Virat Industries Ltd.

Regd. Office & Factory :
A-1/2, GIDC Industrial Estate, Kabilpore,
Navsari-396 424, Gujarat. (INDIA)
Tel.:(91-2637) 265011, 265022, 325805 Fax : (91-2637) 265712
Email: factory@viratindustries.com / Website : www.viratindustries.com
CIN L29199GJ1990PLC014514

VILN:1100:18: 854

11th September, 2018

The Deputy General Manager
Corporate Relation Department
The Bombay Stock Exchange Ltd., (BSE)
1st Floor, New Trading Ring,
Rotunda Bldg
P.J. Towers, Dalal Street, Fort
Mumbai-400 021

CODE No. 530521

Dear Sir,

RE. SUBMISSION OF ANNUAL REPORT FOR THE YEAR 2017-18.

We hereby submit soft copy of the Annual Report of Virat Industries Ltd. for the financial year 2017-18 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on your records and oblige.

Thanking you,

For Virat Industries Ltd.

Tony. A. Gandhi

Tony Gandhi
Company Secretary

Encl. As above.

Virat Industries Limited

28th
Annual Report
2017-2018

VIRAT INDUSTRIES LIMITED
28th Annual Report 2017-2018

CHAIRMAN EMERITUS

Shri. Naozer J. Aga
(Upto 19-02-2018)

BOARD OF DIRECTORS

Shri. Vijay V. Merchant	Chairman
Shri. Adi F. Madan	Managing Director
Smt. Ayesha K. DadyBurjor	Whole-time Director
Shri. Arun S. Sanghi	
Shri. Ajit P. Walwaikar	
Shri. Harish H. Shah	
Shri. Vinay V. Sanghi	
Shri. Kaizad R. DadyBurjor	
Shri. Pheroze A. Dhanbhoora	

COMPANY SECRETARY

Shri. Tony G. Gandhi

AUDITORS

M/s. B. K. Khare & Co.
Chartered Accountants

BANKERS

Kotak Mahindra Bank Ltd.
Bank of Baroda

REGISTERED OFFICE & FACTORY

A-1/2, GIDC Industrial Estate,
Kabilpore, Navsari - 396 424, Gujarat.

CONTENTS

28TH ANNUAL GENERAL MEETING
on
Thursday, the 6th September, 2018
at 11.30 a.m. at
A-1/2, GIDC Industrial Estate,
Kabilpore, Navsari - 396 424, Gujarat.

REQUEST : Shareholders are requested to bring their copy of Annual Report to the Meeting.

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Virat Industries Limited will be held at the Registered Office of the Company at A-1/2, GIDC Industrial Estate, Kabilpore, Navsari - 396 424 on Thursday, 6th September, 2018 at 11-30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2018 and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2018.
3. To appoint a Director in place of Shri. Pheroze A. Dhanbhoora (DIN: 00622769) who retires by rotation and, being eligible, offers himself for re-election.
4. To ratified the appointment of M/s. B. K. Khare & Co., Chartered Accountants (Firm Registration No. 105102W) as Auditors of the Company until the conclusion of the Thirty-Second Annual General Meeting with respect to the financial year beginning 1st April, 2018 and ending 31st March, 2019.

   To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s. B. K. Khare & Co., Chartered Accountants (Firm Registration No. 105102W), as Auditors of the Company, by resolution passed at the 27th Annual General Meeting of the Company, to hold office from the conclusion of the 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting, be and is hereby ratified for the balance term and accordingly they continue to hold office from conclusion of the 28th Annual General Meeting until the conclusion of 32nd Annual General Meeting, on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

SPECIAL BUSINESS:

5. Re-appointment of Shri. Adi F. Madan (DIN: 00023629) as a Managing Director of the Company.

   To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT, in terms of Regulation 166 of Article of Association of the Company and subject to provisions of Sections 2(54), 2(78), 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013, Shri. Adi F. Madan be and is hereby re-appointed as a Managing Director of the Company with effect from 1st October, 2018 to 30th September, 2021 on the terms and conditions mentioned in the Agreement entered into between the Managing Director and the Company containing powers, functions and duties of the Managing Director and the following Remuneration:

   1. Salary - In the Pay Scale of ₹175,000- 185,000 - 195,000 - per month, over the three (3) years. However, the overall remuneration, including the perquisites, shall not exceed ₹375,000 - 410,000 - 435,000 per month in each of the above pay scale, respectively.
   2. Commission - Commission on Net Profit of the Company computed in the manner laid down in Sections 198 of the Companies Act, 2013, as may be fixed by the Board subject to the ceiling limits laid down in Sections 197 of the Companies Act, 2013.
   3. Perquisites :

      a) Housing - 35% of the salary towards House Rent Allowance and another 20% of the salary towards expenditure on gas, electricity, water and furnishing, etc.

      b) Medical Reimbursement - Reimbursement for self and family, on actual but not exceeding one month's salary.

      c) Other Allowance at 10%

d) Leave Travel Concession - For self and family, once in a year, restricted to one month's salary

e) Club Fees - Club Fees subject to ₹2,000 per annum which will not include admission and life membership fees.

f) Personal Accident Insurance - Premium not exceeding ₹1,000 per month.

g) Performance Incentives as may be fixed by the Board from time to time.

4. Provident Fund, Superannuation and Gratuity - Provident Fund, Superannuation Fund and gratuity as per the Rules of the Company, subject to the ceiling as per the guidelines for managerial remuneration in force from time to time. However, this shall not be included for the computation of ceiling on the remuneration.
5. Car - Company's Car for the business of the Company.
6. Telephone - Provision of telephone at residence will not be considered as perquisite but personal long distance call shall be billed by the Company.
7. Entertainment/Traveling - Reimbursement of travelling, entertainment and other expenses as incurred by him for the business of the Company.
8. Privilege Leave - One month's leave on full pay and allowance, for every eleven months of service, un-availed leave at the end of the tenure will be allowed to be encashed.
9. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above salary and perquisites except commission not exceeding the ceiling limits prescribed in Schedule V of the Companies Act, 2013 as Minimum Remuneration.

OTHER BENEFITS

Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

OTHER TERMS

Subject to the control, supervision and directions of the Board of Directors and subject to the provisions of the Act, the Managing Director shall have the general conduct and management of the business and affairs of the Company as illustrated but not limited to what is stated in the Agreement between the Managing Director and the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interests of the Company."

6. Appointment of Smt. Ayesha K. DadyBurjor (DIN: 02949248) as a Whole Time Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in terms of Regulation 166 of the Articles of Association of the Company and subject to the provisions of Sections 196 and 197 and Schedule V of the Companies Act, 2013, Smt. Ayesha K. DadyBurjor, be and is hereby appointed as the Whole-time Director of the Company with effect from 9th November, 2017 to 8th November, 2020, for a term of 3 years, on terms and conditions mentioned in the Agreement entered in to between the Whole-time Director and the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

The Company in General Meeting has to approve the following terms of remuneration and other terms and conditions to the Whole-time Director:

(a) Salary - ₹82,420/- per month

(b) Perquisites - The following perquisites are allowed in addition to salary.

- Housing - 35% of the salary towards House Rent Allowance ₹28,847/- per month
- Medical Allowance - ₹6,864/- per month (Maximum one month's basic salary for a year)
- Conveyance Allowance - ₹23,349/- per month

(Total Emoluments = Salary + Perquisites = ₹141,480/-)

(c) Car - Company's car for the business of the Company.

(d) Gratuity - Gratuity as per the provisions of the Gratuity Act as applicable to all other employees of the Company, subject to the ceiling as per the guidelines for Managerial Remuneration in force from time to time.

(e) In the event of loss or inadequacy of profits in any financial year, the Whole Time Director shall be paid remuneration by way of salary and perquisites as specified above."

(f) She will not be entitled to Provident Fund and any other benefit like Leave Travel Allowance, etc.

(g) **Other Benefits**

Apart from the aforesaid remuneration, the Whole-time Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company. The Whole-time Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof so long as she continues as the Whole-time Director.

Not exclusive

The Directors are at liberty from time to time to appoint any other person or persons to be Whole-time Directors jointly with the Whole-time Director.

Termination

Either party shall be entitled to terminate the Agreement by giving three months' notice in writing to the other party without assigning any reason or on expiry of period of such notice the Agreement shall stand terminated. The Company shall be entitled to give three months' salary and perquisites in lieu of the notice period.

Compensation

If any time the office of the Whole-time Director is determined before the expiry of her term of office, the Whole-time Director shall be entitled to be compensated for loss of office in accordance with and subject to the restrictions laid down in Section 191 of the Companies Act, 2013.

Non-Rotational

The Whole-time Director shall not so long as she continues to hold office as Whole-time Director be liable to retire by rotation and she shall not be reckoned as Director for the purpose of determining the rotation for retirement of Directors.

Arbitration

That in the event of any dispute or difference at any time hereafter arising between the Company on one hand and the Whole-time Director on the other hand with reference to any of the provisions of this Agreement, matters or things herein contained, or any matters or things arising there from or thereabout, such dispute or difference shall be referred to two arbitrators one to be chosen by each party to the dispute or difference or in case of difference between Arbitrators, to an Umpire to be chosen by the Arbitrators before entering upon the matters referred to them and this Agreement shall be deemed to be a submission to the Arbitration of two Arbitrators within the meaning of the Arbitration and Conciliation Act, 1996 or any statutory amendment. Modification and re-enactment thereof, as the case may be.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interests of the Company".

By Order of the Board of Directors

Registered Office:
A-1/2, GIDC Industrial Estate,
Kabilpore, Navsari - 396 424, Gujarat.

Tony G. Gandhi
Company Secretary
Membership No.: ACS 53163

Place : Mumbai.
Date : 25th May, 2018 (then amended on 15th June, 2018)

NOTES :

A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

B. PROXIES IN ORDER TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

C. The Register of Members and the Share Transfer Books shall remain closed from **30-08-2018 to 06-09-2018 (including both dates)** for the purpose of dividend entitlement and the 28th Annual General Meeting.

D. Members/Proxies are requested to fill the Attendance Slip for attending the meeting.

E. Members are informed that the facility of dematerialization of shares of the Company is available and members are advised to go for that by approaching concerned DPs.

F. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

G. The Members holding shares in physical form are requested to notify any change in their address to the Company.

H. Members desiring any information as regards the Accounts are requested to write to the Company at least 10 days before the date of the meeting to enable the management to keep the information ready.

I. As per Companies (Management and Administration) Rules, 2014 read with Chapter VII of the Companies Act, 2013, the Shareholders of the Company are requested to furnish their information as per Annexure attached herewith and are required to submit the same to Link Intime India Pvt. Ltd. RTA of Virat industries Limited on or before **6th September, 2018.**

J. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the Members the facility to exercise their right to vote at the 28th Annual general Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by **CDSL Ventures Ltd. (CVL)**

K. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

L. **E-voting**

M. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) on the items mentioned in the notice by electronic means through e-voting Services provided by Link Intime India Pvt. Ltd. The e-voting shall be open on **03-09-2018 to 05-09-2018 from 9.00 AM to 5.00 PM.**

N. Shri. Atul J. Gandhi, Company Secretary (Membership No: FCS 1632) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

O. E-voting is optional. The e-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on **29th August, 2018** being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically.

P. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the Company.

The Results of the e-voting along with the result of the poll conducted at the AGM and the Scrutinizer's Report shall be sent to stock exchanges, where the securities of the Company are listed and placed on the Company's website **www.viratindustries.com** and on the **website https://www.evotingindia.co.in within two (2) days** of passing of the resolutions at the AGM.

The instructions for members for voting electronically are as under:-

The voting period begins **03-09-2018 to 05-09-2018 from 9.00 AM to 5.00 PM.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) on 29-08-2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(A) In case of members receiving e-mail:

i) Log on to the e-voting website www.evotingindia.com

ii) Click on "Shareholders" tab.

iii) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- 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*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	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#	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 number of shares held by you as on the cut off date in the Dividend Bank details field.

vii) After entering these details appropriately, click on "SUBMIT" tab.

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

ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the EVSN for the relevant <Company Name> 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 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 app M-Voting available for android based mobiles. The M-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from App store and Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xviii) (i) Note for Non - Individual Shareholders and Custodians

- o Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
- o A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- o After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- o 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.
- o A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(B) In case of members receiving the physical copy:

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

Q. **Poll at the Meeting**

After all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for e-voting as stated above.

After conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of e-voting will be announced by the Company on its website: www.viratindustries.com within two days from the date of AGM of the Company and on the website of CDSL and also informed to the stock exchanges where the securities of the Company are listed within two (2) days of the Annual General Meeting.

R. A Route Map showing directions to reach the venue of the 28th Annual General Meeting is given on the inside back cover of this Annual Report.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the ORDINARY BUSINESS mentioned under Item Nos. 3, 5 and 6 of the accompanying Notice.

Business No. 5

Shri. Adi F. Madan (60) (B.Com, LL.B.) is the Managing Director of the Company. He is sought to be appointed as Director of the Company out of the quota of 1/3rd of the Directors who are not subject to retirement by rotation within the meaning of Sec. 152 of the Companies Act, 2013 till he is Managing Director of the Company.

Shri. Adi F. Madan is a Director of the Company since 1994. During the period 1994 to 2004, he was Whole-time Director of the Company. He has been Managing Director of the Company since 2004. He has extensive experience of over 32 years in industry and business. His tenure as the Managing Director of the Company ends on 30th September, 2018. Considering his rich and vast experience and exceptional managerial skills, the Board of Directors felt that it would be in the best interest of the Company to re-appoint him as Managing Director of the Company. The Board of Directors, in its meeting held on 15th June, 2018, re-appointed him as Managing Director w.e.f. 1st October, 2018 and as per the approval of the Remuneration Committee, has fixed the terms and conditions as to the Remuneration payable to him as mentioned in the Resolution at Item No. 5. An agreement has been executed between the Managing Director and the Company containing all the terms and conditions of his re-appointment.

In terms of Schedule V to the Companies Act, 2013, Shri. Adi F. Madan is eligible for re-appointment as Managing Director. The total remuneration payable to Shri. Adi F. Madan shall not exceed 5% of the net profits, calculated in terms of Sec. 196, 197 and 198 of the Companies Act, 2013, during any of the financial years. It is expected that considering the progress and profitability of the Company which is likely to continue in future years also, occasion is not likely to arise for payment of remuneration to him as minimum remuneration during any of the years comprised in the renewed period of his office. However, out of abundant precautions, the provisions of Schedule V to the Companies Act, 2013 are being also adhered to.

Your Directors recommend the Resolution for your approval.

Except Shri. Adi F. Madan, no other Director is concerned or interested in this Resolution. The Directors recommend your acceptance thereof in the interest of the Company. This may also be treated as an Abstract of terms and conditions and Memorandum of Interest under Section 190 of the Companies Act, 2013. The Agreement between the Company and the Managing Director is available for inspection of the members of the Company, at the Registered Office, between 11:00 a.m. and 1:00 p.m. on any of the working days upto the date of previous day of the 28th AGM.

Business No. 6

Smt. Ayesha K. DadyBurjor (47) (BBA (Hons) University of Texas USA is the Whole-time Director of the Company. She is sought to be appointed as Director of the Company out of the quota of 1/3rd of the Directors who are not subject to retirement by rotation within the meaning of Sec. 152 of the Companies Act, 2013 till she is Whole-time Director of the Company.

She is a charismatic and energetic Sales and Marketing Director with a proven track record of consistently winning high levels of business within a competitive market place like USA. She is able to establish credibility with senior decision makers quickly, in a wide range of business contexts, all with the aim of helping to grow the Company's business. She joined Shapoorjee Chandabhoy Finvest Pvt. Ltd., Mumbai in 2004, onwards Executive Director/Director and its market share. Her professional experience is as under:

- Wolford - Plano, TX (USA) : 2002 - 2004
  Sales and Marketing for a high-end lingerie and hosiery brand
- Sigma Systems, Inc - Carrollton, TX (USA) : 2000 - 2002
  Managed Accounts Receivables and Collections
- Neiman Marcus, Plano TX (USA) : 1995 - 1998
  High End Retail Couture Sales and Marketing

Except Smt. Ayesha K. DadyBurjor, Shri. Kaizad R. DadyBurjor, no other Director is concerned or interested in this Resolution. The Directors recommend your acceptance thereof in the interest of the Company. This may also be treated as an Abstract of terms and conditions and Memorandum of Interest under Section 190 of the Companies Act, 2013. The Agreement between the Company and the Whole-time Director is available for inspection of the members of the Company, at the Registered Office, between 11:00 a.m. and 1:00 p.m. on any of the working days up to the date prior to the date of the 28th AGM.

DETAILS OF DIRECTOR BEING APPOINTED/RE-APPOINTED AT THE ANNUAL GENERAL MEETING [IN PURSUANCE OF SEBI (LODR) REGULATIONS, 2015]:

Name of Director	**Shri. Pheroze Dhanbhoora**	**Shri. Adi F. Madan**	**Smt. Ayesha K. DadyBurjor**
Age	57 years	60 years	47 years
Qualification	B. Com. FCA	B. Com, LL.B.	BBA (Hons) in Management and Marketing
Date of Appointment	04/11/2015	24/05/1994	01/09/2014
Expertise	Founder Partner at P. A. Dhanbhoora & Co. Income Tax and Service Tax Regulatory, Audit, Strategic Business Advisory, Consultancy in M% A matters, Assisting clients in setting up ODI entities., etc	He is a Director of the Company since 1994. During the period 1994 to 2004, he was Whole-time Director of the Company. He has been Managing Director of the Company since 2004. He has extensive experience of over 30 years in industry and business.	Her professional experience is as under: 1) Shapoorjee Chandabhoy Finvest Pvt. Ltd. - 2004, onwards, Executive Director/Director 2) Wolford - Plano, TX (USA) 2002 - 2004 3) Sigma Systems, Inc - Carrollton, TX (USA) : 2000 - 2002 4) Managed Accounts Receivables and Collections 5) Neiman Marcus, Plano TX (USA) 1995 - 1998
Other Directorships	None	None	Shapoorjee Chandabhoy Finvest Pvt. Ltd.
Chairmanship / Membership of the Committees	Member of Audit Committee	Member of Share Transfer Committee	None
Shareholding in the Company	Nil	118,406	17,536

ANNEXURE TO NOTE H

Virat Industries Limited

(**Regd. Office Address:** A – 1/2, GIDC Industrial Estate, Kabilpore, Navsari - 396 424, Gujarat, India)
CIN: L29199GJ1990PLC014514
Tel No: +912637 - 265011/22 Fax: +912637 - 265712 Email:factory@viratindustries.com
Website: www.viratindustries.com

Dear Members of the Company,

Subject: Registration of email Id for the communication through electronic mode & providing information as required under section 88(1) of the Companies Act, 2013.

