PAYMENT TO THE AUDITOR

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
As Auditor		
Audit Fees	8.25	8.25
Tax Audit Fess	1.75	1.75
Limited Review	6.00	6.00
In Other Capacity		
Company Law Matters	1.00	1.00
Certification Fees	1.00	1.00
Reimbursement of Expenses	0.22	-
TOTAL	18.22	18.00

34. Disclosure in respect of Employee Benefits
(i) Defined contribution plans:

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

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Employers' contribution to provident fund	133.82	156.91

Annual Leave Liabilities

The liability towards compensated absences for the year ended March 31, 2019 based on actuarial valuation carried out by using Projected Unit Credit (PUC) Actuarial Cost Method resulted in increase in liability by ₹ 2.42 Lakhs. (Previous Year- Increased by ₹ 6.53 Lakhs)

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

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

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount rate per annum	7.75%	7.50%
Expected rate of salary increase	5.00%	5.00%
Mortality rate	"IALM (2006-08) ultimate, duly modified"	"IALM (2006-08) ultimate, duly modified"

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Withdrawal rates:		
- Upto 30 years	1%	1%
- 31 to 44 years	1%	1%
- above 44 years	1%	1%
- Retirement age	58 Years	58 Years

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

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Service Cost	41.75	37.55
Past Service Cost	-	10.47
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	41.75	48.02
Interest Expense on Defined benefit obligation	16.77	14.16
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	16.77	14.16
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in Profit & Loss (P&L)	58.52	62.18
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	4.02	(7.64)
Remeasurements - Due to Experience Adjustments	(7.47)	(3.92)
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in Other Comprehensive Income (OCI)	(3.45)	(11.57)
Total Defined Benefit Cost recognized in P&L and OCI	55.07	50.61

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

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

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Net Defined Benefit Obligation / (Asset) at the beginning	226.55	201.57
Defined Benefit Cost included in P & L	58.52	62.18
Total Remeasurements included in OCI	(3.45)	(11.57)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(20.35)	(25.63)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	261.27	226.55

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

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Employer contribution	20.35	25.63
Remeasurement gains/(losses):	-	-
- Return on plan assets (higher)/lower than discount rate	-	-
Benefits paid by employer	(20.35)	(25.63)
Closing fair value of plan assets	-	-

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

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening defined benefit obligation	226.55	201.57
Current service cost	41.75	37.54
Past service cost*	-	10.47
Interest cost	16.77	14.16
Remeasurement (gains)/losses:		-
- Actuarial (gain)/loss from changes in financial assumptions	4.02	(7.64)
- Actuarial (gain)/loss from changes in demographic assumptions	-	-
- Actuarial (gain)/loss arising from experience adjustments	(7.47)	(3.92)
Benefits paid by employer	(20.35)	(25.63)
Benefits paid from plan assets	-	-
Closing defined benefit obligations	261.27	226.55

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

(e) Sensitivity analysis
Summary of Financial & Demographic Assumptions

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

Scenario	DBO	Percentage Change
Under Base Scenario	261.27	0.00%
Salary Escalation - Up by 1%	298.95	14.40%
Salary Escalation - Down by 1%	229.99	-12.00%
Withdrawal Rates - Up by 1%	270.38	3.50%
Withdrawal Rates - Down by 1%	250.41	-4.20%
Discount Rates - Up by 1%	231.75	-11.30%
Discount Rates - Down by 1%	297.56	13.90%

(f) Maturity Profile of Defined Benefit Obligations

Expected Cash flow for following years:

Year 1	40.68
Year 2	6.52
Year 3	5.63
Year 4	19.07
Year 5	10.48
Year 6	14.72
Year 7	9.79
Year 8	12.42
Year 9	20.04
Year 10	13.89

The weighted average duration of the defined benefit obligation is 21.05

(g) The average expected future working life of members of the defined benefit obligation as at March 31, 2019 is 24 years (as at March 31, 2018 22 years)

(h) Best Estimate of Contribution during the next year

The Best Estimate Contribution for the Company during the next year would be ₹ 130.64 Lakhs

35. INCOME TAX EXPENSES**(a) Income Tax Expenses**

(₹ in Lakhs)

PARTICULARS	For year Ended March 31, 2019	For year Ended March 31, 2018
Current tax	331.00	417.00
Tax Adjustment of earlier Years	19.29	-
Deferred tax	(84.44)	(6.28)
Total Tax Expenses	265.85	410.72

(b) Reconciliation of tax Expenses and Accounting Profits

(₹ in Lakhs)

PARTICULARS	For year Ended March 31, 2019	For year Ended March 31, 2018
Profit for the year	737.03	1,062.03
Tax Rates	33.384%	34.608%
Income tax expense calculated	246.05	367.55
(i) Tax Effects of		
Disallowances under Sec 43B of Income Tax	17.36	3.91
Disallowances of provision for Doubt Debts	(8.94)	11.12
Profit/Loss on Sales of Fixed Assets	0.11	(42.54)
Difference on Depreciation in tax base and accounting base	76.42	55.05
(ii) Provision for MAT credit entitlement	-	30.40
(iii) Deductible temporary differences on which deferred tax is recognised	(84.44)	(36.68)
(iv) Others	19.29	21.91
Income tax Expense	265.85	410.72

(c) Deferred Tax Movements

(₹ in Lakhs)