The Companies Act, 2013 allows the Company to communicate with its Members through electronic mode like email. As per the provisions of the said Act, the Company can now opt to send the Notices of the General Meetings and Postal Ballot through the electronic mode. The members may also exercise their right to vote at any General Meeting and on Postal Ballot by electronic means i.e., through e-voting.

The communication between the members and the Company through the electronic mode will help reduce paper consumption and will help in saving the natural resources, which indirectly help you to contribute towards saving environment.

Thus, in view of the above, we request you to register your email Id's with the Company, for the purpose of receiving the future communication from the Company through electronic mode.

We also draw your attention to the Section 88(1) of the Companies Act, 2013 and Rule 3(1) of the Companies (Management and Administration) Rules, 2014.

To enable us to update your details we request you to return/provide the information as per format attached.

We also request you to register your ECS mandate to enable the Company to disburse the dividends through NECS/NEFT/RTGS to avoid misplacement of physical warrant, quick credit to your account and also save your time in depositing the cheque in your bank account. This will also help you participate in e-voting at your convenience.

Shareholders holding shares in demat segment are requested to update their details in their demat account.

Yours faithfully,

For **Virat Industries Limited**

Tony Gandhi
Company Secretary
Membership No.: ACS 53163

Place : Mumbai,
Date : 15th June, 2018.

Date:

To:
M/s. Link Intime India Pvt. Ltd.
Unit: **Virat Industries Limited,**
C–101, 247 Park,
L.B.S. Marg, Vikhroli (W),
Mumbai – 400 083.

Dear Sir,

With reference to section 88(1) of the Companies Act, 2013, we give the following information:

Name	
Name of Joint Holder, if any	1. 2.
Address	
Folio No.	
Contact No.	Res.: Mob:
Email Id	
CIN Registration No. (in case of Companies)	
Unique Identification No.	
Father's/Mother's/Spouse's Name	1. 2.
Occupation	
Date of Birth	
PAN No.	
Nationality	
Bank Name	
Branch Name	
Account Number	
MICR Number	
RTGS/NEFT/FSC Code (attach cancelled cheque)	

Yours faithfully

Name of the Shareholder: ______________________

DIRECTORS' REPORT

Your Directors are pleased to present the 28th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2018.

First year of implementation of Indian Accounting Standards (Ind AS):

This is the first year of implementation of the Indian Accounting Standards (Ind AS). The standalone financial statements for the year ended March 31, 2018 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the year ended March 31, 2017 have been restated in accordance with Ind AS for comparative information.

FINANCIAL RESULTS AND ACCOUNTS:

The Financial Results are as under : ***(₹ in Lacs)***

Particulars	**2017 - 2018**	2016 - 2017
Gross Income	**3569.00**	2724.89
Profit Before Interest and Depreciation	**672.81**	647.87
Finance Charges	**13.50**	8.02
Gross Profit before Depreciation	**659.31**	639.85
Provision for Depreciation	**162.39**	136.01
Net Profit Before Tax	**496.92**	503.84
Provision for Tax	**153.61**	151.41
Net Profit After Tax	**343.31**	352.43
Note: (i) Proposed Dividend on Equity Share Proposal Dividend for the year ended 31st March, 2018/ Actual dividend paid for the year ended 31st March, 2017 ₹2.50 per share	–	123.08
Dividend Distribution Tax on proposed Dividend	–	25.06
Proposed Dividend on Equity Share are subject to approval in the Annual General Meeting and are not recognised as liability (including Dividend Distribution Tax thereon) as at 31st March, 2018.		

Year in retrospect

The year under review has been quite inspiring in view of landmark growth in sales; against the backdrop of many headwinds like pressure on prices, adverse exchange rates and delays in goods and service tax (GST) related export refunds.

Revenues:

The knitting production of 86.34 lakh pairs this year, being the all time high achieved so far, recorded commendable volume growth of 36.87% over the previous year. The despatches of 82.55 lakh pairs this year, the highest made since start of the factory have made quantum jump of 37.12% compared to the previous year, reflecting significant improvement in demand pull in export market, in line with the global upswing in economic activity.

Amid optimism and rising business sentiments in export markets, sales of your Company stood at ₹3026.84 lakh, reporting significant growth of 29.01% over previous year led by volume growth in export market and deeper penetration of men's trainer, ladies socks and Football socks for niche customers. The difference in growth rates of 8.10% between pairs despatched and sales value earned is due to 5.73% decline in the realised rate per pair, caused by adverse exchange rates, prices under pressure particularly in multi pair packs (10 pairs per pack), intensified competition from China and other countries enjoying exemption of import duty; and also significant changes of client-mix and product-mix.

The export sales constituted 90.97% of total sales of the Company, against 86.17% in the previous year. The export sales, this year, were 36.23% higher compared to the previous year.

Domestic sales of your Company comprise mainly of the contract manufacturing of socks supplied to reputed Branded outlets, and also under the Company's own Brand 'Lord Walker' launched in the end of 2014. Under the own brand 'Lord Walker', the Company supplies socks to some big cities through distributors. Over the years, the structural shift from unorganized to organized trade in the domestic market has been slow and uninspiring. However the easing of GST related hurdles, along with E-way bill implementation will make it difficult for the unorganized players to compete and would support the organized players. Your Company is making relentless efforts to increase its share in domestic market and thereby reducing the risk of relying solely on the export business.

Exchange Rate:

Your Company is predominantly an export unit and, therefore its performance is highly vulnerable to fluctuations in exchange rates. There was a depreciation of both Great Britain Pound (GBP) and United State Dollar (USD) during the year. The rupees actually realised by your Company per one GBP were ₹85.85 this year against ₹87.98 in the previous year and per one USD were ₹65.14 this year against ₹67.28 in the previous year. This resulted in a loss of ₹89.24 lakh in export value realisation during the year, working out ₹1.20 per pair of exported socks.

Your Company follows a conservative and risk-averse approach towards managing its foreign currency exposure. Hence, the Company endeavoured this year also to mitigate the risk associated with the exchange fluctuation by entering into forward contracts with the Company's Bankers, else the losses due to exchange rates would have been higher.

Goods and Service Tax:

Goods and Service Tax was introduced from 1st July 2017 as a unified tax across India in substitution of countervailing duty of customs, excise duty, sales tax, vat, service tax, etc. It was indeed a necessity for ease of doing business.

For July/Sept'17 quarter, your Company availed of same higher rates of duty draw back (average 9 to 9.5% of FOB) on export sale, as prevalent then and therefore did not claim Input Tax Credit (ITC) of GST paid on inputs and input services for the said quarter.

From Oct/Dec'17 and onwards; the duty draw back rates in respect of products manufactured by your Company were reduced to 2.5% of FOB value (customs part only) and in return your Company was entitled to take of ITC from 1st October, 2017 of the GST paid on inputs and input services as also the ITC in respect of stock on hand of raw materials, raw materials contained in WIP and raw materials contained in Finished Goods on the opening stock of 01.10.2017. The average monthly amount of GST paid by your Company amounts to ₹21.00 lakh, which cannot be adjusted by output tax liability on total domestic and export sale of ₹250.00 lakh per month because the output GST rate on the products manufactured by your company is 5% ad valorem.

The company is facing the menace of inverted duty structure wherein the output tax liability GST rate is 5% whereas the input tax GST rate is 12% - 18% for various raw materials and input services.

Your company has been successful in getting sanctioned refund claim in respect of IGST paid on imported capital goods; however in claiming the refund of ITC paid on inputs and input services there are numerous hurdles in GST related export refund procedure, with no satisfactory work method available even after so many months.

Unutilized balance eligible for refund lying in the electronic credit ledger is ₹125.73 lakh, which include ₹21.50 lakh for which refund orders have been received; but payment not remitted. Most exporters in India are facing this problem in getting GST related export refunds; resulting in blockage of working capital funds.

Expenditure:

Raw material prices, normally cotton and nylon remained soft during the year, mainly due to benefit of ITC in the last six months of the year.

Raw material cost per pair was ₹15.79 this year against ₹13.72 in previous year, resulting in 15% rise; despite prices remaining more or less steady. The increase is mainly due to substantial increase in the production of terry socks, which consume about 40% additional cotton yarn. Besides, the higher production of football socks this year compared to the previous year, has contributed to higher cost of raw materials per pair.

Total employees' remuneration expenses for the year were 16% higher in absolute terms, against 37% escalation in knitting production.

At the plant level, the operational focus has been to reduce the cost of stores and spares, utilities and other overheads per pair of sock.

Overhead expenses (total expenses of the Company excluding raw materials, packing materials and depreciation) which include all manufacturing, marketing, administrative, financial and legal expenses of the Company went up by 25.22%; against 37% increase in knitting production.

Profit before Tax:

The profit before tax as per INDAS, stood at ₹496.92 lakh this year, as compared to ₹503.84 lakh in the previous year, resulting in drop of 1.37%. The increase in profits expected from 29.01% growth in sales this year has been more than offset by adverse exchange rates, pressure on prices and increase in raw material cost per pair.

Your Company continues to be preferred supplier of socks to quality conscious clientele of overseas markets; because of its strong attributes like wide range of products with internationally acclaimed quality norms, in-time despatches, quick communication and fast adaptability to the latest fashion market trends and innovations. Prompt submission of samples required by clients, has been one of the major strengths of your Company and it is working as a seeding process to promote and generate orders.

Exports will continue to be main thrust area of your Company because export clients offer large size orders, which result in better plant efficiency, improvement in quality norms as accepted in international market; and better management of inventory as your Company is mainly order driven and manufactures requisite quantity of socks as per purchase order with no remnants and surplus left. Exports create better quality culture in work place. There is assured security in recovery of export receivables. However, it is expected that sales in domestic market will also play an increasingly important role in future.

Capital Investments:

Every year, your Company invests a substantial part of its surplus funds to expand capacity, and upgrade its production facilities to increase throughputs, improve product-mix and reduce cost of production. This has helped your Company to attain competitive edge over other players in sock industry.

The Company installed 24 latest model imported very high productivity sock knitting machines, one high productivity boarding machine and three hand linking machines this year. The benefit of increased throughput and reduction in operating cost were visible in the year ended, and the Company expects significantly further improvements in the coming years.

In addition to this, the extension of factory building on 1st Floor and 2nd Floor was carried out; which being 369.2 sq mt on each floor; totaling 378.40 sq mt. The extension is the integral part of existing building, as envisaged by GHERZI TEXTILE ORGANISATION, which had designed and engineered the factory in 1995.

The extension will accommodate 30 knitting machines on 2nd Floor and will take care of increase in finishing production on 1st Floor.

Twelve new Technical sock knitting machines installed last year, have capability to knit mainly athletic / football socks for niche markets. Substantial quantity of technical football socks were exported through approved freight agents of the Company's UK client to existing and newer geographies of the world in the year under review.

The total capital outlay during the year was ₹491.04 lakh (in previous year it was ₹374.65 lakh), all funded from the Company’s own accruals. All imported machines were purchased with zero percent excise/custom duty, because the Company is operating under EPCG (Export Promotion Capital Goods) Scheme where the obligation equivalent to six times of the duty saved is discharged by export of goods in a maximum of six years. Your Company has timely discharged such export obligations for all capital investments made on machines, under the EPCG Scheme, in the past.

The comparative performance highlights for last five years are as under:

Particulars	Units	INDAS			IGAAP	
		2017-18	**2016-17**	**2015-16**	**2014-15**	**2013-14**
Income Statement						
Total Income	₹ in lakh	**3569.00**	2724.89	2651.94	2106.47	2251.20
Export Sale	₹ in lakh	**2753.95**	2021.09	2165.28	1729.78	1923.53
Operating EBITDA	₹ in lakh	**672.81**	647.87	596.49	414.86	592.25
Net Profit before Tax	₹ in lakh	**496.92**	503.84	470.34	302.18	486.60
Net Profit after Tax	₹ in lakh	**343.31**	352.43	323.98	208.14	328.40
Cash Profit	₹ in lakh	**505.70**	488.44	446.24	312.11	423.36
Balance Sheet						
Net Worth	₹ in lakh	**2056.41**	1845.66	1637.84	1327.50	1232.36
Capital Employed	₹ in lakh	**2051.26**	1825.11	1614.39	1303.97	1287.68
Significant Ratios						
Operating EBITDA/Net Sale	%	**22.23**	27.63	25.50	21.91	29.22
Return on Capital Employed (EBIT/Avg. CE)	%	**26.34**	29.76	32.50	24.84	44.37
Price Earning Ratio		**23.49**	14.99	11.94	12.97	4.76
Book Value Per Share	₹	**41.76**	37.49	33.27	26.96	25.03
Current Ratio		**2.39**	4.31	5.33	3.13	2.28
Operations						
Knitting Production	Pairs in lakh	**86.34**	63.08	56.56	41.86	51.92
Pairs Dispatched	Pairs in lakh	**82.55**	60.20	55.13	43.45	49.64
Sales realization	₹ per pair	**36.67**	38.96	42.44	43.57	40.83
Earning Per Share	₹	**6.93**	7.21	6.46	4.23	6.67

There is no change in the nature of business of your Company for the year under review.

Overview of the Economy:

The world economy emerged from its recession and there is one of the leading hopes for our country's exports to grow healthily which in turn would boost manufacturing and trading in the coming fiscal.

The merchandise exports registered positive growth of 9.78% this year at value reaching USD 302.84 billion, though merchandise exports of USD 312.25 actually achieved in the year 2014-15; are still to be crossed. Indian exports have picked up this year, but less than by other emerging nations. Exports are the main spring of fast growth of every healthy economy. All miracle manufacturing economics in Asia with GDP growth of about 7% had export growth of about 15%.

The introduction of GST constituted a major landmark event in its own right. This was change of great magnitude, whether measured in terms of scale, scope or complexity. Its implementation problems are still posing hurdles which are very slowly being sorted out.

The implementation of policy reforms announced in the Union Budget, new initiatives taken and good ground work done to improve the economy will hopefully put India on accelerating growth track and improve the business out look.

During the year, the Company carried out sales in the following geographical segments. (₹ in Lakhs)

	Europe	UAE	India	Rest of World	Total
Revenues	2216.68	434.95	272.88	102.32	3026.84

Industry Structure and Development

The Indian Textile manufacturing sector including hosiery and clothing remains vital part of India's economy, both in terms of overall value added output and employment. It is the second largest in the world after China. India is amongst the few countries in the world which has manufacturing facilities across the entire value chain from fibre to finished products in garments. It is the world's number - 1 cotton producer (share 24.72%), number - 2 cotton consumer (share 20.87%) and also number - 2 cotton exporter. Besides, there is ample availability of polyester, nylon, elastane and other raw materials in India.

Of the total exports of textiles, garments (which include socks also) constitute 35%, the balance exports of textiles include cotton fibre, yarn, fabrics both cotton and manmade. It is only by increasing the percentage of garment production; that India can attain significant benefit of value addition and support the large Indian demography. India’s share in global textile export is only 5%, while that of China is 39%.

Opportunities

The global economy enjoyed its best year (and continues to do so in current year also) of the decade in 2017-18 with a worldwide pick up in GDP and job growth. This provides good opportunity to India to take advantage of this golden period of strong global growth.

The socks produced by your Company are meeting the international quality norms of comfort, ease, convenience, stretch, sizing, skin care and other parameters essential for inner wear apparel. They also meet the fashion demands in terms of design, different knits and multiple shades. The socks manufactured by your Company are sold in super market chains and also in upper end retail stores.

Your Company has been consistently revamping and upgrading its technical infrastructure. During last two years 48 new knitting machines were installed. Thirty Six high productivity knitting machines have enabled to improve cycle time and thereby reduce lead time. Other Twelve machines manufacture exclusive technical football socks which cater to niche high value luxury customers and which do not have many competitors. The despatch of substantial quantity of such technical socks were made to various countries in the last year, successfully. Your Company is confident that this niche market business would further accelerate to bigger volumes in future.

Importers are now looking at India as an alternative to China due to quality, cost competitiveness, better adherence to compliance and political stability. The other inherent advantages are the abundant availability of raw materials at competitive prices and favourable Government policies. Labour cost in India is lower than most competing countries except Bangladesh, Ethiopia and Kenya.

All major overseas customers of your Company insist on social audits to be carried out in the factory every year or once in every two years by internationally acclaimed “Business Social Compliance Initiative Agencies”. Such audits cover compensation to employees, health, safety, environment and management practices. New customers also insist on such audits to be conducted, before they start the business. The compliance of such audits to international standards brings healthy and ethical culture in the working and creates goodwill of the Company among its existing clients. Your Company has successfully complied with many such audits and has thus ensured continuance of business with major clients for long periods. Such audits are an integral part of the export business.

Threats:

The poster boys of India’s exports - readymade garments (sock is considered as readymade garments), gems and jewellery and agriculture products have reduced their market share in export markets in the last five years. It has lost market share in the readymade garments to Cambodia and Bangladesh.

The numerous difficulties encountered by all exporters, more so by Micro, Small and Medium Enterprises in getting export related refunds are resulting in slowdown of small units production.

Socks exported from India to European Union countries (E.U.) attract 10.6% advolorem custom duty. As against this, the countries like Bangladesh, Sri Lanka and Vietnam, being less developed countries are exempted from the custom duty, in the same EU Countries. Turkey, being the deemed member of the E.U. countries, besides enjoying exemption from the custom duty, has the added advantage of lesser freight and minimum delivery time to the European markets. This has posed a threat to the Indian sock suppliers and may pressurize them to reduce prices.

The return of protectionism and trade barriers in advanced countries is likely to damage India's export and its prospects of growth.

FINANCE

As on the date of Balance Sheet, the Company is debt free in terms of long term loans, excepting loan on vehicles.

WORKING CAPITAL LOAN

The Company is enjoying export packing credit and foreign bills purchase facilities.

INSURANCE

The properties and insurable interests of your Company in buildings, plant, machinery, stocks, etc. are adequately insured by the Company.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹1.50 per share of ₹10/- each (15%). The total dividend will absorb ₹73.85 lakh excluding ₹15.04 lakh (20.36%) as tax on dividend. The dividend will be free of tax in the hands of the shareholders of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

KEY MANAGERIAL PERSONNEL

Shri. A. S. Baholu resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 10.02.2018. The Board of Directors places on record their appreciation for his good work and service provided by Shri. A. S. Baholu during his tenure as Company Secretary and Compliance Officer of the Company.

The Board of Directors appointed Shri. Tony Gandhi as the new Company Secretary and Compliance Officer of the Company with effect from 11.02.2018 in place of Shri. A. S. Baholu. Shri. Tony Gandhi has worked with the Company as a Trainee Company Secretary and subsequently Deputy Company Secretary before his appointment as a Company Secretary.

BOARD OF DIRECTORS

The Company has a broad based Board of Directors, duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is one Woman Director on the Board. The changes in the composition of the Board of Directors are carried out in compliance with the provisions of the Act.

Policy formulations, setting up of goals, evaluations of performance and control functions vest with the Board. The composition of the Board of Directors of the Company as on March 31, 2018 was as follows;

Sr. No.	Name of the Director	Category
1.	Shri. Vijay V. Merchant	Chairman - Non-Executive
2.	Shri. Arun S. Sanghi	Independent Director
3.	Shri. Adi F. Madan	Managing Director
4.	Shri. Ajit P. Walwaikar	Independent Director
5.	Shri. Harish H. Shah	Independent Director
6.	Smt. Ayesha K. DadyBurjor	Whole-time Director
7.	Shri. Vinay V. Sanghi	Independent Director
8.	Shri. Kaizad DadyBurjor	Non-Executive Director
9.	Shri. Pheroze A. Dhanbhoora	Non-Executive Director

BOARD MEETINGS

Regular meetings of the Board of Directors are held to discuss and decide on various business policies, strategies and other business.

The Board met Five (5) times during the FY 2016-17, on the following dates.

04/05/2017	29/06/2017	10/08/2017
09/11/2017	08/02/2018	

Name of the Member	No. of Meetings Attended	Whether attended Last AGM
Shri. Vijay V. Merchant	5	YES
Shri. Arun S. Sanghi	4	NO
Shri. Adi F. Madan	5	YES
Shri. Ajit P. Walwaikar	5	YES
Shri. Harish H. Shah	5	YES
Smt. Ayesha K. DadyBurjor	5	YES
Shri. Vinay Sanghi	3	NO
Shri. Kaizad DadyBurjor	5	YES
Shri. Pheroze A. Dhanbhoora	4	YES

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Independent Directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act 2013, stating that they meet the criteria of independence as provided in sub-section (6).

COMPOSITION OF AUDIT COMMITEE

The Board has constituted an Audit Committee comprising of three Independent Directors and two Directors totaling five members. The Audit Committee reviews reports including significant audit observations and follow-up actions thereon. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statement. The Committee members meet regularly and make their recommendations in accordance with the terms of reference specified by the Board. Such recommendations are thoroughly discussed in Board meetings and by and large accepted for implementation.

The names of Committee members are as under;

Shri. Ajit P. Walwaikar - Chairman
Shri. Arun S. Sanghi - Member
Shri. Vijay V. Merchant - Member
Shri. Harish H. Shah - Member
Shri. Pheroze A. Dhanbhoora - Member

The Committee met Four (4) times during the Financial Year ended on 31/03/2018. All the members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Technical, Secretarial and Legal issues. The attendance records of the members at the meeting were as follows:

Name of the Member	Designation	No. of Meetings Attended
Shri. Ajit P. Walwaikar	Chairman	4
Shri. Arun S. Sanghi	Member	4
Shri. Vijay V. Merchant	Member	4
Shri. Harish H. Shah	Member	4
Shri. Pheroze A. Dhanbhoora	Member	3

NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted a Nomination and Remuneration Committee consisting of three Independent Directors.

The names of Committee members are as under;

Shri. Ajit P. Walwaikar - Chairman
Shri. Arun S. Sanghi - Member
Shri. Harish H. Shah - Member

The Committee has the mandate to recommend appointment/re-appointment of Executive Directors and appointment of employees from the level of Vice-President and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the person's track record, his/her potential, individual performance, the market trends and scales prevailing in the similar industry.

The Committee met one (1) time during the financial year ended on 31/03/2018. The attendance records of the members at the meeting were as follows:

Name of the Member	Designation	No. of Meetings Attended
Shri. Ajit P. Walwaikar	Chairman	1
Shri. Arun S. Sanghi	Member	1
Shri. Harish H. Shah	Member	1

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholder Relationship Committee consisting of three Directors, two independent Directors and the Managing Director.

The names of Committee members are as under;

Shri. Arun S. Sanghi - Chairman
Shri. Adi F. Madan - Member
Shri. Ajit P. Walwaikar - Member

The Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the Investors' grievances.

The Committee meets to approve share transfers, transmission, issue of duplicate share certificates, re-materialization of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, etc. The Committee regularly reviews the movement in shareholding and ownership structure. The Committee also reviews the performance of the Registrar and Transfer Agents.

The Committee met Four (4) times during the financial year ended on 31/03/2018. The attendance records of the members at the meeting were as follows:

Name of the Member	Designation	No. of Meetings Attended
Shri. Arun S. Sanghi	Chairman	4
Shri. Ajit P. Walwaikar	Member	4
Shri. Adi F. Madan	Member	4

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Fraud and corruption free work culture has been the core of the Company. In view of the potential risk of fraud, corruption and unethical behavior, which could adversely impact the Company's business operations, the Company has an established mechanism for Directors/Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors/employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee. The key directions/actions are informed to the Managing Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Board of Directors hereby confirms that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

(b) The Directors had 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 on 31st March, 2018 and of the profit and loss of the Company for the period ended 31st March, 2018;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis;

(e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

SUBSIDIARIES

As the Company has no subsidiaries, Section 129(3) of the Companies Act, 2013, does not apply.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return in Form No. MGT-9 as at March 31, 2018 forms part of this report as **Annexure I.**

AUDITORS

M/s. B. K. Khare & Co, Chartered Accountants (Firm Registration No. 105102W), was appointed as the Statutory Auditors of the Company at its 27th Annual General meeting from the conclusion of the said meeting until the conclusion of 32nd Annual General meeting. The said appointment, is subject to ratification by members every year.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Shri. A. J. Gandhi practicing Company Secretary was appointed as a Secretarial Auditor under the provision of section 204 of the Companies Act, 2013 for the financial year 2017 - 18, in the Board Meeting held on 4th May, 2017. The Report of the Secretarial Auditor for the F.Y. 2017-18 is annexed to this report as **Annexure - II.** The Report does not contain any qualification.

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

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the F.Y. 2017-18 is annexed and forms part of this Report as **Annexure - III.**

DETAILS RELATING TO DEPOSITS

The Company has not accepted any deposit during the year, nor has any deposit remained unpaid or unclaimed as at the end of the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

No significant and material orders were passed by the regulators or Courts or Tribunals during the year, which would adversely impact the Company's operation in future.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The existing internal financial controls are commensurate with the nature, size, complexity and business processes followed by the Company. They have been reviewed and found generally satisfactory on the following key control matrices.

a) Entity Level Control

b) Financial Control

c) Operational Control

which included authority and organization matrix, risk management practices, compliance framework within the origination, ethics and fraud risk management, management Information system, self assessment of control point, business continuity and disaster recovery planning, budgetary system, etc.

Section 134(5)(e) of the Companies Act, 2013 requires the submission of a report by the Board of Directors of a listed Company which includes a statement ensuring that the Company has laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively.

During the year, the Company prepared Policy Documents with regard to Internal Financial Control, along with Risk Control Matrix. The same have been tested by the Internal Auditors and the Statutory Auditors.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Your Company has not-

- given any loan to any person or other body corporate,
- given any guarantee and provided any security in connection with a loan to any other body corporate or any person.
- acquired by way of subscription, purchase or otherwise the securities of any other body corporate otherwise than in accordance with the law.

TRANSFER OF UNCLAIMED DIVIDEND

During the year, your Company transferred the ₹1,46,901 for the financial year ended 31st March, 2009 to the Investor Education and Protection Fund in compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013.

In compliance with these provisions read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company also transferred 59,710 Shares to the Demat Account of the IEPF Authority, in respect of which dividend had remained unpaid/ unclaimed for a consecutive period of 7 years.

RISK MANAGEMENT:

A documented risk management policy is in place as per section 134(3)(n) of the Companies Act, 2013.

Your Company is exposed to risk from fluctuation of foreign exchange rates, market economic slow down or decline in demand in the country of buyers of your Company’s products, prices of raw materials and finished goods, compliances risk and people risk.

Foreign Exchange Risk:

During year under review the Company endeavoured to further mitigate the risk associated with the exchange fluctuations by entering into Forward Contracts with the Company's Bankers, on very conservative and risk-averse basis.

Commodity Prices Risk:

Your Company proactively manages the risk of purchasing raw materials through forward booking, vendor development practices and inventory management. The Company’s strong reputation for quality and services with overseas clients to some extent mitigates the impact of price risk on finished goods.

Compliance Risk:

Your company has to follow various statutes and regulations including the Companies Act. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

People Risk:

Your Company nurtures and grooms the talented and key personnel for future business leadership and looks after them judiciously so that they stay with the Company.

CORPORATE SOCIAL RESPONSIBILITY

Section 135(1) of the Companies Act, 2013, is not applicable to your Company, because the net worth, turnover and net profit of your Company during the year is less than the required limits.

PREVENTION OF INSIDER TRADING

SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated a new Code for Prevention of Insider Trading.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors, Key managerial personnel and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year were in the ordinary course of the business of your Company and were on arm's length basis. There were no materially significant related party transactions entered by your Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of your Company. The details are given in **Annexure - IV,** forming part of this report.

FORMAL ANNUAL EVALUATION

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.

MEETING OF INDEPENDENT DIRECTORS

All the four (4) independent Directors of the Company held a meeting on 08th February 2018, and reviewed the performance of non-independent Directors and the Board as a whole. They also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

They expressed their satisfaction at the performance of non-independent Directors and appreciated the flow of information from the Company management.

COST AUDITORS

The Companies (Cost Records and Audit) Rules, 2014 does not require textile industry to have cost audit records. Moreover, in terms of Rule 7, where the revenue of a company from exports, in foreign exchange, exceeds seventy five percent of its total revenue, the said company is also exempted from maintaining cost audit records. The above rules were notified on 30.06.2014. In view of the above, the Company is exempted from maintaining Cost Audit records and appointment of Cost Auditor for the financial year 2017-18.

RATIO OF REMUNERATION TO EACH DIRECTOR

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming a part of this Report as **Annexure V** of this report.

LISTING FEES

Your Company has paid the listing fees up to 31st March, 2019 to the Bombay Stock Exchange on 25th April, 2018.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company is not mandatorily required to submit a Corporate Governance Report as the equity share capital and net worth of the Company is less than the required limits as on the last date of the previous financial year. Provided that where the provision of the Act becomes applicable to the Company at a later date, the Company shall comply with the requirement within six months from the date on which the provisions become applicable to the Company.

ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding Sexual Harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Lady NGO representative is the member of the said Internal Complaints Committee and regularly attends the meetings which are minuted.

The following is a summary of Sexual Harassment complaints received and disposed of during the year 2017-18:

No. of complaints received: Nil

No. of complaints disposed of: Not applicable

PARTICULARS OF EMPLOYEES

As per provision of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees are required to be annexed in respect of the employees of the Company who were in receipt of total remuneration of ₹60.00 Lakh per annum or ₹5.00 Lakh per month. During the financial year 2017-18, there is no employee drawing remuneration as above.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere appreciation for the co-operation and support extended to the Company by the Government of India, the Gujarat State Government and by the relevant Government Authorities, Central, State and Local, the Company's Bankers and the Business Associates.

Your Directors also thank all the employees at every level, who, through their dedication, co-operation and support, have enabled the Company to achieve sustained growth.

And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board of Directors

Place: Mumbai,
Date : 25th May, 2018.

Vijay V. Merchant
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - I

Annual Return Extracts in MGT 9

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2018

[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	**L29199GJ1990PLC014514**
ii)	Registration Date	Registration Date 14/10/1990
iii)	Name of the Company	**VIRAT INDUSTRIES LIMITED**
iv)	Category / Sub-Category of the Company	Public Company Limited by shares
v)	Address of the Registered Office and contact details	A - 1/2, GIDC Industrial Estate, Kabilpore, Navsari, Gujarat, India, PIN - 396 424. Tel.: 02637-265011/265022 Fax: 02637-265712 Email: factory@viratindustries.com Website: www.viratindustries.com
vi)	Whether listed Company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	**Link Intime India Private Limited** C - 101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai, Maharashtra, India, PIN - 400 083. Tel: 022-25963838 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service			% to total turnover of the Company
		Group	Class	Sub-Class	
1	Knitted Socks	143	1430	14309	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL

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

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	Indian									
a)	Individual/Hindu Undivided Family	633,628	–	633,628	12.870	584,934	–	584,934	11.881	(0.989)
b)	Central Government	–	–	–	–	–	–	–		–
c)	State Governments	–	–	–	–	–	–	–		–
d)	Bodies Corporate	1,753,795	-	1,753,795	35.622	1,753,795	-	1,753,795	35.622	0.000
e)	Banks/Family Institutions	–	–	–	–	–	–	–		–
f)	Any Other....	–	–	–	–	–	–	–		–
	Sub–total (A) (1)	**2,387,423**	**–**	**2,387,423**	**48.492**	**2,338,729**	**–**	**2,338,729**	**47.503**	**(0.989)**
(2)	Foreign	–	–	–		–	–	–		
a)	NRIs – Individuals	–	–	–		–	–	–		
b)	Other – Individuals	–	–	–		–	–	–		
c)	Bodies Corporate	–	–	–		–	–	–		
d)	Banks/Family Institutions	–	–	–		–	–	–		
e)	Any Other....	–	–	–		–	–	–		
	Sub–total (A) (2)	–	–	–	–	–	–	–	–	–
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**2,387,423**	**–**	**2,387,423**	**48.492**	**2,338,729**	**–**	**2,338,729**	**47.503**	**(0.989)**

	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	**Public Shareholding**									
(1)	Institutions									
a)	Mutual Funds	–	3,000	3,000	0.061	–	3,000	3,000	0.061	–
b)	Banks / Family Institutions	200	–	200	0.004	–	–	–	–	(0.004)
c)	Central Government	–	–	–	–	–	–	–	–	–
d)	State Governments	–	–	–	–	–	–	–	–	–
e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
f)	Insurance Companies	–	–	–	–	–	–	–	–	–
g)	Foreign Institutional Investors	–	–	–	–	–	–	–	–	–
h)	Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
i)	Others	–	–	–	–	–	–	–	–	–
	Sub–total (B)(1)	**200**	**3,000**	**3,200**	**0.065**	–	**3,000**	**3,000**	**0.061**	**-0.004**
[2]	Non – Institutions									
a)	Bodies Corporate									
i)	Indian	98,338	19,500	117,838	2.393	121,191	15,800	136,991	2.782	0.389
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	850,812	275,340	1,126,152	22.874	1,032,395	209,540	1,241,935	25.225	2.351
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	576,507	22,000	598,507	12.157	468,794	22,000	490,794	9.969	(2.188)
c)	Others									
i)	Hindu Undivided Family	90,572	–	90,572	1.840	93,634	–	93,634	1.902	0.062
ii)	Clearing Member	29,558	–	29,558	0.600	28,558	–	28,558	0.580	(0.020)
iii)	Non Resident Indians (Repat)	29,999	–	29,999	0.609	27,495	–	27,495	0.558	(0.051)
iv)	Non Resident Indians (Non Repat)	44,751	–	44,751	0.909	7,154	–	7,154	0.145	(0.764)
v)	Foreign Companies	492,340	–	492,340	10.000	492,340	–	492,340	10.000	0.000
vi)	Overseas Bodies Corporates	–	3,000	3,000	0.061	–	3,000	3,000	0.061	(0.000)
vii)	Investor Education Protection Fund Authority, Ministry of Corporate Officer	–	–	–	–	59,710	–	59,710	1.213	1.213
	Sub–total (B)(2)	**2,212,877**	**319,840**	**2,532,717**	**51.443**	**2,331,271**	**250,340**	**2,581,611**	**52.436**	**0.993**
	Total Shareholding of Public (B) = (B)(1)+(B)(2)	**2,213,077**	**322,840**	**2,535,917**	**51.508**	**2,331,271**	**253,340**	**2,584,611**	**52.497**	**0.989**
C.	**Shares held by Custodian for GDRs & ADRs**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Grand Total (A+B+C)	**4,600,500**	**322,840**	**4,923,340**	**100.000**	**4,670,000**	**253,340**	**4,923,340**	**100.000**	**–**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 01/04/2017			Shareholding at the end of the year - 31/03/2018			% change in share holding 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	SHAPOORJEE CHANDABHOY FINVEST PRIVATE LTD.	1,753,795	35.62	–	1,753,795	35.62	–	–
2	LATE SHRI. NAOZER J AGA	475,277	9.65	–	475,277	9.65	–	–
3	KAIZAD R DADYBURJOR	83,826	1.70	–	53,004	1.08	–	(36.77)
4	ARMAND NAOZER AGA	34,989	0.71	–	17,117	0.35	–	(51.08)
5	AYESHA K DADYBURJOR	17,536	0.36	–	17,536	0.36	–	–
6	RUSI H DADYBURJOR	11,000	0.22	–	11,000	0.22	–	–
7	ZENOBIA R DADYBURJOR	11,000	0.22	–	11,000	0.22	–	–
	Total	**2,387,423**	**48.48**	–	**2,338,729**	**47.50**	**–**	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year - 01/04/2017		Shareholding at the end of the year - 31/03/2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	KAIZAD R DADYBURJOR	83,826	1.70	53,004	1.08
2	RUSI H DADYBURJOR	11,000	0.22	11,000	0.22
3	ZENOBIA R DADYBURJOR	11,000	0.22	11,000	0.22
4	ARMAND NAOZER AGA	34,989	0.71	17,536	0.35
	Total	**140,815**	**2.14**	**92,540**	**1.87**