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

Particulars	Provision for gratuity	Provision for Compensated absences	Property, Plant and Equipment	Others	Mat Credit Entitlement	Total
As at March 31, 2017	66.64	26.36	(341.27)	52.57	30.40	(165.30)
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	11.76	3.49	22.52	(1.10)	(30.40)	6.28
Other comprehensive income	3.83	-	-	-	-	3.83
As at March 31, 2018	82.23	29.85	(318.75)	51.47	-	(155.19)
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	9.97	(0.25)	65.42	9.30	-	84.44
Other comprehensive income	(1.15)	-	-	-	-	(1.15)
As at March 31, 2019	91.05	29.60	(253.33)	60.77	-	(71.89)

36. EARNINGS PER SHARE

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
(i) Profit after taxes as per statement of profit and loss attributed to equity shareholders (₹ in Lakhs)	471.18	651.31
(ii) Weighted Average Number of equity shares used as denominator for calculation of EPS	5,869,371	5,869,371
Weighted Average Number of equity shares (including dilutive shares) used as denominator for calculation of DPS	5,869,371	5,869,371
(iii) Basic Earning per share	8.03	11.10
(iv) Diluted Earning per share	8.03	11.10
(v) Face value per equity share	10.00	10.00

37. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2019	Year Ended March 31, 2018
Contingent Liabilities		
a) Claims against the Company not acknowledged as debt	127.43	153.37
b) Guarantees	35.60	35.60
c) Bonus Payable (As Per Revised Bonus Act)	23.64	23.64
d) Provident Fund		
The honourable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic Wages" for the purpose of determining contribution to provident fund under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarification in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident asset, cannot be reasonably ascertained, at present.	Amount not determinable	-
	186.67	212.61
Commitments		
a) Other commitments - pending obligation under EPCG scheme	324.47	324.47
	324.47	324.47
TOTAL	511.14	537.08

38. Disclosure in respect of Related Party Disclosures as per Ind AS 24**(i) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:**

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

* Ceased to be director w.e.f. May 26, 2018

(ii) Related Party Transactions

(₹ in Lakhs)

	Particulars	Transaction during the year ended		Outstanding Balance as at March 31, 2019		Outstanding Balance as at March 31, 2018	
		March 31, 2019	March 31, 2018	Receivable	Payable	Receivable	Payable
a)	Sales of Product						
	Jagruti Synthetics Limited	14.07	8.30	3.22	-	2.77	-
b)	Purchase of Goods						
	Jagruti Synthetics Limited	744.31	1,189.52	-	72.74	-	151.67
c)	Job Work Charges						
	Jagruti Synthetics Limited	469.81	378.07	-	15.89	-	17.22
d)	Rent Expenses						
	Future Corporate Resources Pvt Limited (erstwhile known as Suhani Trading & Investment Consultant Pvt Ltd)	85.31	84.22	-	25.65	-	7.37
	Jagruti Synthetics Limited	59.04	52.66	-	13.61	-	-
	Mrs. Jyoti Kumat	5.64	5.64	-	0.51	-	0.51
e)	Managerial Remuneration						
	Mr. Pradip Kumar Goenka	54.00	54.00	-	-	-	-
	Mr. Tilak Goenka (Executive Director w.e.f August 14, 2018)	24.00	-	-	-	-	-
f)	Salary						
	Mr. Abhay Kumat	100.00	100.00	-	-	-	-
	Mr. Abhas Kumat	9.91	-	-	-	-	-
	Mr. Tilak Goenka	10.99	34.82	-	-	-	-
g)	Deposits Given						
	Jagruti Synthetics Limited	-	-	-	31.08	-	40.00
h)	Loan Taken/(Repaid)						
	Future Corporate Resources Pvt Limited (erstwhile known as Suhani Trading & Investment Consultant Pvt Ltd)	(92.26)	-	-	-	-	92.26

(iii) Directors Sitting Fees

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Mr. Sanjeev Maheshwari	1.34	0.50
Mr. Rahul Mehta	0.92	1.00
Mr. Anil Biyani	0.68	0.48
Mrs. Bindu Shah	1.42	1.00
Mr. Lalit Kumar Goenka*	0.10	0.40
Total	4.46	3.38

* Ceased to be director w.e.f. May 26, 2018

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

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

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

The Company has not entered into any non-cancellable lease during the year. Lease rental expenses aggregating to ₹ 285.37 Lakhs (Previous Year ₹ 283.95 Lakhs) Recognised to Statement of Profit & Loss.

41. FAIR VALUE MEASUREMENTS
i. Categorywise classification of Financial Instruments

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2019	March 31, 2018
FINANCIAL ASSETS		
Amortised cost		
Other Non Current Financial Assets	111.46	53.52
Current		
Trade Receivables	5,602.93	7,030.18
Cash and Cash Equivalents	3.83	18.92
Bank Balances other than above	45.25	82.13
Loans	12.21	13.08
Other Financial Assets	172.41	211.37
Total	5,948.09	7,409.20

(₹ in Lakhs)

FINANCIAL LIABILITIES		
Amortised cost		
Non Current		
Borrowings	211.05	379.56
Other Financial Liabilities	518.00	464.40
Current		
Borrowings	4,564.85	4,645.18
Trade Payables	3,330.37	3,809.32
Other financial liabilities	1,377.96	1,791.11
Other Current Liabilities	190.31	127.32
Total	10,192.54	11,216.89

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

ii. Fair Value Measurement

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

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

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

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

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iv. Valuation processes

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

42. Financial Risk Management

Risk Management Framework

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

42.1 Market risk

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

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

42.1.1 Interest Rate Risk

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

Sensitivity

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

(₹ in Lakhs)

Particulars	Impact on Profit before tax	
	As at March 31, 2019	As at March 31, 2018
Interest rate - increase by 100 basis points (100 bps)*	(49.47)	(52.93)
Interest rate - decrease by 100 basis points (100 bps)*	49.47	52.93

* Holding all other variable constant

42.1.2 Foreign Currency Risk

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

There is no foreign currency exposure during the year (P.Y. Nil).