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year - 01/04/2017		Shareholding at the end of the year - 31/03/2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	H M INVESTMENTS (UK) LIMITED	492,340	10.00	**492,340**	**10.00**
2	PRAMILA HEMRAJ MUNOT/LATA MUNOT	188,305	3.82	**177,542**	**3.61**
3	MAHENDRA GIRDHARILAL	76,095	1.55	**2,951**	**0.06**
4	INVESTOR EDUCATION PROTECTION FUND AUTHORITY, MINISTRY OF CORPORATE AFFAIRS	–	–	**59,710**	**1.21**
5	BOMSI WADIA	45,203	0.92	**45,203**	**0.92**
6	VIKRAM ADVISORY SERVICES PVT. LTD.	–	–	**44,000**	**0.89**
7	ZUBIN RUSSI JAL TARAPOREVALA	42,000	0.85	–	–
8	STANROSE MAFATLAL INVESTMENTS & FINANCE LIMITED	34,250	0.70	–	–
9	DILIP NAVIN DALAL	30,000	0.61	**28,750**	**0.58**
10	NARAYANBHAI K PATEL	–	–	**25,000**	**0.51**
11	VIKAS MUNOT/LATA MUNOT	24,300	0.49	**23,762**	**0.48**
12	PHARMASYNTH FORMULATIONS LTD	–	–	**16,702**	**0.34**
13	ANSHUL SAIGAL	28,367	0.58	–	–
14	R. SRINIVASAN	8,180	0.17	–	–
15	SUBHASH AMOLAKCHAND GANDHI [HUF]	23,150	0.47	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year - 01/04/2017		Shareholding at the end of the year - 31/03/2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	LATE NAOZER J AGA/ARMAND N AGA	250,561	5.09	**250,561**	5.09
2	LATE NAOZER J AGA/ AYESHA K DADYBURJOR	224,716	4.56	**224,716**	4.56
3	ADI MADAN/AYESHA MADAN/ JEHAN ADI MADAN	134,205	2.73	**134,205**	2.73
4	KAIZAD R DADYBURJOR/ AYESHA K DADYBURJOR	83,826	1.70	**53,004**	1.08
5	ARMAND NAOZER AGA	34,989	0.71	**17,117**	0.35
6	HARISHCHANDRA H SHAH	50	0.00	**50**	0.00
7	NIRMAL G AWTANEY/KRISHNA N AWTANEY	7,000	0.14	**7,000**	0.14
8	BHAVIK R. MAISURIA	82	0.00	**82**	0.00

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,481,395	–	–	4,481,395
ii) Interest due but not paid	35,475	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**4,516,870**	**–**	**–**	**4,516,870**
Change in Indebtedness during the financial year				
– Addition	19,431,305	–	–	19,431,305
– Reduction	3,144,504	–	–	3,144,504
Net Change	16,286,801	–	–	16,286,801
Indebtedness at the end of the financial year				
i) Principal Amount	20,768,196	–	–	20,768,196
ii) Interest due but not paid	41,362	–	–	41,362
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**20,809,558**	**–**	**–**	**20,809,558**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Shri. Adi F. Madan Managing Directors	Smt. Ayesha K. DadyBurjor Whole-time Director	Total
1	Gross Salary:			
(a)	Salary as per provisions contained in section 17(1) of the Income–tax Act,1961	3,731,568	1,645,361	5,376,929
(b)	Value of perquisites u/s 17(2) Income–tax Act,1961	–	–	–
(c)	Profits in lieu of salary under section 17(3) Income–tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission–as % of profit–others, specify...	–	–	–
5	Others, please specify	–	–	–
	Total (A)	**3,731,568**	**1,645,361**	**5,376,929**
	Ceiling as per the Act			

B. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors						
1	**Independent Directors**	**Shri. Arun S. Sanghi**	**Shri. Ajit P. Walwaikar**	**Shri. Vinay V. Sanghi**	**Shri. Harish H. Shah**	**Shri. Vijay Marchant**	**Shri. Pheroze Dhanbhoora**	**Total Amount**
	Fee for attending Board, Committee Meetings	300,000	335,000	90,000	270,000	230,000	175,000	1,400,000
	Commission	–	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–	–
	Total (1)	**300,000**	**335,000**	**90,000**	**270,000**	**230,000**	**175,000**	**1,400,000**
2	**Other Non-Executive Directors**					**Shri. Kaizad DadyBurjor**		**Total Amount**
	Fee for attending Board, Committee Meetings					160,000		160,000
	Commission					–		–
	Others, please specify					–		–
	Total (2)					**160,000**		**160,000**
	Total (B)=(1+2)							**1,560,000**
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

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

	Particulars of Remuneration	Key Managerial Personnel			
Sl. No.		**Shri. Asinkhan S. Baholu Company Secretary (up to 10/02/2018)**	**Shri. Tony G. Gandhi Company Secretary (w.e.f. 11/02/2018)**	**Shri. Bhavik R. Maisuria Chief Financial Officer**	**Total**
1	Gross Salary:				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	425,688	39,054	637,477	1,102,219
(b)	Value of perquisites u/s 17(2) Income–tax Act,1961	–	–	18,537	18,537
(c)	Profits in lieu of salary under section 17(3) Income–tax Act, 1961	–	–	–	
2	Stock Option	–	–	–	
3	Sweat Equity	–	–	–	
4	Commission–as % of profit–others, specify	–	–	–	
5	Others, please specify	–	–	–	
	Total	**425,688**	**39,054**	**656,014**	**1,120,756**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act, 2013):

None.

ANNEXURE - II

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2018.

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

To,
The Members,
Virat Industries Limited,
A 1/ 2, GIDC Industrial Estate,
Kabilpore, Navsari - 396 424. Gujarat.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Virat Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records of Virat Industries Limited, maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Virat Industries Limited (“the Company”) for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) 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'):

   (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) Depositories Act, 1996.

   (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

   (j) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”)

(vi) Income Tax Act.
(vii) Goods & Services Tax Act.
(viii) Pollution Control Laws
(ix) Factories Act, 1948.
(x) The Bombay Industrial Relations Act, 1946.
(xi) Payment of Wages Act, 1936.
(xii) Minimum Wages Act, 1948.
(xiii) Employees' State Insurance Act, 1948.
(xiv) Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
(xv) Payment of Bonus Act, 1965.
(xvi) The Payment of Gratuity Act, 1972.
(xvii) The Contract Labour (Regulation & Abolition) Act, 1970.
(xviii) Prohibition of Child Labour (Prohibition & Regulation) Act, 1986.
(xix) The Industrial Employment (Standing Orders) Act, 1946.
(xx) The Employees' Compensation Act, 1923.
(xxi) Equal Remuneration Act, 1976.
(xxii) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
(xxiii) The Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976.
(xxiv) The Apprentices Act, 1961.
(xxv) Customs Act, 1962.
(xxvi) Standards of Weights and Measures Act, 1976.
(xxvii) Water (Prevention and Control Pollution) Act, 1974.
(xxviii) Air (Prevention and Control Pollution) Act, 1981.
(xxix) Environment (Protection) Act, 1986.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. **The Companies Act, 2013 (the Act) and the rules made thereunder -** The company has conducted 5 (five) Board Meetings, on 04.05.2017, 29.06.2017, 10.08.2017, 09.11.2017 and 08.02.2018, in course of the financial year, after complying with the provisions of the Act.

   It also held its Annual General Meeting on 29.06.2017 after complying with the provisions of the Act & Rules made thereunder. No Extra-ordinary General Meeting was held during the financial year.

   Compliance with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 - The Board of Directors of the company declared a Dividend on during the financial year 2009-2010. The company opened a separate Bank Account, in accordance with these rules, called the Unpaid Dividend Account. The company has confirmed that the amount of dividend remaining unpaid, for the year 2009-2010, was credited to that account on 14th October, 2010.

   According to the relevant provisions of the Companies Act, 2013, seven years after the unpaid dividend is transferred to the Unpaid Dividend Account, the company is required to transfer the balance in that account to the Investor Education and Protection Fund. Accordingly, the unpaid dividend for 2009-2010 has been transferred to the Investor Education and Protection Fund on 23rd September, 2017 that is to say, during the year ended 31st March, 2018.

The company has in course of the year filed the following returns pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016:

Form IEPF-1 - In respect of transfer of Unpaid Dividend, on 04.10.2017.

Form IEPF-2 showing balances lying in the Unpaid Dividend Accounts of the company, on 27.09.2017.

Form IEPF-4 - Statement showing the transfer of 59,710 equity shares, on which dividend remained unpaid to the Investor Education and Protection Fund, filed on 30.11.2017.

Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") -

These regulations have become effective from 1st December, 2015 and have to be complied within 90 days from that date.

The Compliance Officer of the company is a qualified Company Secretary. It already has a Share Transfer Agent to provide share transfer facility.

The company has filed the necessary returns mentioned in the Regulations since they came into effect.

The Board of Directors of the company is properly constituted as per these regulations. The following committees have been constituted from among the members of the Board with a proper composition of directors -

a. Audit Committee

b. Nomination and Remuneration Committee

c. Investor Grievance Redressal Committee/Stakeholders' Relationship Committee/Share Transfer Committee

All related party transactions are placed for prior approval before the Audit Committee.

The Audit Committee of the Board of Directors of the company held its meetings on 04.05.2017, 10.08.2017, 09.11.2017 and 08.02.2018, in course of the financial year.

The Nomination and Remuneration Committee met on 09.11.2017.

Four meetings of the Investor Grievance Redressal Committee/ Stakeholders' Relationship Committee/Share Transfer Committee were held during the year on 04.05.2017, 10.08.2017, 09.11.2017 and on 08.02.2018.

The Independent Directors from among the Board held their meeting on 08.02.2018.

The company has in place a policy for preservation of documents as per the regulations.

2. **The Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957 -** This Act deals with the regulation and the governance of Stock Exchanges and hence is not applicable to the company.

3. **The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder -** This Act deals with regulation of transactions pertaining to securities between Depositories, Depository Participants, Issuers and Beneficial Owners. The company is registered with the Depository Participant, M/s Link Intime India Private Ltd and all transactions pertaining to the securities issued by the company are carried out through this agency.

4. **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 -** From the records of the company pertaining to the financial year ended 31st March, 2018, it is seen that no Foreign Direct Investment was made in the company. The company has not resorted to Overseas Direct Investment and External Commercial Borrowings during the year under review.

5. **The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 -** These Regulations deal with acquisition of listed securities by a company and 'persons acting in concert' with it as defined in the Regulations.

   It is given to understand that the company has not made any investments in listed securities during the financial year ended 31st March, 2018.

6. **The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 -** The company has formulated an Insider Trading Code for the price sensitive information pertaining to the securities issued by it and the same is strictly followed.

7. **The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 -** The Company has not made any issue of the type mentioned in these Regulations during the financial year ended 31st March, 2018. Hence these Regulations are not applicable.
8. **The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 -** These Guidelines deal with Employee Stock Option Scheme and Employee Stock Purchase Scheme being implemented by the company. The company does not have any Employee Stock Option Scheme or any Employee Stock Purchase Scheme. Hence these guidelines are not applicable to it.
9. **The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -** These Regulations are not applicable to the company for the financial year under review as it has not made any issue of any debt securities or listed any debt securities during the financial year ended 31st March, 2018.
10. **The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client -** These Regulations lay down the procedure for registration and regulation of the working of Registrars and Share Transfer Agents and as such do not apply to the company.
11. **The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -** The Company has not delisted its equity shares listed on the Bombay Stock Exchange (BSE) during the financial year ended 31st March, 2018. Hence these Regulations are not applicable to it.
12. **The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 -** These regulations are applicable to buy-back of shares or other specified securities of a company listed on a stock exchange. The company has confirmed that it did not buy back any of its securities listed on the stock exchange (BSE) during the financial year. Hence, these Regulations do not apply to the company.
13. **The Listing Agreement entered into by the Company with Bombay Stock Exchange (BSE) -** The Company has filed the necessary documents and returns and supplied the information required to be submitted by it to Bombay Stock Exchange as per the Listing Agreement.
14. **Secretarial Standards issued by The Institute of Company Secretaries of India -** the company has complied with these standards during the financial year ended 31st March, 2018.
15. **Income Tax -** The company has filed its Income Tax Return, during the year under review, for the Financial Year 2016-17, within the prescribed time.
16. **Pollution Control Laws -** The company has obtained CCA Renewal from Gujarat Pollution Control Board under Section 25 of Water Pollution Control Act, 1981, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and authorization under Rule 3(c) & 5 (5) of the Hazardous Waste (Management & Handling & Transboundary Movement) Rules, 2008 and under Environment Protection) Control Act, 1986. The consent is valid up to 22.07.2019.
17. **Factories Act, 1948 -** The Company has obtained a license to work a factory, issued by the Directorate Industrial Safety and Health, Gujarat State, on 1st March, 1996. The same has been renewed in course of the financial year and is valid till 31st December, 2022. It has filed monthly returns as required under the Factories Act, 1948.
18. **The Bombay Industrial Relations Act, 1946 -** This Act is applicable to the company. No industrial dispute under this Act was reported to have occurred during the financial year under review.
19. **Payment of Wages Act, 1936 -** The requirements regarding the timely payment of wages under this Act and display of an abstract of the Act and Rules have been complied with.
20. **Minimum Wages Act, 1948 -** The requirements regarding the payment of minimum wages specified by the appropriate Government and the display of the notice containing the minimum rate of wages have been complied with.
21. **Employees' State Insurance Act, 1948 -** The requirements regarding the maintenance of the register of employees and filing of Annual Return have been complied with.
22. **Employees' Provident Fund and Miscellaneous Provisions Act, 1952 -** the requirements of depositing contributions with the Provident Fund authorities and filing of the necessary returns have been complied with.

23. **Payment of Bonus Act, 1965 -** Bonus has been paid to the employees in accordance with the Act and the necessary returns have been filed.
24. **The Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976 -**

    The company has regularly deposited the amount of Profession Tax deducted from the employees' salaries and wages of its staff at Navsari and Mumbai, to the credit of the Government within the prescribed time, during the year under review as per the provisions of the Act.
25. **The Payment of Gratuity Act, 1972 -** the provisions of the Act have been complied with. The company has, on 1st March, 2014 also obtained a Group Gratuity Policy from the Life Insurance Corporation of India Ltd (L.I.C.) to enable it to comply with its liability for the payment of gratuity to its employees, as and when such liability arises. The policy is valid and subsisting.
26. **The Contract Labour (Regulation & Abolition) Act, 1970 -** The company has obtained the necessary certificate of registration for employing contract labour in its factory and has complied with the other applicable provisions of the Act. The license has been renewed during the year under review.
27. **Prohibition of Child Labour (Prohibition & Regulation) Act, 1986 -** It is given to understand that the company does not employ any child labour hence this Act is not applicable to it.
28. **The Industrial Employment (Standing Orders) Act, 1946 -** The company has framed Standing Orders for its employees at the factory and the same have been registered with the concerned authorities.
29. **The Employees' Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923) -**

    No accidents were reported in the factory of the company during the year under review. Hence there was no requirement to file any returns.
30. **Equal Remuneration Act, 1976 -**

    It is given to understand that the company pays equal remuneration to all for same work or work of similar nature and that there is no discrimination between men and women while recruiting or subsequent to recruitment, promotion, etc.
31. **The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956 -**

    The company has regularly filed quarterly returns as required, during the year under review.
32. **The Apprentices Act, 1961 -**

    The company has engaged apprentices as per the provisions of the Act.

I 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.

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.

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

Signature: ______________________

Name of Company Secretary in practice/ Firm:

A. J. Gandhi

ACS/FCS No. 1632

C P No.: 2095

Place : Mumbai,

Dated : 11th May, 2018.

Annexure A

Annexure to the Secretarial Audit Report

To,
The Members,
Virat Industries Limited,
A 1/ 2, GIDC Industrial Estate,
Kabilpore, Navsari - 396 424. Gujarat.

My 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) I 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) I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

A. J. Gandhi
Practising Company Secretary
ACS/FCS No. 1632
C P No.: 2095

Place : Mumbai,
Dated : 11th May, 2018.

ANNEXURE - III

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

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgoings as required under the Companies (Disclosure of Particulars in the Board of Directors' Report) Section 134(3)(m) are given below:

(A) CONSERVATION OF ENERGY:

Energy Conservation Measures Taken:

Electricity:

i) Maintained the power factor to 0.999, throughout the year and got rebate of ₹219,681/- on this account in electricity bills.

ii) Installed GA-75 VSD Air Compressor suitable for varying requirement of compressed air of the plant. We are getting saving of 250 kwh/day (ie 88000 kwh/year).

iii) Installed kwh meter at every section of the factory to monitor daily kwh units consumption of every section and take necessary action if and when required.

iv) Stopped air leakages from the air regulators, PU (Polyurethane) tubes, fittings etc. of knitting machines, contributing to energy saving.

As the result of above changes, the power consumption per pair of sock production decreased from 0.382 kwh in 2016-17 to 0.323 kwh in 2017-18, registering reduction of 15.45%.

Natural Gas:

i) Reduced steam leakages from boiler house to plant level and maintained the same throughout the year.

ii) We installed pressure reducing valve at the inlet of the steam dryer chamber to maintain the steam dryer pressure 1 to 1.5 bar @ 100 degree Celsius of dryer chamber, resulting in 20 SCM Natural Gas saving per day of fuel consumption.

iii) We removed old insulation from the steam lines and installed new insulation to reduce the heat transfer and condensation losses.

The Natural Gas consumption per pair of socks of boarding (pressing) machine has remained flat at 0.0124 in 2016-2017 to 0.0117 in 2017-2018 (SCM) Standard Cubic Meters of Natural Gas. Though we installed Lavatec tumble dryer this year, which consumes 40 SCM per day.

(B) TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption are as per Form annexed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to Exports, Initiatives to Increase Exports, Development of New Export Markets for Products and Services and Export Plan:

Ours is an export unit operating under Export Promotion Capital Goods (EPCG) Scheme. The Company has been exporting goods mainly to the European and Gulf Markets. All efforts are directed towards increasing exports. In the year under review about 90.97% of total revenues were derived from the export.

Total Foreign Exchange Used and Earned:	**(₹ in Lakhs)**
a. i. Total foreign exchange earned	2753.95
ii. Other	12.45
SUB-TOTAL (a)	**2766.40**
b. Total foreign exchange used	
i. For import of Plant and Machinery	282.58
ii. For Spares, etc.	39.29
iii. Raw Materials	–
iv. For Dividend remitted	12.30
v. Others	38.51
SUB-TOTAL (b)	**372.68**
% of Import to Export	13.47%

PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R&D)

1. **Specific areas in which R & D is carried out by the Company:**

A. **Development of new products**

   i) New styles of socks by using BC-1 Cotton yarn and various types of Lurex yarn have been developed as required by some of our overseas client.

   ii) Upgrading in packing materials has been done for better presentation and improved aesthetic value of socks.

2. **Benefits derived as a result of the above R & D:**

   New Business in export market.

3. **Future plan of action:** To be planned

4. **Expenditure on R & D:** Not ascertainable

(a) Capital	–
(b) Recurring	–
(c) Total	–
(d) Total R & D expenditure as a percentage of total turnover.	–

Technology absorption, adaptation and innovation:

1. **Efforts in brief, made towards technology absorption, adaptation and innovation:**
   The Company has not imported any technology. It has imported major plant and machinery.

2. **Benefits, derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.:**
   Not Applicable

3. **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:**

(a) Technology imported	–
(b) Year of Import	–
(c) Has technology been fully absorbed	–

ANNEXURE - IV

FORM NO. AOC - 2

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

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

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

Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis :

(a)	Name(s) of the related party and nature of relationship	Armayesh Embroideries Pvt. Ltd. - Promoters Group Company
(b)	Nature of contracts/arrangements/ transactions	Lease Agreement
(c)	Duration of the contracts/ arrangements/transactions	Renewable every Year
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	10% increase in lease rent every year
(e)	Justification for entering into such contracts or arrangements or transactions	Lease rent is comparatively lower than the prevailing market rates.
(f)	Date(s) of approval by the Board	25th May, 2018
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the Special Resolution was passed in General Meeting as required under first proviso to section 188 :	Not Applicable

ANNEXURE - V

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Disclosure	Ratio
(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	Remuneration: Executive Directors: Shri. Adi F. Madan Managing Director	 29.60
		Smt. Ayesha K. DadyBurjor Whole-time Director	13.05
		Sitting Fees: Independent Directors: Shri. Arun S. Sanghi - Chairman Shri. Ajit P. Walwaikar - Director Shri. Harish H. Shah - Director Shri. Vinay V. Sanghi - Director	 2.38 2.66 2.14 0.71
		Non-Independent Directors: Shri. Vijay V. Merchant - Chairman Shri. Kaizad R. DadyBurjor - Director Shri. Pheroze A. Dhanbhoora - Director	 1.82 1.27 1.39
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Managing Director Whole-time Director Company Secretary Chief Financial Officer	5.21% 4.67% 9.14% 11.57%
(iii)	The percentage increase in the median remuneration of employees in the financial year;	The median remuneration of the employees in the financial year increased by 6.05%. The calculation of % Increase in Median Remuneration is done based on comparable employees. For this we have excluded employees who were not eligible for any increment.	
(iv)	The number of permanent employees on the rolls of the Company;	There were 181 employees as on March 31, 2018.	

<table>
<tr><th>Sl. No.</th><th>Requirements</th><th>Disclosure</th></tr>
<tr><td>(v)</td><td>The explanation on the relationship between average increase in remuneration and Company performance;</td><td>
(₹ in Thousand)
<table>
<tr><th>Details</th><th>2017-18</th><th>2016-17</th></tr>
<tr><td>Total Income</td><td>356900</td><td>272489</td></tr>
<tr><td>PBT</td><td>49692</td><td>50384</td></tr>
<tr><td>PBT % of Total Income</td><td>13.92</td><td>18.49</td></tr>
</table>
Average increase of 17.57% in the remuneration of employees is in line with the current year’s performance, market dynamic and as a measure to motivate the employees for better future performance to achieve organisation’s growth expectations.</td></tr>
<tr><td>(vi)</td><td>Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;</td><td>For the FY 2017-18, KMPs were paid approx 12.92% of the net profit before tax for the year.</td></tr>
<tr><td>(vii)</td><td>Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed Companies, and in case of unlisted Companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;</td><td>The Market capitalization of the Company has increased from ₹531,720 thousand as of March 31, 2017 to ₹802,504 thousand as of March 31, 2018. Over the same period, the price to earnings ratio moved from 14.99 to 23.49. The Virat Industries Limited stock price as at March 31, 2018 has increased by 50.93% and by ₹55 over the last financial year.

During the year, the Company did not come out with any public offer.</td></tr>
<tr><td>(viii)</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;</td><td>During the year, the non-managerial remuneration increased by 9.86% being the rise in minimum wages as declared by government of Gujarat.

Rise in managerial remuneration is 10.24%.</td></tr>
</table>

<table>
<tr><th>Sl. No.</th><th>Requirements</th><th colspan="2">Disclosure</th></tr>
<tr><td rowspan="6">(ix)</td><td rowspan="6">Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company</td><td colspan="2">The comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company is as under :</td></tr>
<tr><td>Particulars</td><td>% of Net Profit for FY 2017-18</td></tr>
<tr><td>Managing Director</td><td>7.51%</td></tr>
<tr><td>Whole-time Director</td><td>3.31%</td></tr>
<tr><td>Chief Financial Officer</td><td>1.24%</td></tr>
<tr><td>Company Secretary</td><td>0.86%</td></tr>
<tr><td>(x)</td><td>The key parameters for any variable component of remuneration availed by the Directors;</td><td colspan="2">1% commission of net profit of the Company if applicable as per section 197 and 198 of the Companies Act, 2013 and if decided by the Board.</td></tr>
<tr><td>(xi)</td><td>The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;</td><td colspan="2">None</td></tr>
<tr><td>(xii)</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company.</td><td colspan="2">Yes</td></tr>
</table>

INDEPENDENT AUDITORS’ REPORT

To,
The Members of
VIRAT INDUSTRIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying Ind AS financial statements of Virat Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other comprehensive income), the Statement of Cash Flows and the Statement of Changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Ind AS financial statements”)

Management’s Responsibility for the Ind AS financial statements

2. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act.

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

Auditor’s Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. 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 Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs (financial position) of the company as at March 31, 2018 and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year then ended on that date.

Other Matter

9. The audit of standalone financial statements for the year ended 31 March, 2017, was carried out and reported by Deloitte Haskins & Sells Chartered Accountants, vide their unmodified audit report dated 04 May 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the financial statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. 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 purpose 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, statement of Cash Flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
    d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
    e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
    f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.
    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 (i) to the financial statements
        ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Place: Mumbai
Date: 25th May, 2018.

Shirish Rahalkar
Partner
(Membership No. 111212)

ANNEXURE I TO THE AUDITOR'S REPORT

Referred to in Paragraph 9 of our report of even date on the Ind AS financial statements of Virat Industries Limited for the year ended March 31, 2018

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property Plant and Equipments.

(b) The Property Plant and Equipments are physically verified by the Management according to a programme of phased verification, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets had been physically verified by the Management in the previous year and no material discrepancies had been noticed in respect of assets verified during the previous year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, immovable properties of leasehold land and buildings whose title deeds haven been pledged as security for "loans repayable on demand", are held in name of the Company based on the confirmations received from the lender. Further, according to the information and explanations given to us and the records examined by us, we report that, the title deed, comprising the immovable property of building which is freehold, is held in the name of the Company as at the Balance Sheet date.

II. (a) The Inventory has been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory of vehicles and spares and accessories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(b) On the basis of the information and explanations given to us, no material discrepancies were notices and the discrepancies noticed on physical verification of inventory of spares and accessories have been properly dealt with in the books of accounts.

III. The Company has not granted any loans to parties covered in the register maintained under section 189 of Companies Act, 2013. Therefore, clause 3(iii) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.

IV. The Company has not granted any loans or made any investments or provided any guarantees or securities to the parties covered under Section 185 & 186 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iv) of the said Order are 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. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company. The clause 3(v), therefore is not applicable to the company.

VI. As informed to us, maintenance of cost records under Section 148(1) of the Companies Act, 2013 is not prescribed to the Company.

VII. (a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Services Tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, cess and other applicable statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us and records of the Company examined by us, there are no disputed dues of income tax, Goods and Services Tax, Sales tax, Wealth tax, Service tax, Duty of customs, Duty of excise, value added tax and cess which have not been deposited on account of any dispute.

VIII. Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date. The Company has not issued any Debentures.

IX. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year, and accordingly, Para 3(ix) of the Order is not applicable to the Company.

X. To the best of our knowledge and according to the information and explanations given to us, no instance of fraud on or by the Company, by its officers and employees, has been noticed or reported during the year, nor we have been informed of any such instance by the Management and accordingly, Para 3(x) of the Order is not applicable to the Company.

XI. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with provisions of Section 197 read with Schedule V to the Companies Act, 2013.

XII. The Company is not a ‘Nidhi Company’; therefore, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

XIII. On the basis of examination of relevant records and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit; therefore, clause 3(xiv) of the Companies (Auditor’s Report) Order, 2016 is not applicable to the company.

XV. 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, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

XVI. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm’s Registration No. 105102W)

Place: Mumbai
Date: 25th May, 2018.

Shirish Rahalkar
Partner
(Membership No. 111212)

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VIRAT INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of VIRAT INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Place: Mumbai
Date: 25th May, 2018.

Shirish Rahalkar
Partner
(Membership No. 111212)

BALANCE SHEET AS AT 31 MARCH, 2018

(₹ 000)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3	**108,120**	87,697	61,361
(b) Capital work-in-progress		**12,037**	331	–
(c) Financial Assets				
(i) Investments	4	**–**	2,500	2,500
(ii) Loans	5	**474**	68	163
(iii) Other financial assets	6	**3,488**	2,880	2,577
(d) Other non-current assets	7	**4,111**	2,260	3,425
Total Non-Current Assets		**128,230**	95,736	70,026
2 Current assets				
(a) Inventories	8	**75,347**	65,804	48,735
(b) Financial Assets				
(i) Trade receivables	9	**27,837**	20,685	5,160
(ii) Cash and cash equivalents	10	**5,691**	3,281	11,649
(iii) Bank balances other than (ii) above	10	**7,676**	26,681	50,672
(iv) Loans	11	**189**	210	371
(v) Other financial assets	12	**328**	642	1,057
(c) Other current assets	13	**26,068**	5,733	5,535
Total Current Assets		**143,136**	123,036	123,179
Total Assets (1+2)		**271,366**	218,772	193,205
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	14	**49,233**	49,233	49,233
(b) Other equity	15	**155,163**	135,337	114,551
Total equity (a+b)		**204,396**	184,570	163,784
Liabilities				
2 Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	**820**	1,922	4,481
(b) Provisions	17	**1,306**	1,104	1,030
(c) Deferred tax liabilities (Net)	18	**4,458**	2,426	808
(d) Other non-current liabilities	19	**500**	200	–
Total non-current Liabilities		**7,084**	5,652	6,319
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	**17,333**	–	–
(ii) Trade payables	21	**35,230**	22,268	13,919
(iii) Other financial liabilities (other than in (b) below)	22	**4,946**	4,487	3,381
(b) Provisions	23	**445**	451	290
(c) Current tax liabilities (Net)		**124**	124	277
(d) Other current liabilities	24	**1,808**	1,220	5,235
Total Current Liabilities		**59,886**	28,550	23,102
Total Equity and Liabilities (1+2+3)		**271,366**	218,772	193,205
Accompanying notes 1 to 46 from integral part of the financial statements				

In terms of our Report attached
For **B. K. KHARE & CO.**
Chartered Accountants

Shirish Rahalkar
Partner

Mumbai, Dated: 25th May, 2018.

For and on behalf of the Board of Directors

Vijay V. Merchant
Chairman
DIN: 01773227

Adi F. Madan
Managing Director
DIN: 00023629

Ayesha K. DadyBurjor
Whole Time Director
DIN: 02949248

Arun S. Sanghi
Director
DIN : 00022168

Ajit P. Walwaikar
Director
DIN: 00022123

Kaizad R. DadyBurjor
Director
DIN : 00022387

Pheroze A. Dhanbhoora
Director
DIN: 00622769

Harish H. Shah
Director
DIN :03032200

Vinay V. Sanghi
Director
DIN: 00309085

Bhavik R. Maisuria
Chief Financial Officer

Tony G. Gandhi
Company Secretary

Mumbai, Dated: 25th May, 2018.

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

(₹ 000)

	Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I	Revenue from operations	25	**340,882**	256,709
II	Other Income	26	**16,016**	15,781
III	**Total Income (I + II)**		**356,898**	272,490
IV	**EXPENSES**			
	(a) Cost of materials consumed	27	**133,981**	86,105
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	**(8,471)**	(7,725)
	(c) Employee benefit expense	29	**51,769**	43,625
	(d) Finance costs	30	**1,350**	802
	(e) Depreciation and amortisation expense	3	**16,238**	13,601
	(f) Other expenses	31	**112,560**	85,694
	Total Expenses (IV)		**307,427**	222,102
	Profit/(loss) before exceptional items and tax (I - IV)		**49,471**	50,388
	Exceptional Items			
VII	**Profit/(loss) before tax (VII - VIII)**		**49,471**	50,388
VIII	**Tax Expense**			
	(1) Current tax		**12,795**	13,524
	(2) Deferred tax	18	**1,971**	1,618
	Total tax expense		**14,766**	15,142
IX	**Profit/(loss) for the period (IX - X)**		**34,705**	35,246
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss Remeasurements of the defined benefit liabilities / (asset)		**(222)**	354
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(61)**	122
XI	**Total comprehensive income for the period (XII + XIII)**		**34,422**	35,722
XII	**Earnings per equity share (for continuing operation):**			
	(1) Basic		**6.99**	7.26
	(2) Diluted		**6.99**	7.26

Accompanying notes 1 to 46 from integral part of the financial statements

In terms of our Report attached
For **B. K. KHARE & CO.**
Chartered Accountants

Shirish Rahalkar
Partner

Mumbai, Dated: 25th May, 2018.

For and on behalf of the Board of Directors

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Director
DIN: 00309085

Bhavik R. Maisuria
Chief Financial Officer

Tony G. Gandhi
Company Secretary

Mumbai, Dated: 25th May, 2018.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ 000)

	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A	**Cash Flow from Operating Activities**		
	Profit before exceptional item and tax	**49,471**	50,388
	Adjustments for:		
	Depreciation and Amortisation expenses	**16,238**	13,601
	(Profit)/Loss on property, plant and equipment sold/scrapped/written off (Net)	**286**	2,160
	(Gain)/Loss on foreign exchange fluctuations (Net)	**(387)**	(103)
	Net (gain)/loss arising on financial assets measured at fair value through profit or loss	**(222)**	354
	Finance costs	**1,350**	802
	Custom Duty Saved on Property, Plant and Equipments under EPCG	**(6,094)**	(7,464)
	Interest Income	**(716)**	(2,269)
	Liabilities/Provisions no longer required written back	**–**	(1,285)
	Impact on Leasehold Land decapitalised	**8**	8
	Operating Profit before change in Working Capital	**59,934**	56,192
	Changes in :		
	Trade and other receivables	**(30,446)**	(15,175)
	Inventories	**(9,544)**	(17,068)
	Trade and other payables	**11,140**	4,958
		(28,850)	(27,285)
	Cash generated from operations	**31,084**	28,907
	Net income tax paid	**(14,999)**	(11,940)
	Net Cash flow from Operating Activities	**16,085**	16,967
B	**Cash Flow from Investing Activities**		
	Payments to acquire property, plant and equipment and other intangible assets	**(51,879)**	(37,795)
	Proceeds from disposal of property, plant and equipment and other intangible assets	**120**	2,822
	Proceeds from disposal of investment in IRFC bond	**2,724**	–
	Changes in earmarked balances and margin accounts with banks		
	- Placed	**(15,792)**	(35,290)
	- Matured	**34,797**	59,282
	Interest received from Investments	**140**	184
	Interest received on Fixed Deposits	**875**	2,531
	Net Cash used in Investing Activities	**(29,015)**	(8,266)
C	**Cash Flow from Financing Activities**		
	Repayment of long-term borrowing (including current maturities)	**(1,046)**	(2,328)
	Proceeds from short term borrowings	**17,333**	–
	Dividend paid	**406**	(11,477)
	Tax on Dividend	**–**	(2,506)
	Finance cost	**(1,353)**	(758)
	Net Cash used in Financing Activities	**15,340**	(17,069)
	Net (decrease)/increase in cash and cash equivalents	**2,410**	(8,368)
	CASH AND CASH EQUIVALENTS :		
	Opening Balance	**3,281**	11,649
	Closing Balance	**5,691**	3,281

Note: The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard' (Ind AS) 7 - Statement of Cash Flows.

Also refer Note 10

In terms of our Report attached
For **B. K. KHARE & CO.**
Chartered Accountants

Shirish Rahalkar
Partner

Mumbai, Dated: 25th May, 2018.

For and on behalf of the Board of Directors

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Bhavik R. Maisuria
Chief Financial Officer

Tony G. Gandhi
Company Secretary

Mumbai, Dated: 25th May, 2018.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information:

Virat Industries Limited ("the Company") is a public Company listed on the Bombay Stock Exchange. The Company is a manufacturer and Exporter of premium quality of dress and sport socks for Men, Ladies and Children. The Company also manufactures high quality football socks for many clubs of Europe. The socks are knitted and processed on imported machinery. The socks of the Company are exported to Switzerland, U.K. and Gulf countries for top end markets.

The manufacturing activity and Registered Office of the Company are located in Navsari, South Gujarat. The Head Office of the Company is situated in Mumbai. The marketing function is carried out at the Mumbai Head Office.

2.1 Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies below. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

* Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.
* Level 2 inputs are significant inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
* Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions are set out in the accounting policies below, together with the related notes to the accounts. Significant items include:

- The Company has ongoing litigations with various revenue authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.
- The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the income statement and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
- The depreciation charge on tangible property plant and equipment is determined based on useful lives of such assets. The Company is required to determine the useful life/period over which an asset is expected to be available for use by the Company.

2.3 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Accordingly the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4 First Time Adoption of Ind AS

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed In Note No. 41.

2.5 Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to its present location and condition.

Raw material is valued at lower of cost and net realisable value Cost is determined on the method of weighted average basis.

Finished goods and work in progress are carried at cost or net realisable value, whichever is lower. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value is the estimated selling price less estimated costs for completion and sale.Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Obsolete, slow moving and defective inventories are identified at the time of periodic physical verification of inventories and, where necessary, a markdown is made for such inventories.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.6 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.7 Property Plant and Equipment – Tangible Assets

Property, plant & equipments are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will be realized. The carrying amount of a replaced part is derecognized. All other repairs and maintenance are charged to the statement of Profit & Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Property, plant and equipment's residual values and useful lives are reviewed, and adjusted if necessary, at each balance sheet date.

2.8 Impairment of Assets

The carrying value of assets/cash generating unit at each balance sheet date is reviewed for impairment. The company determines whether a provision should be made for impairment loss on assets by considering the indication that an impairment loss may have occurred in accordance with Indian Accounting Standard (Ind AS) 36 "Impairment of Assets". Where the recoverable amount of any assets is lower than its carrying amount in accordance with Ind AS 36, a provision for impairment loss on fixed assets is made for the difference. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to avail from continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

Where there is an indication that the impairment was recognised in an earlier accounting period no longer exits or may have decreased, such reversal of impairment lost is recognised in the statement of profit and loss.

2.9 Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognized as property, plant and equipment in the balance sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

2.10 Borrowing Cost:

Borrowing cost, if any, that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit and Loss.