42.2 Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 5,602.93 lakhs and ₹ 7,030.18 lakhs as of March 31,

2019 and March 31, 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

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

Trade Receivables

a) Ageing

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
0-180 days	5,439.28	6,922.71
More than 180 days	163.65	107.47
Total	5,602.93	7,030.18

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

(₹ in Lakhs)

Movement in expected credit loss allowance on trade receivables	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	64.35	11.13
Add:- Additional provision made	-	53.22
Less:- Provision reversed	(26.77)	-
Balance at the end of the year	37.58	64.35

42.3 Liquidity Risk

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

As of 31st March 2019, The Company had a working capital of ₹ 2,531.66 Lakhs including cash and cash equivalent of ₹ 3.83 Lakhs. As of 31st March 2018, The Company had a working capital of ₹ 2,312.75 Lakhs including cash and cash equivalent of ₹ 18.92 Lakhs.

42.3.1 Maturities of Financial Liabilities

The table below analyse the Company's financial liabilities into relevant maturity grouping based on their contractual maturities. The amount disclosed in the tables are contractual undiscovered cash flow.

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 Year to 5 Year	Over 5 Year	Total
As At March 31, 2019				
Borrowings	4,736.28	211.05	-	4,947.33
Trade Payables	3,330.37	-	-	3,330.37
Other Financial Liabilities	1,206.53	518.00	-	1,724.53
As At March 31, 2018				
Borrowings	4,913.07	379.56	-	5,292.63
Trade Payables	3,809.32	-	-	3,809.32
Other Financial Liabilities	1,523.22	464.40	-	1,987.62

42.4 Capital Management

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total borrowings	4,947.33	5,292.63
Less : Cash and cash equivalents	(3.83)	(18.92)
Adjusted net debt	4,943.50	5,273.71
Total equity	4,388.08	4,056.11
Adjusted equity	4,388.08	4,056.11
Adjusted net debt to adjusted equity ratio	1.13	1.30

43. Proposed Dividend

The Board of Directors, in its meeting held on May 26, 2018, have recommended a final dividend of ₹ 2 per equity share of ₹ 10/- each aggregating to ₹ 117.39 lakhs (excluding corporate dividend tax) for the financial year ended March 31, 2018. The recommendation is subject to the approval of shareholders at the Annual General Meeting of the Company and hence is not recognised as a liability.

44. Corporate Social Responsibility Expenses

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
a) Gross Amount required to be spent by the Company during the year	12.34	-
b) Amount spent during the year	-	-

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

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

For and on behalf of the Board

Sumant Sakhardande
Partner
Membership No. 034828

May 28, 2019
Mumbai

Pradip Kumar Goenka
Chairman & Managing Director
DIN : 00516381

Jagdish Prasad Dave
Chief Financial Officer

Tilak Pradip Goenka
Director
DIN : 00516464

Gaurav K. Soni
Company Secretary

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019

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

1. Mr. Abhay Kumat*, Chief Executive Officer, 38, September 29, 2009, 59, M. Com, 1,01,33,904/-, Stripes Apparels Ltd.; 2. Mr. Pradip Kumar Goenka#, Chairman & Managing Director, 32, February 04, 1987, 59, Pre-University , 54,00,000/-, started with Kamadgiri Fashion Limited; 3. Mr. Tilak Goenka#, Executive Director, 12, January 08, 2007, 33, B.M.S. and Post Graduate Diploma in Family Managed Business, 40,00,000/-, started with Kamadgiri Fashion Limited; 4. Mr. Mohan Menon, Chief-Planning and Distribution, 42, January 01, 2012, 63, 31,75,295/-, B.Com, Pantaloon Retail (India) Ltd.; 5. Mr. Pradeep Kumar Jain, AGM- Production , 28, September 15, 2018, 48, B. Com, 24,50,004/-, Goldmohur Design & Apparel Park Ltd.; 6. Mr. Rajeev Dani, COO - True Value, 34, August 01, 2005, 52, Diploma, 17,16,166/-, Nahar Textiles Pvt. Ltd.; 7. Mr. Abhas Kumat, Entrepreneur – New business & Brands, 5, June 01, 2018, 27, B.M.S, 15,00,000/-, Future Consumer Limited; 8. Mr. Jagdish Prasad Dave, Chief Financial Officer, 27, October 01, 2009, 50, Chartered Accountant, 14,28,106/-, Raj Rajendra Textile Exports Ltd.; 9. Mr. Prashant Kumbhar, Manager - HR, 17, May 02, 2012, 38, Master in Management Studies, 13,68,812, Calyx Chemicals & Pharmaceuticals Limited; 10. Mr. Noushad Ali, Manager - Planning & Merchandising, 14, December 01, 2011, 32, B.Com & Industrial Engineering, 13,12,964, Shahi Export.

*Pursuant to Rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, remuneration drawn is more than the Managing Director of the Company and holds more than 2% (two per cent) of the paid-up Equity Share Capital of the Company.

#Except Mr. Pradip Kumar Goenka and Mr. Tilak Goenka, none of the above employees are related to any other Director of the Company.