2.11 Foreign Currency Transactions:

The financial statements are presented in Indian Rupees (INR), which is the presentational currency of the Company. The Company account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising on settlement of such transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognized in the Statement of Profit and Loss. Non – monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date and not retranslated at closing rates.

2.12 Employee Benefits:

The Company makes contributions to both defined benefit and defined contribution schemes. Certain defined benefit plans are administered through duly constituted and approved Trusts.

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out by an independent actuary at each balance sheet date.

Actuarial gains and losses are recognised immediately through Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. These benefits are unfunded.

2.13 Revenue Recognition:

Revenue is recognised at fair value of amounts received and receivable from third parties for goods supplied and services rendered and is net off returns and discounts if any.

Revenue from the sale of goods includes excise and other duties which the Company pays as principal but excludes amounts collected on behalf of third parties, such as sales tax and value added tax and goods and services tax.

Revenue from the sales of goods is recognised in the income statement when significant risks and rewards of ownership of the goods have been transferred to the buyer, which is mainly upon shipment. Revenue from service are recognised in the period in which services are rendered.

Discounts include sales rebates, price discounts, customer incentives, certain promotional activities and similar items. The methodology and assumptions used to estimate sales rebates, price discounts, customer incentives, certain promotional activities and similar items are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

Other Income Operating Income

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.14 Other Income

Interest income is recognised on an accrual basis by applying the effective interest rate, except for short-term financial assets, when the recognition of interest would be immaterial.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through income statement".

2.15 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

2.16 Investments and Other Financial Assets

Classification

The Company determines the classification of its financial assets at initial recognition. The financial assets are classified in the following measurement categories as:

* those to be subsequently measured at fair value [either through other comprehensive income (OCI), or through profit or loss], and
* those subsequently measured at amortised cost.

The classification of debt instruments is based on the business model and terms of the contractual cash flows. Reclassification of debt instrument, if any, is done when the business model for managing those assets change.

Classification of equity instruments, not being investments in subsidiaries, associates and joint arrangements, depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI or fair value through profit or loss.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus costs that are directly attributable to the acquisition of the financial asset. However, in the case of a financial asset measured at fair value through profit or loss, the transaction costs are expensed immediately in statement of profit or loss. Subsequent measurement of financial assets is determined by their respective classification.

Debt Instruments

Subsequent measurement of debt instruments is in accordance with the Company's business model for managing the asset and the contractual cash flows characteristics of the asset. There are three measurement categories into which the company may classify its debt instruments:

* **Amortised Cost:** Assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding. A gain or loss on a debt instrument that is measured at amortised cost and is not a part of hedging relationship is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
* **Fair Value through Other Comprehensive Income:** Assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding. Movements in carrying amount are taken through OCI, except for recognition of impairment gains or losses and interest income which are recognized in profit or loss. Interest income from these assets is included in other income using the effective interest rate method. When the asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss.
* **Fair Value through Profit or Loss:** Financial assets which are not classified as measured at amortised cost or fair value through other comprehensive income are classified as fair value through profit or loss. Movements in fair value of these assets are taken in profit or loss.

Equity Instruments

Equity instruments which are not investment in subsidiaries, associates and joint operations are measured at fair value. At the time of initial recognition, the Company makes an irrecoverable election for classification of an equity investment as fair value through profit or loss or fair value through OCI.

Movement in fair value of equity investments which are classified as fair value through profit or loss are recognized in other gains and losses in the statement of profit or loss.

Where the Company has elected to present fair value gains and losses on equity investments in OCI, the movement in fair value is recognized in OCI. At time of derecognition, there is no subsequent reclassification of cumulative fair value gains and losses recognized in OCI to statement of profit or loss. The cumulative gains or losses recognized in OCI is transferred within equity on such derecognition. Impairment losses (and reversals thereto) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Loans and Receivables

Loans and receivables are non – derivative financial asset with fixed or determinable payments that are not quoted in an active market. Trade receivables and loans are initially measured at transaction value, which is the fair value and subsequently retained at cost less appropriate allowance for credit losses as most loans and receivables of the Company are current in nature. Where significant, non – current loans and receivables are accounted for at amortised cost using effective interest rate method less appropriate allowance for credit losses. Interest is accounted for on the basis of contractual terms, where applicable and is included in interest income.

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its investments in debt instruments which are carried at amortised cost and FVTOCI. Impairment losses are recognized in the profit or loss where there is an objective evidence of impairment, such as where the issuer is in default or other significant financial difficulty. The impairment methodology applied depends on whether there has been a significant increase in credit risk and provision is made on an item by item basis. For such assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. Depending on product categories and the payment mechanism prevailing in the industry, provisions for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all the due amounts. If in a subsequent period, the amount of impairment loss reduces, the previously recognized loss is reversed by adjusting the allowance.

Derecognition of financial assets

A financial asset is derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all risks and rewards of ownership of the financial asset are transferred to another party or (c) despite having retained some significant risks and rewards, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Income recognition

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Dividend income is recognized in profit or loss as other income only when the Company’s right to receive payments is established and the amount of dividend can be measured reliably.

Financial Liability and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs. Financial liabilities are classified, at initial recognition, as subsequently measured at amortized cost unless they fulfill the requirement of measurement at fair value through profit or loss. Subsequent measurement of the financial liabilities depends upon whether they have been classified at amortised cost or at fair value through profit or loss. Where the financial liability has been measured at amortised cost, the difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the income statement over the contractual terms using the effective interest rate method. Financial liabilities at fair value through profit or loss are carried at fair value with changes in fair value recognized in the finance income or finance cost in the statement of profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.17 Provision and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.18 Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

To comply with the principles of ‘fair value hedge’, ‘cash flow hedge’ or ‘hedges of net investments in foreign operations’ where derivative contracts are designated as hedge instruments, depending upon documented risk management objective and hedge relationship established at inception and which are highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Embedded Derivatives

Derivatives embedded in non – derivative host contracts that are not financial assets within the scope of IndAS 109 “Financial Instruments” are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.19 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organized based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. The CODM reviews the segments primarily from a business similarity perspective as well as from a geographic perspective.

Segment revenue is reported on the same basis as revenue in the financial statements. Segment results represents profits before finance charges, investment income and taxes. Inter-segment revenue is accounted for on the basis of transactions which are primarily market led.

“Unallocated Corporate Expenses” revenue and expenses relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

2.20 Dividend Distribution

To recognised Dividends paid (including income tax thereon) in the financial statements in the period in which the related dividends are actually paid or, in respect of the Company’s final dividend for the year, when the same are approved by shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 Property, Plant and Equipment and capital work-in-progress

Carrying amounts of : (₹ 000)

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles (owned)	Vehicles (Under Finance Lease)	Total
As at 31 March 2018							
I. Gross Carrying Amount	**30,447**	**170,657**	**3,539**	**5,226**	**3,838**	**13,004**	**226,711**
II. Accumulated depreciation and impairment	**21,631**	**86,311**	**2,642**	**3,193**	**1,632**	**3,182**	**118,591**
III. Net carrying amount (I-II)	**8,816**	**84,346**	**897**	**2,033**	**2,206**	**9,822**	**108,120**
As at 31 March 2017							
I. Gross Carrying Amount	30,447	141,279	3,124	4,911	5,806	10,563	196,130
II. Accumulated depreciation and impairment	20,592	77,704	2,358	2,896	3,206	1,677	108,433
III. Net carrying amount (I-II)	9,855	63,575	766	2,015	2,600	8,886	87,697
As at 1 April 2016							
I. Gross Carrying Amount	30,447	103,279	2,925	3,405	13,375	10,563	163,994
II. Accumulated depreciation and impairment	19,525	70,216	2,176	1,654	8,639	423	102,633
III. Net carrying amount (I-II)	10,922	33,063	749	1,751	4,736	10,140	61,361
Cost or Deemed Cost							
I. Gross Carrying Amount							
Balance as at 1 April 2017	30,447	141,279	3,124	4,911	5,806	10,563	196,130
Additions	–	33,897	415	315	–	2,441	37,068
Disposals	–	–	–	–	1,968	–	1,968
Others [Written off]	–	4,519	–	–	–	–	4,519
Balance as at 31 March 2018	30,447	170,657	3,539	5,226	3,838	13,004	226,711
II. Accumulated depreciation and impairment							
Balance as at 1 April 2017	20,592	77,704	2,358	2,896	3,206	1,677	108,433
Depreciation expense for the year	1,039	12,818	284	297	295	1,505	16,238
Eliminated on disposal of assets	–	–	–	–	1,869	–	1,869
Others [Written off]	–	4,211	–	–	–	–	4,211
Balance as at 31 March 2018	21,631	86,311	2,642	3,193	1,632	3,182	118,591
III. Net carrying amount (I-II)	**8,816**	**84,346**	**897**	**2,033**	**2,206**	**9,822**	**108,120**
Cost or Deemed Cost							
I. Gross Carrying Amount							
Balance as at 1 April 2016	30,447	103,279	2,925	3,405	13,375	10,563	163,994
Additions	–	40,753	243	1,506	2,427	–	44,929
Disposals	–	–	44	–	9,996	–	10,040
Adjustments/Write off	–	2,753	–	–	–	–	2,753
Balance as at 31 March 2017	30,447	141,279	3,124	4,911	5,806	10,563	196,130
II. Accumulated depreciation and impairment							
Balance as at 1 April 2016	19,525	70,216	2,176	1,654	8,639	423	102,633
Depreciation expense for the year	1,067	9,369	224	1,242	445	1,254	13,601
Eliminated on disposal of assets	–	–	42	–	5,878	–	5,920
Adjustments/Write off	–	1,881	–	–	–	–	1,881
Balance as at 31 March 2017	20,592	77,704	2,358	2,896	3,206	1,677	108,433
III. Net carrying amount (I-II)	**9,855**	**63,575**	**766**	**2,015**	**2,600**	**8,886**	**87,697**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles (owned)	Vehicles (Under Finance Lease)	Total
Cost or Deemed Cost							
I. Gross Carrying Amount							
Balance as at 1 April 2016	30,447	104,815	2,925	3,405	13,375	10,563	165,530
Additions	–	-	–	–	–	–	–
Disposals	–	–	–	–	–	–	–
Custom Duty on EPCG	–	1,303	–	–	–	–	1,303
Others [DIE Impact]	–	2,839	–	–	–	–	2,839
Balance as at 1 April 2016	30,447	103,279	2,925	3,405	13,375	10,563	163,994
II. Accumulated depreciation and impairment							
Balance as at 1 April 2016	19,525	72,906	2,176	1,654	8,639	423	105,323
Depreciation expense for the year	–	–	–	–	–	–	–
Eliminated on disposal of assets	–	–	–	–	–	–	–
Others [DIE Impact]	–	2,690	–	–	–	–	2,690
Balance as at 1 April 2016	19,525	70,216	2,176	1,654	8,639	423	102,633
III. Net carrying amount (I-II)	**10,922**	**33,063**	**749**	**1,751**	**4,736**	**10,140**	**61,361**

Note:

Hypothecated by deposit of title deeds of leasehold land and by a charge on buildings, structures, fixtures and fittings, immovable plant and machinery thereon. Further secured by a charge on the company's stocks, book debts, other receivables, movable properties and assets, etc., both present and future, for 'loans repayable on demand', closing balance as at 31 March, 2018 is (₹ 000) 17,333.

Particulars	**As at 31 March, 2018**		As at 31 March, 2017		As at 31 March, 2016	
	Qty.	**₹ 000**	**Qty.**	**₹ 000**	**Qty.**	**₹ 000**
4 Non-Current Investments **AMORTISED COST** **Investments Carried at Amortised Cost** **Quoted Investment** Investment in Bonds of Indian Railway Finance Corporation Limited (IRFC) (2500 Bonds of Rs. 1000 each fully paid up) Rate of Interest is 7.34% per annum Redemption date is at the end of 15 years from the deem date of allotment ie. 19-02-2028		–	2,500	2,500	2,500	2,500
TOTAL INVESTMENTS CARRIED AT AMORTISED COST		–	2,500	2,500	2,500	2,500
Aggregate market value of quoted investment		–		2,708		2,568

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
5 Non-Current Loans			
a) Loans to Employee			
- Secured, considered good	**–**	–	–
- Unsecured, considered good	**474**	68	163
- Doubtful	**–**	–	–
Less: Allowance for Bad and doubtful loans	**–**	–	–
Total	**474**	68	163
6 Other Non-Current Financial Assets			
Security Deposit	**3,488**	2,880	2,577
Total	**3,488**	2,880	2,577
7 Other Non-Current Assets			
Advance income-tax (net of provision (₹'000) 54,043, Previous Year (₹' 000) 41,484)	**3,176**	972	2,312
Others - Balances with government authorities	**935**	1,288	1,113
Total	**4,111**	2,260	3,425
8 Inventories			
(a) Raw materials	**25,633**	24,940	16,229
(b) Goods in transit as above	**–**	1,203	95
(c) Work-in-progress (Knitted Socks)	**5,093**	1,875	2,005
(d) Finished goods	**33,530**	28,277	21,202
(e) Stores and spares	**7,522**	6,524	6,446
(f) Packing Material	**3,569**	2,985	2,755
(g) Goods in transit as above	**–**	–	3
Total Inventories (at lower of cost and net realisable value)	**75,347**	65,804	48,735
Note : The cost of Inventories recognized as an expenses during the year is in respect of continuing operation was (₹ '000) 251,344 (for the year ended March 31, 2017 (₹ '000) 169,545).			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
9 Trade receivables			
Trade receivables			
(a) Secured, considered good	**–**	–	–
(b) Unsecured, considered good	**27,837**	20,685	5,160
(c) Doubtful	**–**	–	–
Less: Allowance for doubtful debts	**–**	–	–
Total	**27,837**	20,685	5,160
Of the above, trade receivables from:			
- Related Parties	**–**	–	–
- Others	**27,837**	20,685	5,160
Total	**27,837**	20,685	5,160
10 Cash and Bank Balances			
Cash and cash equivalents			
(a) Balances with banks	**5,691**	3,281	11,647
(b) Cash on hand	**–**	–	2
Total Cash and cash equivalent	**5,691**	3,281	11,649
Other Bank Balances			
(a) Earmarked balances with banks	**2,290**	1,884	1,053
(b) Balances with Banks:			
(i) On Margin Accounts	**386**	362	337
(ii) Fixed Deposits with maturity greater than 3 months (Refer Note below)	**5,000**	24,435	49,282
Total Other Bank balances	**7,676**	26,681	50,672
Note : Other Bank balance include deposits with remaining of mote than 12 months from the balance sheet date NIL (Previous Year NIL).			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Reconcliation of Cash and Cash Equivalents			
Total Cash and Cash Equivalents as per Balance Sheet	**5,691**	3,281	11,649
Add: Bank Overdraft	**–**	–	–
Add: Cash and bank balances included in a disposal group held for sale	**–**	–	–
Total Cash and Cash Equivalents as per Statement of Cashflow	**5,691**	3,281	11,649
11 Current Loans			
a) Loans to Employee			
- Unsecured, considered good	**189**	210	371
- Doubtful	**–**	–	–
Less: Allowance for Bad and doubtful loans	**–**	–	–
TOTAL (A)	**189**	210	371
Other Bank Balances			
b) Other Loans			
- Secured, considered good			–
- Unsecured, considered good	**2,500**	2,500	2,500
- Doubtful	**(2,500)**	(2,500)	(2,500)
TOTAL (B)	**–**	–	–
GRAND TOTAL	**189**	210	371

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	**As at 31 March, 2018**	As at 31 March, 2017	As at 1 April, 2016
12 Other Current Financial Assets			
- Advances	**59**	74	43
- Others			
- Interest accrued on deposits	**269**	568	1,014
- Interest accrued on ICD	**68**	68	68
Less: Provision for doubtful Interest	**(68)**	(68)	(68)
Total	**328**	642	1,057
13 Other Current Assets			
(A) Others			
a) Prepaid expenses (includes Lease Land)	**1,490**	1,715	1,180
b) Balances with government authorities			
- VAT Credit Receivable	**1,091**	944	657
- Personal Ledger Account (Excise)	**2**	2	8
- Duty Drawback (Customs)	**520**	1,409	3,648
- GST Receivable	**12,573**	–	–
- Merchandise Export From India Scheme	**5,373**	–	–
- Rebate of State Levies (ROSL)	**4,751**	–	–
- Advances against suppliers	**226**	885	42
c) Exchange gain receivable on forward contract	**42**	–	–
d) Funded Gratuity Surplus (Refer Note No. 33(b))	**–**	778	–
TOTAL	**26,068**	5,733	5,535

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number	₹ 000	Number	₹ 000	Number	₹ 000
14 Share Capital						
(a) Authorised						
Equity Shares of ₹ 10/- each with voting rights	5,000,000	50,000	5,000,000	50,000	5,000,000	50,000
(b) Issued, Subscribed and Paid Up						
Equity Shares of ₹ 10/- each with voting rights	4,923,340	49,233	4,923,340	49,233	4,923,340	49,233
Total	**4,923,340**	**49,233**	4,923,340	49,233	4,923,340	49,233

14.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Balance at 1 April 2017		
- Number of Shares	4,923,340	4,923,340
- Amount in Thousand (₹'000)	49,233	49,233
Year ended 31 March, 2018		
- Number of Shares	4,923,340	4,923,340
- Amount in Thousand (₹'000)	49,233	49,233

The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back in the 5 years immediately preceding the balance sheet date.

Terms and rights attached to equity shares

The equity shares of the Company rank pari passu in all respacts including voting rights and entitlement to dividend.

14.2 Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholders	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Equity shares with voting rights						
Shapoorjee Chandabhoy Finvest Private Limited	**1,753,795**	**35.62**	1,753,795	35.62	1,753,795	35.62
H M Investments (UK) Limited	**492,340**	**10.00**	492,340	10.00	492,340	10.00
Late Shri. Naozer J. Aga	**475,277**	**9.65**	475,277	9.65	475,277	9.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	**As at 31 March, 2018**	As at 31 March, 2017	As at 1 April, 2016
15 Other Equity			
General Reserve			
Opening balance	**9,839**	9,839	9,839
Add: Transferred from surplus in Statement of Profit and Loss	–	–	–
Closing balance	**9,839**	9,839	9,839
Surplus in Statement of Profit and Loss			
Opening balance	**125,498**	104,712	89,045
Add: Remeasurements of the defined benefit liabilities / (asset)	**222**	(354)	914
Add: Profit for the year	**34,705**	35,246	–
Add: Custom Duty on purchased of Capital Goods(EPCG)	**–**	–	1,303
Add: Equity Dividend	**(12,312)**	(11,817)	12,308
Add: Tax on Equity Dividend	**(2,506)**	(2,506)	2,506
Balance available for appropriation	**145,607**	125,281	106,076
Less: DIE Impact on fixed assets	**–**	(15)	(148)
Closing Balance	**145,607**	125,266	105,928
Other Comprehensive Income			
Less: Remeasurements of the defined benefit liabilities/(asset)	**(222)**	354	(914)
Less: Deferred tax adjustment	**(61)**	(122)	(302)
Closing balance	**145,324**	125,498	104,712
Total Other equity	**155,163**	135,337	114,551
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	Rate of Interest	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
16 Non-Current Borrowings				
Measured at amortised cost*				
A. Secured Borrowings:				
(a) Term Loans				
(1) From HDFC Bank Limited	**9.50**	**–**	388	1,259
(Secured by hypothecation of the concerned vehicle purchased)				
(Terms of Payment: Equated Monthly Installments of ₹ 79,450/- payable in 36 equal installments at interest rate of 9.50% per annum, 5 installments are remaining.)				
(2) From BMW India Financial Services Private Limited	**9.50**	**–**	1,534	3,222
(Secured by hypothecation of the concerned vehicle purchased)				
(Terms of Payment: Equated Monthly Installments of ₹ 160,156/- payable in 36 equal installments at interest rate of 9.50% per annum, 10 installments are remaining.)				
(3) From HDFC Bank Limited	**8.51**	**820**	–	–
(Secured by hypothecation of the concerned vehicle purchased)				
(Terms of Payment: Equated Monthly Installments of ₹ 66,240/- payable in 36 equal installments at interest rate of 9.50% per annum, 25 installments are remaining.)				
Total Secured Borrowings (Refer Note No. 36)		**820**	1,922	4,481

(₹ 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
17 Provisions			
(a) Provision for employee benefits			
Provision for Compensated Absences	**1,306**	1,104	1,030
Total	**1,306**	1,104	1,030

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
18 Current Tax and Deferred Tax			
(i) Movement in deferred tax balances			
Deferred Tax Liabilities	**(4,458)**	(2,426)	(808)

	As at 31 March, 2018					
Particulars	**Opening Balance**	**Recognised in Profit and Loss**	**Recognised in OCI**	**Recognised in Equity**	**Reclassified from equity to profit and loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities						
Property, Plant and Equipment	5,368	1,672	–	–	–	7,040
Other Temporary Differences (please specify)	–					–
	5,368	**1,672**	**–**	**–**	**–**	**7,040**
Tax effect of items constituting deferred tax assets						
Employee Benefits	631	(149)	(61)	–	–	421
Provisions for doubtful debts and other current asset	849	(142)	–	–	–	707
Other Items	–	–	–	–	–	–
Carry forward Tax Loss	–	–	–	–	–	–
Other Temporary Differences (Other disallowances under Section 43B of the Income Tax Act, 1961)	1,462	(8)	–	–	–	1,454
	2,942	**(299)**	**(61)**	**–**	**–**	**2,582**
Net Tax Asset (Liabilities)	**(2,426)**	**(1,971)**	**(61)**	**–**	**–**	**(4,458)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

	As at 31 March, 2017					
Particulars	**Opening Balance**	**Recognised in Profit and Loss**	**Recognised in OCI**	**Recognised in Equity**	**Reclassified from equity to profit and loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities						
Property, Plant and Equipment	3,337	2,031	–	–	–	5,368
Other Temporary Differences (please specify)	–	–	–	–	–	–
	3,337	**2,031**	**–**	**–**	**–**	**5,368**
Tax effect of items constituting deferred tax assets						
Employee Benefits	317	314	–	–	–	631
Provisions for doubtful debts and other current asset	849	–	–	–	–	849
Other Items	–	–	–	–	–	–
Carry forward Tax Loss	–	–	–	–	–	–
Other Temporary Differences (Other disallowances under Section 43B of the Income Tax Act, 1961)	1,363	99	–	–	–	1,462
	2,529	**413**	**–**	**–**	**–**	**2,942**
Net Tax Asset (Liabilities)	**(808)**	**(1,618)**	**–**	**–**	**–**	**(2,426)**
Tax effect of items constituting deferred tax liabilities						
Property, Plant and Equipment	3,337	–	–	–	–	3,337
Other Temporary Differences (please specify)	–	–	–	–	–	–
	3,337	**–**	**–**	**–**	**–**	**3,337**
Tax effect of items constituting deferred tax assets						
Employee Benefits	619	(302)	–	–	–	317
Provisions for doubtful debts and other current asset	849	–	–	–	–	849
Other Items	–	–	–	–	–	–
Carryforward Tax Loss	–	–	–	–	–	–
Other Temporary Differences (Other disallowances under Section 43B of the Income Tax Act, 1961)	1,363	–	–	–	–	1,363
	2,831	**(302)**	**–**	**–**	**–**	**2,529**
Net Tax Asset (Liabilities)	**(506)**	**(302)**	**–**	**–**	**–**	**(808)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
19 Other non-current liabilities			
Others			
Trade/Security deposits received	**500**	200	–
Total	**500**	200	–
20 Borrowings			
Loans repayable on demand			
- From Banks Secured	**17,333**	–	–
(Secured by deposit of title deeds of leasehold land and by a charge on buildings, structures, fixtures and fittings, immovable plant and machinery thereon. Such loans are further secured by a charge on the company's stocks, book debts, other receivables, movable properties and assets, etc., both present and future)			
Total	**17,333**	–	–
21 Trade Payables			
Trade payable - Micro and small enterprises	**–**	–	–
Trade payable - Other than micro and small enterprises (Refer Note No. 32)	**35,230**	22,268	13,919
Liability for Cash-settled share-based payments	**–**	–	–
Acceptances	**–**	–	–
Total	**35,230**	22,268	13,919
22 Other Financial Liabilities			
(a) Current maturities of long-term debt	**–**	–	–
(b) Current maturities of finance lease obligations (Refer Note No. 36)	**2,615**	2,559	2,328
(c) Interest accrued and due on vehicle loans	**41**	44	-
(d) Unclaimed/Unpaid dividends	**2,290**	1,884	1,053
Total	**4,946**	4,487	3,381

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
23 Provisions			
Provision for Employee Benefits			
Provision for Compensated Absences	**445**	451	290
Total	**445**	451	290
24 Other Current Liabilities			
a. Advances received from customers	**45**	279	2,941
b. Statutory dues			
- taxes payable (other than income taxes)	**238**	446	511
- Gratuity (Refer Note No. 34(b))	**954**	–	552
- Employee Recoveries and Employer Contributions	**571**	495	431
c. Others - Advance for sale of vehicle			
- Advance for sale of vehicle	**–**	–	800
Total	**1,808**	1,220	5,235

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
25 Revenue from operations		
a) Sale of Products (Including Excised Duty of (₹' 000) 49 for the year ended 31 March, 2018; for the year ended 31 March, 2017 (₹' 000) 151) (Refer Note (i))	**302,684**	234,514
b) Other Operating Revenues (Refer Note (ii) below)	**38,198**	22,195
Total	**340,882**	256,709
(i) Sale of products comprises		
Manufactured goods - Knitted Socks	**302,684**	234,514
Total - Sale of manufactured goods	**302,684**	234,514
Traded goods - Knitted Socks	**–**	–
Total - Sale of traded goods	**–**	**–**
Total - Sale of products	**302,684**	234,514
(ii) Other operating revenues comprise:		
Duty drawback	**16,279**	19,335
Sale of Licenses - Merchandise Export From India Scheme	**10,423**	2,242
Rebate of State Lavies (ROSL)	**9,759**	–
Job Work Income	**437**	47
Sale of Scrap	**55**	–
Samples Development Income	**1,245**	571
Total - Other operating revenues	**38,198**	22,195

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
26 Other Income		
Interest Income (Refer Note (i) below)	**716**	2,269
Net gain on foreign currency transactions and translation	**8,058**	3,407
Other Non-operating Income (Refer Note (ii) below)	**7,242**	10,105
Total	**16,016**	15,781

Note	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(i)	**Interest Income comprises:**		
	Interest from banks on Deposits	**483**	1,800
	Interest from overdue Trade Receivable	**–**	–
	Interest from loans and advances	**177**	138
	Interest from Income-tax refund	**–**	147
	Interest from long term investments	**56**	184
	Total - Interest Income	**716**	2,269
(ii)	**Other non-operating income comprises:**		
	Gain on disposal of IRFC Bond	**224**	–
	Liabilities/Provisions no longer required written back (Refer Note No. 39)	**–**	2,420
	Less: Cost of Raw Material adjusted (Refer Note No. 39)	**–**	(355)
	Less: Cost of finished goods adjusted (Refer Note No. 39)	**–**	(780)
		–	1,285
	Custom Duty on purchased of Capital Good (EPCG)	**6,094**	7,464
	Miscellaneous Income	**924**	1,356
	Total - Other non-operating Income	**7,242**	10,105

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
27 Cost of Materials Consumed		
Opening Stock	**26,142**	16,324
Add: Purchases	**133,472**	96,278
	159,614	112,602
Less: Closing Stock	**25,633**	26,142
	133,981	86,460
Less: Stock adjusted against Liabilities/Provisions no longer required written back (Refer Note No. 39)	**–**	355
Cost of Materials Consumed	**133,981**	86,105
Material Consumed comprises of yarn only.		
28 Changes in inventories of finished goods and work in progress		
Inventories at the end of the year		
Finished goods	**33,530**	28,277
Work-in-progress	**5,093**	1,875
	38,623	30,152
Less: Stock adjusted against Liabilities/Provisions no longer required written back (Refer Note No. 39)	**–**	780
	38,623	30,932
Inventories at the beginning of the year		
Finished goods	**28,277**	21,202
Work-in-progress	**1,875**	2,005
	30,152	23,207
Net (Increase)/Decrease	**(8,471)**	(7,725)
29 Employee Benefits Expense		
Salaries and Wages	**47,118**	39,640
Contribution to Provident and Other Funds	**2,483**	2,159
Staff Welfare Expenses	**2,168**	1,826
Total	**51,769**	43,625

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
30 Finance Costs		
Interest Expense on:		
- borrowings	**1,187**	670
- Others	**27**	15
Other borrowing costs	**136**	117
Total	**1,350**	802
31 Other Expenses		
Consumption of Stores and Spare Parts	**7,798**	6,438
Consumption of Packing Materials	**17,122**	11,663
Processing Charges	**28,870**	14,867
Power and Fuel	**19,380**	16,789
Lease Rent	**2,689**	2,058
Repairs:		
- To Buildings	**–**	711
- To Machinery	**629**	648
Insurance	**1,218**	1,060
Rates and Taxes	**981**	1,554
Carriage Outward	**9,207**	5,728
Sales Expenses	**5,024**	5,007
Donations	**162**	87
Payment to Auditors (Refer note below)	**851**	1,820
Travelling and Conveyance Expenses	**2,496**	2,750
Loss on Property, Plant and Equipments sold/written off (Net)	**286**	2,160
Miscellaneous expenses	**15,847**	12,354
Total	**112,560**	85,694
Payment to Auditor		
(i) Payment to the Auditors Comprises:		
(a) To Statutory Auditors		
- For Audit	**550**	1,035
- For Taxation matters	**125**	138
- For Other Services	**150**	633
Reimbursement of Expenses	**26**	14
Total	**851**	1,820

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

(₹ 000)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
32 Contingent Liabilities and Commitments (to the extent not provided for)		
(i) Contingent Liabilities		
Claims against the company not acknowledged as debt	**Nil**	Nil
	–	–
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**1,100**	921
33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**–**	–
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**–**	–
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**–**	–
(iv) The amount of interest due and payable for the year	**–**	–
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**–**	–
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**–**	–
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. This has been relied upon by the auditors.		
34 Employee Benefit Plans		
(a) Defined Contribution Plan: The Company makes Provident fund and other funds contributions to defined contribution plans for qualifying employees. The Company recognised (₹ '000) 2,483 (Year ended 31 March, 2017 (₹ '000) 2,159) for Provident Fund contributions.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

DISCLOSURE UNDER ACCOUNTING STANDARDS

(b) **Defined Benefit Plan: Gratuity**: Provision is made for gratuity and compensated absences based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit' method and it covers all regular employees. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of profit and loss. The Company has funded gratuity with Life Insurance Corporation of India.
The disclosures as required under revised Indian Accounting Standard 19 on "Employee Benefits" are as follows:
The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	**For the year ended 31 March, 2018 ₹ '000**	For the year ended 31 March, 2017 ₹ '000
	Gratuity	
Components of employer expense		
Current Service Cost	**556**	424
Interest Cost	**489**	526
Interest Income	**(548)**	(482)
Past service cost	**1,000**	–
Total Expense recognized in the Statement of Profit and Loss	**1,496**	468
Return on Plan Assets, Excluding Interest Income	**222**	(354)
Actuarial Losses/(Gain)	**76**	36
Total Expense recognized in the Other Comprehensive Income (OCI)	**298**	(318)
Actual contribution and benefit payments for year		
Actual benefit payments	**230**	819
Actual contributions	**62**	850
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	**(8,419)**	(6,382)
Fair value of plan assets	**7,466**	7,160
Funded status [Surplus / (Deficit)]	**(954)**	778
Net asset / (liability) recognised in the Balance Sheet	**(954)**	778
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	**6,382**	6,605
Current Service Cost	**556**	424
Interest Cost	**489**	526
Past service cost	**1,000**	–
Benefit Paid	**(230)**	(819)
Actuarial Losses/(Gain)	**222**	(354)
Present value of DBO at end of the year	**8,419**	6,382
Change in fair value of assets during the year		
Fair value of Plan assets at beginning of the year	**7,160**	6,053
Expected Return on Plan Assets	**473**	446
Actual company contributions	**62**	850
Benefit Paid from the Fund	**(230)**	(819)
Benefit Paid Directly by the Employer	**–**	631
Fair value of Plan assets at the end of the year	**7,466**	7,160
Category of Assets		
Insurance Fund	**7,466**	7,160
Actuarial Assumptions:		
Discount Rate (p.a.)	7.87%	7.66%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a.)	2.00%	2.00%
Mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year	**–**	–

Experience Adjustment:	**2017-18 ₹ '000**	2016-17 ₹ '000	2015-16 ₹ '000	2014-15 ₹ '000	2013-14 ₹ '000
On Plan Liability (Gain) / Loss	**457**	(507)	187	(295)	272

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

DISCLOSURE UNDER ACCOUNTING STANDARDS

35 Segment information

The principal business of the company is of manufacturing of socks. All other activities of the Company revolve around its main business. Hence, there is only one primary reportable business segment as defined by Indian Accounting Standard (Ind AS) 108 - "Segment Reporting". The segment reporting is consistent with the internal reporting provided to the Managing Director regarded as the Chief Operating Decision Maker ("CODM").

The Secondary Segment are identified based on the geographical location of customers. The secondary geographical segments of the company consist of regions of United Kingdom, Switzerland, UAE, India and Rest of the World.

Secondary Segments information is as follows - (In ₹'000)

Particulars	Revenues	Segment Assets (Trade Receivable)	Cost incurred on acquisition of Property, Plant and Equipment
United Kingdom	**83,392**	**9,297**	**–**
	(54,684)	(5,599)	(–)
Switzerland	**138,277**	**12,011**	**–**
	(81,694)	(2,220)	(–)
UAE	**43,495**	**–**	**–**
	(53,521)	(3,925)	(–)
India	**27,288**	**6,048**	**37,068**
	(32,404)	(7,880)	(44,929)
Rest of the World	**10,232**	**482**	**–**
	(12,211)	(1,062)	(–)
Total	**302,684**	**27,837**	**37,068**
	(234,514)	(20,685)	(44,929)

Previous year figures are given in brackets.

Segregation of assets (except trade receivable) into secondary segments has not been done as all the assets are located and used in India and the Company is of the view that it is not practical to reasonably allocate such assets and an ad-hoc allocation will not be meaningful.

Information about major customers

Included in revenues arising from direct sales of knitted socks of (In ₹'000) 138,277, 51,009 and 43,495 (2015-2016 : (In ₹'000) 81,694, 37,239 and 53,521) are revenues of approximately (In ₹'000) 265,164 (2016-17: (In ₹'000) 172,454) which arose from Federation of Migros Co-operative Society, Buffalo Private Label Ltd. and RNA Resources. No other single customers contributed 10% or more to the revenue for both 2017-2018 and 2016-2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

DISCLOSURES UNDER ACCOUNTING STANDARDS (Contd.)

36 Related Party Transactions

Details of related parties:

Description of relationship	**Names of related parties:**
Promoter Company	Shapoorjee Chandabhoy Finvest Private Limited
Associates	
Key Management Personnel (KMP) and their Relatives	Key Management Personnel: Shri. Adi F. Madan - Managing Director Smt. Ayesha K. DadyBurjor - Whole-time Director
	Their Relatives: Late Shri. Naozer J. Aga Shri. Armand N. Aga Shri. Kaizad R. DadyBurjor Smt. Ayesha A. Madan Shri. Jehan Adi Madan
Entities over which promoter group has significant influence	Armayesh Embroideries Private Limited

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018: (in ₹' 000)

Particulars	Promoter Company	Associates	KMP and their Relatives	Entities over which promoter group has significant influence	Total
Transactions during the year					
Expenditure:					
1) Lease Rent:					
Armayesh Embroideries Pvt. Ltd.	**–**	**–**	**–**	**394**	**394**
	(–)	(–)	(–)	(383)	(383)
2) Managerial Remuneration					
Shri. Adi F. Madan	**–**	**–**	**3,732**	**–**	**3,732**
	(–)	(–)	(3,501)	(–)	(3,586)
Smt. Ayesha K. DadyBurjor	**–**	**–**	**1,645**	**–**	**1,572**
	(–)	(–)	(1,572)	(–)	(1,572)
3) Advisory Fee					
Late Shri. Naozer Aga	**–**	**–**	**2,208**	**–**	**2,208**
	(–)	(–)	(2,064)	(–)	(2,064)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

DISCLOSURES UNDER ACCOUNTING STANDARDS (Contd.)

Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018: (Contd.)