Notes:

- 1) Remuneration shown above includes Salary, HRA, Ex-gratia, LTA, Perquisites, Variable Pay and 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.

For and on behalf of the **Board of Directors**

Mumbai
May 28, 2019

Pradip Kumar Goenka
Chairman & Managing Director

CAUTIONARY STATEMENT

Statement in the report of management discussion and analysis and/or elsewhere in this Annual 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 realised.

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.

NOTES

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NOTES

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TRUE LINEN





Kamadgiri Fashion Limited

Registered Office:

B-104, 'The Qube', Off. M.V. Road,
Marol, Andheri (E), Mumbai - 400059.

Tel: (+91 22) 71613131

Website: www.kflindia.com



KAMADGIRI FASHION LIMITED

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

Tel. No.: (+91 22) 7161 3131 | **Fax No.:** (+91 22) 7161 3199

CIN: L17120MH1987PLC042424

Website: www.kflindia.com | **E-mail:** cs@kflindia.com

NOTICE

NOTICE is hereby given that the 32nd (Thirty Second) Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Tuesday, September 24, 2019 at 10:00 am at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of Board and Auditors thereon.
2. To declare a Dividend on equity shares.
3. To appoint a Director in place of Mr. Anil Biyani (DIN: 00005834), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
4. **To re-appoint M/s. Haribhakti & Co. LLP, as Statutory Auditors of the Company**

“RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ('the Act') and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W), be and are hereby re-appointed as the Statutory Auditors of the Company for a period of 1 (one) year to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. Approval of remuneration payable to Executive Directors

To consider and if thought fit, to pass the following resolution as a **Special Resolution**

“RESOLVED THAT pursuant to Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and Sections 196, 197, 198 read with Section II of Part II of Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made there under, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Pradip Kumar Goenka, Chairman and Managing Director (DIN: 00516381) and Mr. Tilak Goenka, Executive Director (DIN: 00516464) who belong to the promoter group of the Company, at such terms and conditions as approved by Members at their Meeting held on September 25, 2018, notwithstanding that the annual aggregate remuneration payable to them exceeds 5% of the net profit of the Company as calculated under Section 198 of the Act in any year during the remaining tenure of their appointments.

RESOLVED FURTHER THAT all the existing terms and conditions of remuneration of Mr. Pradip Kumar Goenka, Chairman and Managing Director and Mr. Tilak Goenka, Executive Director shall remain same as per their ordinary resolutions passed at Annual General Meeting held on September 25, 2018.

RESOLVED FURTHER THAT the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Pradip Kumar Goenka, Chairman and Managing Director and Mr. Tilak Goenka, Executive Director of the Company.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things, including statutory filings, and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

6. Re-appointment of Mr. Rahul Mehta as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**) and the Rules made thereunder read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Mr. Rahul Mehta (DIN: 00165521), an Independent Director of the Company, whose term of office as an Independent Director expires on September 25, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term commencing from September 26, 2019 upto September 25, 2024.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things, including statutory filings, and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

7. Re-appointment of Mr. Sanjeev Maheshwari as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**) and the Rules made thereunder read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Mr. Sanjeev Maheshwari (DIN: 02431173), an Independent Director of the Company, whose term of office as an Independent Director expires on September 25, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term commencing from September 26, 2019 upto September 25, 2024.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things, including statutory filings, and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

8. Ratification of Remuneration payable to Cost Auditors for the financial year ending March 31, 2020

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (**‘the Act’**) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors, Ms. Ketki D. Visariya, Cost Accountant, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textiles products for the financial year ending March 31, 2020, on a remuneration of ₹ 0.90 Lakh plus applicable taxes and out of pocket expenses, be and is hereby ratified.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things, including statutory filings, and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

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

**Mumbai
May 28, 2019**

**Gaurav K. Soni
Company Secretary**

Registered Office
B-104, ‘The Qube’,
off. M.V. Road, Marol, Andheri (East),
Mumbai – 400059.

NOTES

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

A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. The Corporate Members intending to send their authorised representative(s) to attend the 32nd (Thirty Second) Annual General Meeting ('AGM') are requested to send a certified copy of the Board Resolution authorising their representative to attend/vote on their behalf at the AGM.

2. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.
3. Proxies in the prescribed Form No. MGT - 11 as enclosed herewith, in order to be effective should be deposited with the Company not less than 48 (forty-eight) hours before the time fixed for the commencement of the meeting.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the Special Business to be transacted in the Meeting, is annexed hereto.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, will be available for inspection of the members at the AGM.
6. The Record date for the purpose of payment of Dividend for the financial year 2018-19 is fixed at September 17, 2019.
7. Subject to the provisions of the Act, Dividend as recommended by the Board of Directors for the financial year 2018-19, if declared at the AGM, will be paid within a period of 30 (thirty) days from the date of declaration, to those Members whose names appear on the Company's Register of Members and in list of the beneficial owners as furnished by the Depositories as on September 17, 2019.
8. Pursuant to the provision of Section 205A(5) of the Companies Act, 1956 (corresponding to Section 124 of the Act) Dividend for the financial year 2011-12 and thereafter, which remain unpaid or unclaimed for a period of 7 (seven) years will be transferred by the Company to the Investor Education and Protection Fund ('IEPF'). Due dates for the same are as follows:

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2011-2012 (Final)	18/09/2012	24/10/2019
2012-2013 (Final)	24/09/2013	30/10/2020
2013-2014 (Final)	26/09/2014	01/11/2021
2014-2015 (Final)	25/09/2015	31/10/2022
2015-2016 (Final)	19/09/2016	25/10/2023
2016-2017 (Final)	19/09/2017	25/10/2024
2017-2018(Final)	25/09/2018	31/10/2025

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/ its Registrar & Share Transfer Agent ('R&STA'), for obtaining payments thereof, before they are due for transfer to the IEPF.

9. Members are being informed that once the unclaimed/unpaid dividend is transferred to the account of IEPF and Shares are transferred to the Demat Account of IEPF Authority, no claim shall lie against the Company in respect of such dividend/shares. The eligible members are entitled to claim such unclaimed/unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Registered Office of the Company for verification of their claim.
10. Information as required to be provided pursuant to the requirements of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India with regards to the Directors seeking re-appointment at this AGM is given as an Annexure to this Notice.

11. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Income Tax Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its R&STA.
12. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialise shares held by them in physical form.
13. Electronic copy of Annual Report for the financial year 2018-19 and Notice calling the AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2018-19 and Notice of the AGM of the Company *inter alia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's R&STA. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
15. Members may also note that, the Notice of the AGM and the Annual Report for the financial year 2018-19 will also be available on the Company's website, i.e. www.kflindia.com for their download.
16. As a measure of economy, copy(ies) of the Annual Report and Account will not be distributed at the AGM. Members are therefore, requested to bring their copy(ies) to the AGM.
17. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
18. Members desirous of having any information regarding accounts are requested to write to the Company at least 7 (seven) days in advance of the date of AGM so as to enable the management to keep the information ready.
19. Members who are holding shares in identical order or names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
20. Members are requested to dematerialise their shares in order to facilitate easy and faster trading in equity shares. The ISIN of the Company's equity shares is INE535C01013.
21. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code etc., to their respective Depository Participant(s) in case the shares are held in electronic form and to the Company's R&STA in case the shares are held in physical form.
22. Members are requested to provide and register their e-mail id with the Company and/or R&STA to enable the Company/R&STA to send communications such as notices and Annual Report, etc. through e-mail.
23. The SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ('ECS') to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participant(s) and/or the Company's R&STA.

24. Voting through electronic means.

- I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI Listing Regulations and Secretarial Standard on General Meetings ('SS-2') issued by The Institute of Company Secretaries of India ('ICSI') as amended from time to time, the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the 32nd AGM by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services Limited ('CDSL').

The instructions for members for voting electronically are as under:

In case of members receiving e-mail:

- (i) Log on to the remote e-voting website, i.e. www.evotingindia.com
- (ii) Click on "Shareholders/Members" tab.
- (iii) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<ul style="list-style-type: none">Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)Members who have not updated their PAN with the Company/Depository Participant(s) are requested to use the first two letters of their name and the last 8 (eight) digits of the demat account/folio number in the PAN field.In case the folio number is less than 8 (eight) digits enter the applicable number of 0's before the number after the first 2 (two) characters of the name in CAPITAL letters. Example: If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<ul style="list-style-type: none">Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<ul style="list-style-type: none">Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/folio number in the instructions above(iii).

these details appropriately, click on "SUBMIT" tab.

- (viii) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

- (x) Click on the EVSN for the relevant Company Name, i.e. **Kamadgiri Fashion Limited** on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- (xvi) If a Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile m-Voting app. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

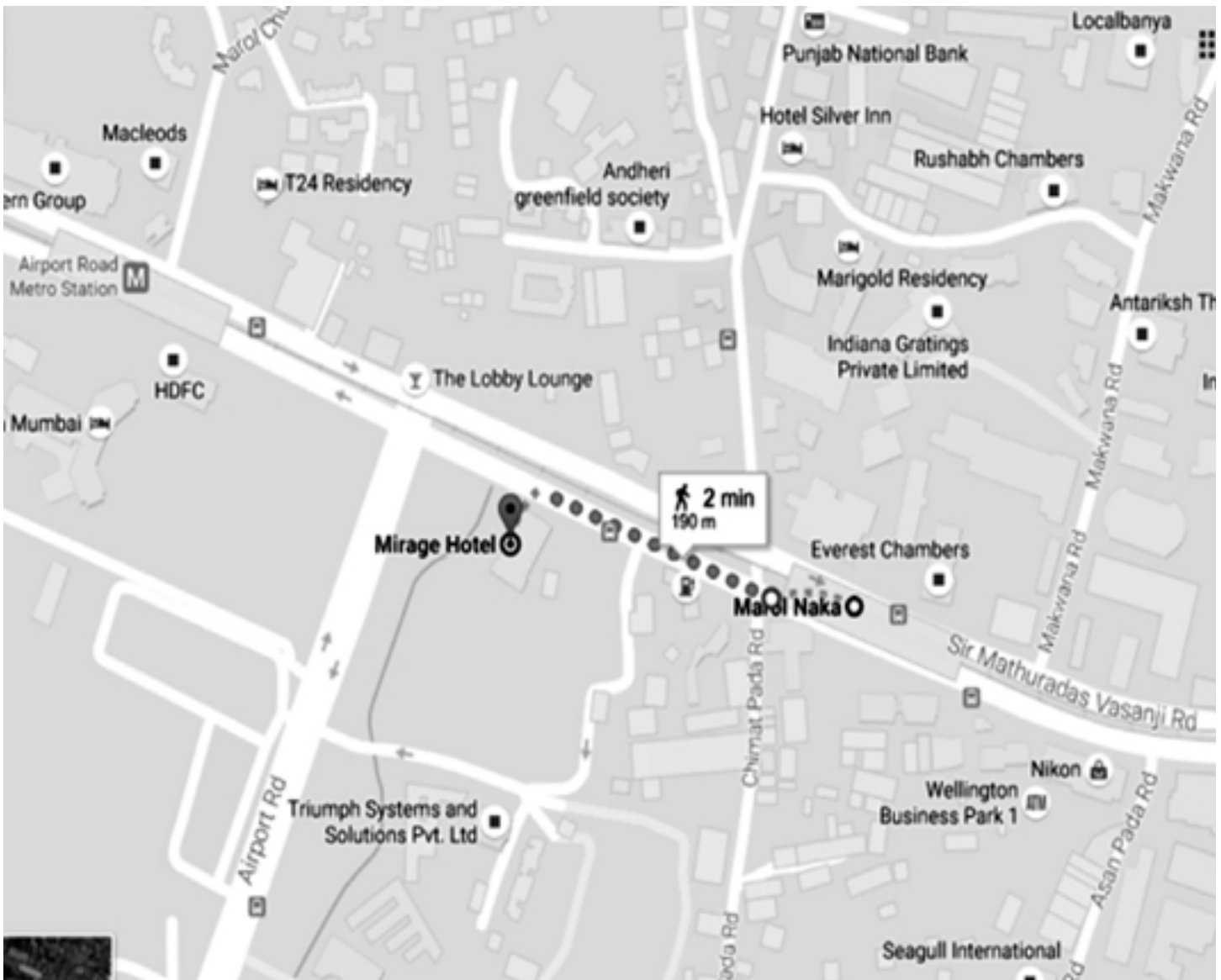
In case of members receiving the physical copy:

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

- II. The remote e-voting period begins on Saturday, September 21, 2019 at 09.00 am and ends on Monday, September 23, 2019 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. September 17, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- III. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date.
- V. Mr. Hemant Shetye, Partner, M/s. HS Associates, Company Secretaries (FCS no. 2827 and COP no. 1483) has been appointed as the Scrutiniser to scrutinise the remote e-voting process in a fair and transparent manner.
- VI. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutiniser, by use of Polling Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- VII. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company and shall make, not later than 48 (Forty Eight) hours of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him/her in writing, who shall countersign the same and declare the result of the voting forthwith.
- VIII. The results declared along with the Scrutiniser's Report shall be placed on the Company's website, i.e. www.kflindia.com and on the website of CDSL within 2 (two) days of passing of the resolutions at the AGM and communicated to the BSE Limited.
25. All documents referred to in the accompanying Notice and Statement under Section 102 of the Act shall be open for inspection at the Registered Office of the Company during normal business hours between 11.00 AM and 4.00 PM on all working days (except Saturday, Sunday and Holiday) upto the date of AGM.
26. The route map of the venue of the AGM is given herein. The prominent landmark near the venue is Marol Naka Metro Station, Mumbai.

Route map of the venue of the AGM



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 4

M/s. Haribhakti & Co. LLP (**'Haribhakti'**), Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of 5 (five) consecutive years at the Annual General Meeting (**'AGM'**) held on September 26, 2014. Their term of appointment of 5 (five) years expires at the ensuing AGM. Pursuant to the provisions of Section 139 of the Companies Act, 2013 (**'the Act'**) an audit firm can be appointed for 2 (two) consecutive terms of 5 (five) years each, totaling to 10 (ten) years. Under the provisions of the Companies (Audit and Auditors) Rules, 2014, the period for which the audit firm has held office as auditor prior to the commencement of the Act i.e. April 01, 2014, shall be taken into account for calculating the period of 10 (ten) years mentioned above.

Haribhakti have been the Statutory Auditors of the Company since 2010-11 and thus have served as Statutory Auditors of the Company for 9 (nine) years. In view of this, Haribhakti can be appointed for a further period of 1 (one) year. Haribhakti have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Act and the rules made thereunder. The Board of Directors, on the recommendation of the Audit Committee, have recommended for the approval of the Members, the re-appointment of Haribhakti as Statutory Auditors of the Company for a period of 1 (one) year.

Haribhakti is one of the largest firms in domestic accounting & consulting. They provide a whole range of assurance, accounting, advisory and consulting services, both nationally and internationally, through their various service divisions. Haribhakti is nationally integrated having their own branch network in major cities like Mumbai, Ahmedabad, Bengaluru, Chennai, Kolkata, New Delhi and Pune. Their registered office is at 701, Leela Business Park, Andheri – Kurla Road, Andheri (East), Mumbai, Maharashtra - 400059. Their Firm Registration No. is 103523W.

The remuneration proposed for audit of the financial statements for the financial year 2019-20 for the Company is ₹ 8.25 lakhs plus reimbursement of out of pocket expenses and applicable taxes. In addition to the above and in accordance with the provisions of the Act, the Board of Directors/Audit Committee may approve the fee payable to the auditors for limited reviews, certifications and other permitted services to be rendered by the Auditors in accordance with the provisions of Section 144 of the Act, as deemed appropriate.

No Director or Key Managerial Personnel of the Company or their respective relatives is interested or concerned, financially or otherwise, in this resolution.

The Board recommends the resolution set out at Item no. 4 for the approval by the shareholders of the Company.

Item No. 5

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 09, 2018 (**'Amended Listing Regulations'**), the remuneration payable to Executive Directors who are promoters or member of promoter group, shall be subject to the approval of the shareholders by Special Resolution at General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013 where there is more than one such director.

Mr. Pradip Kumar Goenka (DIN: 00516381) and Mr. Tilak Goenka (DIN: 00516464) who are part of promoter group were appointed/re-appointed as Chairman and Managing Director and Executive Director respectively and their remuneration was also approved by the Members of the Company at their Annual General Meeting held on September 25, 2018 by way of Ordinary Resolution. In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying them remuneration even if the annual aggregate remuneration payable to Mr. Pradip Kumar Goenka, Chairman and Managing Director and Mr. Tilak Goenka, Executive Director, exceeds 5% of the net profit of the Company as calculated under Section 198 of the Companies Act, 2013 in any year during the remaining tenure of their appointment.

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings) are provided as an Annexure to this Notice.

Except Mr. Pradip Kumar Goenka and Mr. Tilak Goenka who are related to each other, no other Director, Key Managerial Personnel and their respective relatives are, in any way, concerned or interested in this resolution.

The Board recommends the resolution set out at Item no. 5 for the approval by the shareholders of the Company.

Item No. 6 & 7

Re-appointment of Independent Directors

In line with the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 including the Rules made thereunder ('the Act') and the erstwhile Listing Agreement, Mr. Rahul Mehta and Mr. Sanjeev Maheshwari were appointed as Independent Directors of the Company at the Annual General Meeting ('AGM') of the Company held on September 26, 2014, to hold office for 5 (five) consecutive years for a term up to September 25, 2019.

The Board of Directors of the Company and the Nomination and Remuneration Committee have evaluated the performance of the Independent Directors and on the basis of the said evaluations have concluded that the Independent Directors fulfil their responsibilities towards the Company in a professional and ethical manner, actively participate in discussions during the Board and Committee meetings and act objectively and constructively while bringing an independent opinion during deliberations at the said meetings. The Board considers that their continued association would be of immense benefit to the Company.

It is now proposed that the Independent Directors of the Company be re-appointed for a second term of 5 (five) consecutive years, commencing from September 26, 2019 up to September 25, 2024 and approval of Members by way of Special Resolution to be passed at the ensuing AGM.

None of the aforementioned Directors are disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from both the Directors that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Company has also received separate notices in writing from a member, proposing the candidature of each of the aforementioned Directors for the office of Director of the Company.

In the opinion of the Board, they also fulfill the conditions for their re-appointment as Independent Directors as specified in the Act and the Listing Regulations. They are independent of the management.

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the Listing Regulations and SS – 2 (Secretarial Standards on General Meetings) are provided as an Annexure to this Notice.

Except for Mr. Rahul Mehta and Mr. Sanjeev Maheshwari, Independent Directors of the Company, no other Director, Key Managerial Personnel of the Company nor their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set out at Item nos. 6 & 7 for the approval by the shareholders of the Company.

Item No. 8

The Board on the recommendation of the Audit Committee has approved the appointment of Ms. Ketki D. Visariya, Cost Accountant, Mumbai as Cost Auditor for the financial year ending March 31, 2020 at a remuneration of ₹ 0.90 lakh plus applicable taxes and out of pocket expenses.

Pursuant to provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders. Accordingly, the consent of the shareholders is sought for passing a resolution as set out at Item no. 8 for ratification of remuneration payable to the Cost Auditor.

No Director and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in this resolution.

The Board recommends the resolution set out at Item no. 8 for the approval by the shareholders of the Company.

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

**Mumbai
May 28, 2019**

**Gaurav K. Soni
Company Secretary**

Registered Office

B-104, 'The Qube',
off. M.V. Road, Marol, Andheri (East),
Mumbai – 400059.

ANNEXURE TO THE NOTICE

Additional Details of Directors seeking appointment/re-appointment/fixation of remuneration at the 32nd Annual General Meeting [Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings)] are as follows:

Name of Director	Mr. Anil Biyani	Mr. Pradip Kumar Goenka	Mr. Tilak Goenka	Mr. Rahul Mehta	Mr. Sanjeev Maheshwari
Age	55	59	33	68	54
Date of 1st Appointment	May 29, 2012	February 04, 1987	August 14, 2018	February 14, 2011	February 14, 2011
Qualification	B. Com.	Pre-University	B.M.S., Post Graduate Diploma in Family Managed Business	B. Com., Masters in Business Administration	B. Com., Chartered Accountant
Expertise in specific functional areas	Mr. Anil Biyani has almost three decades of experience in industry. His expertise include Manufacturing and operations in textile and apparel industry, Business administration, Strategic decision making, Branding.	Mr. Pradip Kumar Goenka is having more than 36 years of experience in textile and yarn business. His expertise include Strategic decision making, better utilisation of capacity, Monitoring and guiding on product development and design innovation.	Mr. Tilak Goenka is having more than 11 years of experience in textile, yarn and readymade manufacturing garments business. His expertise include Business Development, Monitoring and guiding on product development and design innovation, Development of IT infrastructure, system and administration.	Mr. Mehta has wide experience of 17 years in consumer goods industry and over 37 years experience in the garments industry. His expertise include Manufacturing and operations in garments and consumer industry, Regulatory updates, Policy making, Market and technology know-how.	Mr. Maheshwari is a member of the Institute of Chartered Accountants of India. Mr. Maheshwari has been associated with GMJ & Co., Chartered Accountants, for more than 30 years and is partner at the firm. His expertise include Taxation, Finance, Audit, Governance and Compliance.
Terms and Conditions	As per original terms of appointment.	As approved in the Annual General Meeting held on September 25, 2018 and as stated at the resolution no. 5 of this Notice.	As approved in the Annual General Meeting held on September 25, 2018 and as stated at the resolution no. 5 of this Notice.	As stated at the resolution no. 6 of this Notice.	As stated at the resolution no. 7 of this Notice.
Other Directorships as on May 28, 2019*	<ul style="list-style-type: none"> • Work Store Limited • Future Corporate Resources Private Limited • Festive Fashion Private Limited • Future Hospitality Private Limited • Nishta Mall Management Company Private Limited • Srishti Mall Management Company Private Limited 	<ul style="list-style-type: none"> • Jagruti Synthetics Limited • Ananddeep Cotsyn Private Limited 	<ul style="list-style-type: none"> • Jagruti Synthetics Limited • Raheja Princess Apartments Private Limited 	<ul style="list-style-type: none"> • Gini & Jony Limited • Creative Casual India Private Limited • Apparel Media Private Limited • Karl Hogan Clothing Private Limited • Creative Garments Private Limited • Creative Lifestyles Private Limited 	<ul style="list-style-type: none"> • Mudra Financial Services Ltd. • Mudra Share and Stock Brokers Limited • Trust AMC Trustee Private Limited

Committee Membership / Chairmanship of the other Boards as on May 28, 2019[#]	-	-	-	-	-
Last Remuneration Paid drawn	-	₹ 54 Lakh	₹ 24 Lakh ^{\$}	-	-
Sitting fees paid	₹ 0.68 Lakh	-	-	₹ 0.92 Lakh	₹ 1.34 Lakh
Shareholding (no. of equity shares) as on March 31, 2019	Nil	6,49,200	4,96,102	Nil	Nil
Number of Meetings of the Board attended during the year	6(Six) out of 6(Six)	6(Six) out of 6(Six)	5(Five) out of 5(Five)	4(Four) out of 6(Six)	6(Six) out of 6(Six)
Relationship with other Director / Key Managerial Personnel ('KMP')	Not related to any Director and KMP of the Company.	Mr. Pradip Kumar Goenka is father of Mr. Tilak Goenka who is an Executive Director of the Company.	Mr. Tilak Goenka is son of Mr. Pradip Kumar Goenka who is the Chairman and Managing Director of the Company.	Not related to any Director and KMP of the Company.	Not related to any Director and KMP of the Company.

*Other Directorships: excluding foreign Bodies Corporates

[#]Membership of statutory committees

^{\$}Appointed w.e.f. August 14, 2018

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

**Mumbai
May 28, 2019**

**Gaurav K. Soni
Company Secretary**

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

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KAMADGIRI FASHION LIMITED

CIN: L17120MH1987PLC042424

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

Website: www.kflindia.com | Email: cs@kflindia.com

Telephone: (+9122) 71613131 | Fax: (+9122) 71613199

ATTENDANCE SLIP

32ND ANNUAL GENERAL MEETING - TUESDAY, SEPTEMBER 24, 2019

DP ID - Client ID/ Folio No.	
Name & Address of sole Member	
Name of Joint Holder(s), if any	
Name of Proxy/Authorised Representative	
No. of shares held	

I/We certify that I am a member/proxy for the member of the Company.

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company held at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai - 400059 at 10:00 am on Tuesday, September 24, 2019.

Signature of the Member/Proxy/Authorised Representative

NOTE: Shareholder / Proxy holder who wish to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance of the meeting hall duly signed.

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EVS (Electronic Voting Sequence Number)	User ID	(Pan / Seq. No.)
190820020		

NOTE: Please read the complete instructions given under the Note (The instructions for shareholders voting electronically) to the Notice of 32nd Annual General Meeting. The e-voting time starts from Saturday, September 21, 2019 at 9:00 am and ends on Monday, September 23, 2019 at 5:00 pm. The e-voting module shall be disabled by CDSL for voting thereafter.

**KAMADGIRI FASHION LIMITED**

CIN: L17120MH1987PLC042424

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

Tel: (+91 22) 7161 3131 | Fax: (+91 22) 7161 3199

Website: www.kflindia.com | E-mail: cs@kflindia.com**PROXY FORM (FORM NO. MGT – 11)***[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member(s):	
Registered Address:	
Email id:	
Folio No./Client ID:	DP ID:

I/ We, being the member(s) holding shares of the above-named company, hereby appoint:

1. Name:.....Address:.....
Email id:Signature:.....or failing him/her;
2. Name:.....Address:.....
Email id:Signature:.....or failing him/her;
3. Name:.....Address:.....
Email id:Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd (Thirty-Second) Annual General Meeting of the Company, to be held at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 on Tuesday, September 24, 2019 at 10:00 am and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against	Abstain
1.	Receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of Board and Auditors thereon			
2.	Declare a Dividend on equity shares			
3.	Appoint a Director in place of Mr. Anil Biyani (DIN: 00005834), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment			
4.	Re-appoint M/s. Haribhakti & Co. LLP, as Statutory Auditors of the Company			
5.	Approval of remuneration payable to Executive Directors			
6.	Re-appointment of Mr. Rahul Mehta as an Independent Director			
7.	Re-appointment of Mr. Sanjeev Maheshwari as an Independent Director			
8.	Ratification of Remuneration payable to Cost Auditors for the financial year ending March 31, 2020			

Signed this.....day of.....2019.

Affix
Revenue
Stamp

.....
Signature of shareholder

.....
Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

** This is only optional. Please put a 'V' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note:

1. This form of proxy in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.