(in ₹' 000)

Particulars	Promoter Company	Associates	KMP and their Relatives	Entities over which promoter group has significant influence	Total
Other Transactions:					
Dividend paid:					
Shapoorjee Chandabhoy Finvest Private Limited	**4,384** (4,384)	**–** (–)	**–** (–)	**–** (–)	**4,384** (4,384)
Shri. Adi F. Madan – MD	**–** (–)	**–** (–)	**296** (296)	**–** (–)	**296** (296)
Smt. Ayesha A. Madan	**–** (–)	**–** (–)	**20** (20)	**–** (–)	**20** (20)
Shri. Jehan Adi Madan	**–** (–)	**–** (–)	**19** (19)	**–** (–)	**19** (19)
Smt. Ayesha K. DadyBurjor	**–** (–)	**–** (–)	**44** (44)	**–** (–)	**44** (44)
Late Shri. Naozer J. Aga	**–** (–)	**–** (–)	**1,188** (1,188)	**–** (–)	**1,188** (1,188)
Shri. Armand N. Aga	**–** (–)	**–** (–)	**87** (87)	**–** (–)	**87** (87)
Shri. Kaizad R. DadyBurjor	**–** (–)	**–** (–)	**210** (200)	**–** (–)	**210** (200)
Balances outstanding at the end of the year					
Managerial Remuneration Payable					
Shri. Adi F. Madan	**–** (–)	**–** (–)	**209** (201)	**–** (–)	**209** (201)
Smt. Ayesha K. DadyBurjor	**–** (–)	**–** (–)	**122** (102)	**–** (–)	**122** (102)
Advisory Fees Payable					
Late Shri. Naozer J. Aga	**–** (–)	**–** (–)	**–** (83)	**–** (–)	**–** (83)

Note: Figures in bracket relates to the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

37 Details of leasing arrangements

As Lessee

The Company has entered into finance lease arrangements for vehicles, which provide the Company an option to purchase the asset at the end of the lease period.

Particulars	**For the year ended 31 March, 2018 (in ₹' 000)**	For the year ended 31 March, 2017 (in ₹' 000)
Future minimum lease		
not later than one year	**2,794**	2,875
later than one year and not later than five years	**861**	1,999
Less: Unmatured finance charges		
not later than one year	**179**	316
later than one year and not later than five years	**41**	77
Present value of minimum lease payments payable		
not later than one year	**2,615**	2,559
later than one year and not later than five years	**820**	1,922

The Company has acquired premises on lease, which are in the nature of cancellable operating lease as defined in Accounting Standard 19 “Leases”. The lease rent paid and accounted during the year was (₹ '000) 2049 (Previous year ((₹ '000) 2249) as per the terms and conditions of the lease agreements and is charged to the Statement of Profit and Loss.

38 Earning per Share

Particulars	**For the year ended 31 March, 2018**	For the year ended 31 March, 2017
Basic and Diluted		
a) Net Profit for the year attributable to the equity shareholders (₹'000)	**34,422**	35,722
b) Weighted average number of Equity Shares basic and diluted	**4,923,340**	4,923,340
c) Earnings per Share - Basic and diluted	**6.99**	7.26
(Equity Share of face value of ₹ 10/- each)		

39 The Company has not granted any loans / advances in the nature of loans as stipulated in the Clause 32 of the Listing Agreement with the Stock Exchanges. For this purpose, the loans to employees as per the Company’s policy and security deposits paid towards premises taken on leave and license basis have not been considered.

40 In the year 2016-17, the Company had received an advance of (₹'000) 2420/- from a Customer against an order for socks. Since the Customer has wound up its business, the said order has been cancelled. Consequent to this, the said advance has been written back as liabilities no longer required, Note no. 26(ii) and adjusted against the cost of raw material of (₹'000) 355/- (Note No. 27) and cost of finished goods (₹'000) 780/- (Note No. 28) of the said Order.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

41 The reconciliation of total equity as previously reported under Indian GAAP to IND AS is summarized as follows:

(₹'000)

Particulars	Notes	Equity Reconciliation		Profit Reconciliation
		As at 01/04/2016 (Date of Transition)	As at 31/3/2017 (end of last period presented under previous GAAP)	For the Year ended 31/3/2017
Equity/Profit after Tax as reported under previous GAAP		148,118	177,212	29,094
Ind AS: Adjustments increase (decrease):				
Property, plant and equipment:				
Reversal of capitalisation of foreign currency differences attributable to Property Plant & Equipment (adjusted for depreciation thereon) etc., so as to recognize the carrying value of such assets in accordance with the respective IND AS	(v)	(148)	(133)	–
Reversal of Proposed Dividend including tax thereon	(vii)	12,308	–	–
Tax on proposed dividend	(vii)	2,506	–	–
Impact of addition to Property, Plant and Equipment on account of custom duty saved on EPCG Lic.		1,303	8,130	7,464
Depreciation impact on account of capitalisation of custom duty		–	–	(613)
Reclassification of Re-measurement of actuarial loss / (gain), arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)	(viii)	(914)	354	–
Deferred Tax impact on above items		–	(765)	(463)
Impact of Leasehold land decapitalised			–	(9)
Others				
Equity/Profit after Tax as reported under IND AS		**163,172**	**184,798**	**35,474**
Other comprehensive income		914	(354)	–
Tax Impact		(302)	122	–
Total Comprehensive income as reported under IND AS		**163,784**	**184,566**	**35,474**

Notes: First-time adoption of Ind-AS

(i) These financial statements, for the year ended 31st March, 2018, are the first statements prepared by the Company in accordance with Ind-AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting Ind AS (‘previous GAAP’).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

(ii) Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on or after 31st March, 2018, together with the comparative period data as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016, the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

(iii) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

(iv) The estimates at 1 April 2016 and at March 31, 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies).

(v) **Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.**

The Company has applied the following exemptions:

Property, Plant and Equipments were carried in the statement of financial position prepared in accordance with previous GAAP on 31 March 2016. The Company has not elected the option to regard carrying values as at 31 March 2015 as deemed cost at the date of transition. Accordingly the Company has elected to measure its items of Property, Plant & Equipment at the date of transition to In AS. Accordingly an amount of (₹'000) 148 has been adjusted against opening reserves on date of transition.

(vi) Under previous GAAP, leasehold properties were presented as Fixed Assets and amortized over the period of the lease. Under Ind AS, such properties have been classified as Non Current Assets (current portion presented as Other Current Assets) and have been amortised over the period of the lease, resulting in decrease in Property, Plant and Equipment (PPE) by (₹'000) 499/- (NBV) as at 1st April, 2016 and by (₹'000)491/- as at 31st March, 2017 and corresponding increase in Other Non Current Assets by by (₹'000) 499/- (NBV) as at 1st April, 2016 and by (₹' 000) 491/- as at 31st March, 2017.

Such reclassification has resulted in decrease in Depreciation and amortization expense by (₹'000) 8/- for the year ended 31st March 2017 and corresponding increase in Other Expenses, but does not affect profit before tax and total profit for the year ended 31st March, 2017.

(vii) Under previous GAAP, dividends on equity shares (including the tax thereon) was provided in the books of account as proposed by the Directors, pending approval at the Annual General Meeting. Under Ind AS, dividends to shareholders recommended by the Directors after the end of the reporting period but before the financial statements are approved at the Annual General Meeting are not recognised as a liability (including the tax thereon) at the end of the reporting period, but are disclosed separately in the notes. These are recognised when declared by the members in the Annual General Meeting. The effect of this change is an increase in total equity as at 31st March, 2017 of ₹ NIL (1st April, 2016 - (₹'000) 14,814/-), but does not affect profit before tax and total profit for the year ended 31st March, 2017.

(viii) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2017 were (₹'000) 354/- and the tax effect thereon (₹'000) 117/-. This change does not affect total equity, but there is a increase in profit before tax of (₹'000) 354/-, and in total profit of (₹'000) 354/- for the year ended March 31, 2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

(ix) Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the **standalone financial statement** of profit and loss. The change does not affect total equity as at April 1, 2016 and March 31, 2017, profit before tax or total profit for the year ended March 31, 2017.

Capital Management and Financial Instrument Disclosures

42 Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound and optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company monitors the total capital as comprising of debt and equity. Debt includes all short term and long term debts. Equity comprises of total shareholders' equity as reported in the financial statements.

The Company is not subject to externally enforced capital regulation.

Total Capital as of 31 March 2018, 31 March 2017 and 1 April 2016 are as follows:

(₹' 000)

Particulars	**As at 31 March, 2018**	As at 31 March, 2017	As at 1 April, 2016
Equity			
Total Shareholders' Equity as reported in Balance sheet	**204,396**	184,570	163,784
Debt			
Short term debt	**17,333**	–	–
Long term debt (including current portion of long term debt)	**3,435**	4,481	6,809
Sub-total	**20,768**	4,481	6,809
Total Capital	**225,164**	189,051	170,594

43 Financial Risk Management

The Company's activities expose it to avariety of financial risks: market risk, credit risk, liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

All such transactions are carried out within the guidelines set by the Board of Directors. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

Currency Risk

The Company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

(₹'000)

Particulars	GBP	USD	Others	Total
As at 31 March 2018				
Trade Receivables	2,436	18,871	482	21,789
Advances to Suppliers	–	–	3,659	3,659
Trade & Other Payables	–	20	387	407
	2,436	**18,891**	**4,528**	**25,855**
As at 31 March 2017				
Trade Receivables	6,045	6,395	366	12,806
Advances to Suppliers	–	82	600	682
Trade & Other Payables	–	–	–	–
	6,045	**6,477**	**966**	**13,488**
As at 1 April 2016				
Trade Receivables	4,058	86	–	4,144
Advances to Suppliers	–	30	–	30
Trade & Other Payables	–	–	–	–
Advances from customers	2,662	96	–	2,758
	6,720	**212**	**–**	**6,932**

The above year-end foreign currency exposures have not been hedged by derivative instruments or otherwise.

Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure are continuously monitored.

Trade Receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposit amounting to Rs. 5 lakh and also certain sales are undertaken based on advance payments from customers, which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

The credit risk on liquid funds such as Fixed deposits with Banks, investment in IRFC Bonds and derivative financial instruments is limited because the counterparties are banks and financial institutions with high credit-ratings.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on ongoing basis. To assess whether there is a significant increase in credit risk, the company compares the risk of default occuring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

Liquidity Risk

The Company has established an appropriate liquidity risk management framework for the management of short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(₹'000)

Particulars	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above
A) Liabilities				
As at 31 March 2018				
Short term borrowings	17,333	–	–	–
Long term borrowings	–	820	–	–
Trade payables	35,230	–	–	–
Other Financial Liabilities	4,946	–	–	–
Total	**57,509**	**–**	**–**	**–**
As at 31 March 2017				
Short term borrowings	–	–	–	–
Long term borrowings		1,922	–	–
Trade payables	22,268	–	–	–
Other Financial Liabilities	4,487	–	–	–
Total	**26,755**	**1,922**	**–**	**–**
As at 1 April 2016				
Short term borrowings	–	–	–	–
Long term borrowings	–	4,481	–	–
Trade payables	13,919	–	–	–
Other Financial Liabilities	3,381	–	–	–
Total	**17,300**	**4,481**	**–**	**–**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

(₹'000)

Particulars	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above
B) Assets				
As at 31 March 2018				
Investment	–	–	–	–
Loans	189	474	–	–
Security Deposit	–	–	–	3,488
Trade Receivables	27,837	–	–	–
Cash and cash equivalents	5,691	–	–	–
Bank Fixed Deposits	5,000	–	–	–
Balance with Government Authorities	24,310	–	–	–
Total	**63,027**	**474**	**–**	**3,488**
As at 31 March 2017				
Investment	2,500	–	–	–
Loans	210	68	–	–
Security Deposit	–	–	–	2,880
Trade Receivables	20,685	–	–	–
Cash and cash equivalents	3,281	–	–	–
Bank Fixed Deposits	24,435	–	–	–
Balance with Government Authorities	2,354	–	–	–
Total	**53,465**	**68**	**–**	**2,880**
As at 1 April 2016				
Investment	2,500	–	–	–
Loans	371	163	–	–
Security Deposit	–	–	–	2,577
Trade Receivables	5,160	–	–	–
Cash and cash equivalents	11,649	–	–	–
Bank Fixed Deposits	49,282	–	–	–
Balance with Government Authorities	4,313	–	–	–
Total	**73,275**	**163**	**–**	**2,577**

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company onsiders that it is more likely than not that such an amount will not be payable under the arrangement.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

44 Sensitivity Analysis

Foreign Currency Sensitivity

The sensitivity analysis arises on account of outstanding foreign currency denominated assets and liabilities, including derivative contracts. The Company considers a sensitivity of 10% in applicable foreign currency rates, holding all other variables constant.

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and AUD exchange rates, with all other variables held constant.

(₹'000)

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax Equity
Year ended 31 March 2018	USD	+10%	1,754	1,754
	GBP	+10%	208	208
	EURO	+10%	334	334
	AUD	+10%	48	48
Year ended 31 March 2017	USD	+10%	777	777
	GBP	+10%	463	463
	AUD	+10%	31	31
As at 1 April 2016	USD	+10%	(1)	(1)
	GBP	+10%	140	140
	AUD	+10%	–	–

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equtiy Effect.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest Rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

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

Particulars	Currency	Increase / decrease in basis points	Effect on Profit Before Tax	Effect on pre-tax Equity
Year ended 31 March 2018	INR	+50/-50 bps		
	Foreign Currency*	+25/-25 bps	NA	NA
Year ended 31 March 2017	INR	+50/-50 bps		
	Foreign Currency*	+25/-25 bps	NA	NA
As at 1 April 2016	INR	+50/-50 bps		
	Foreign Currency*	+25/-25 bps	NA	NA

***Note:** The Company does not have any foreign currency borrowings hence not applicable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

Offsetting of balances

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously. Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

Our Company has not offset any financial asset and financial liability.

45 Fair Value Measurement

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

The fair value of trade receivables and payables is considered to be equal to the carrying amounts of these items due to their short – term nature.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

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

For and on behalf of the Board of Directors

Vijay V. Merchant *Chairman* DIN: 01773227	**Adi F. Madan** *Managing Director* DIN: 00023629	**Ayesha K. DadyBurjor** *Whole Time Director* DIN: 02949248	**Arun S. Sanghi** *Director* DIN : 00022168
Ajit P. Walwaikar *Director* DIN: 00022123	**Kaizad R. DadyBurjor** *Director* DIN : 00022387	**Pheroze A. Dhanbhoora** *Director* DIN: 00622769	**Harish H. Shah** *Director* DIN :03032200
Vinay V. Sanghi *Director* DIN: 00309085	**Bhavik R. Maisuria** *Chief Financial Officer*	**Tony G. Gandhi** *Company Secretary*	

Mumbai, Dated: 25th May, 2018.

BUS FACILITY FOR SHAREHOLDERS
AT NAVSARI RAILWAY STATION ON 28TH ANNUAL GENERAL MEETING

All Shareholders are hereby informed that the Company has made arrangement for both outstation and local Shareholders for commuting from Navsari Railway Station to Virat Industries Ltd. at GIDC on 6th September, 2018, the day of Annual General Meeting. The same buses will take back from Virat Industries Ltd. to Navsari Station after the meeting is over.

There will be one bus each on Eastern and Western side of the Navsari Railway Station at 10.00 A.M.

Both outstation and local Shareholders are requested to avail of this facility.

For **Virat Industries Limited**

Tony Gandhi
Company Secretary

Virat Industries Limited

(**Regd. Office Address:** A – 1/2, GIDC Industrial Estate, Kabilpore, Navsari - 396 424, Gujarat, India)
CIN: L29199GJ1990PLC014514
Tel No: +912637 – 265011/22 Fax: +912637 – 265712 Email: factory@viratindustries.com Website: www.viratindustries.com

ATTENDANCE SLIP

28TH ANNUAL GENERAL MEETING - THURSDAY, 6TH SEPTEMBER, 2018 AT 11-30 A.M.

Registered Folio/DP ID & Client ID	
Name and Address of the shareholder(s)	
Joint Holder 1 Joint Holder 2	

I/We hereby record my/our presence at the 28th Annual General Meeting of the Company held at the Registered Office situated at A-1/2, GIDC Industrial Estate, Kabilpore, Navsari - 396 424 on Thursday, 6th September, 2018.

....
Member's / Proxy's Signature

Note: Please complete this Attendance slip and hand it over at the entrance of the Meeting hall.

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Password
180714009		

Note: Please read the instructions given under the Note No. P of Notice of 28th Annual General Meeting. The date of e-voting period is on 3rd September, 2018 to 5th September 2018 from 9.00 AM to 5.00 PM. The e-voting module shall be disabled by CDSL for voting thereafter.

Virat Industries Limited

(**Regd. Office Address:** A – 1/2, GIDC Industrial Estate, Kabilpore, Navsari - 396 424, Gujarat, India)
CIN: L29199GJ1990PLC014514
Tel No: +912637 – 265011/22 Fax: +912637 – 265712 Email: factory@viratindustries.com Website: www.viratindustries.com

FORM NO. MGT - 11
PROXY

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:		Name of the Company
Registered Office:		
Name of the Member(s)		
Registered Address:		
E-mail id:		Folio No./DP ID/Client ID:

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

1 Name	Address
E-mail id	Signature or failing him/her
2 Name	Address
E-mail id	Signature or failing him/her
3 Name	Address
E-mail id	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company held at the Registered Office situated at A-1/2, GIDC Industrial Estate, Kabilpore, Navsari - 396 424 on Thursday, 6th September, 2018 at 11-30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:
1. Adoption of Financial Statements for the year ended 31st March, 2018.
2. Declaration of Dividend for the year ended 31st March, 2018.
3. Appointment of Director in place of Shri. Pheroze A. Dhanbhoora (DIN: 00622769) who retires by rotation and being eligible, offers himself for re-election.
4. Ratification of the appointment of M/s. B. K. Khare & Co., Chartered Accountants, (Firm Regn. No. 105102W) as Auditors of the Company until the conclusion of the thirty-second Annual General Meeting with respect to the Financial Year beginning 1st April, 2018 and ending 31st March, 2019.

Special Business:
5. Re-appointment of Shri. Adi F. Madan (DIN: 00023629) as a Managing Director of the Company.
6. Appointment of Smt. Ayesha K. DadyBurjor (DIN: 02949248) as a Whole-time Director of the Company.

Signed this .... day of .... 2018.

Affix Re.1 Revenue Stamp

Folio No. / DP ID / Client ID .... Signature of Shareholder ....

Signature of Proxy holder ....

Notes:
1) This form of proxy in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting.
2) A proxy need not be a member of the Company.
3) A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) 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.

BY COURIER

If undelivered, please return to :

VIRAT INDUSTRIES LIMITED
A-1/2, GIDC Industrial Estate,
Kabilpore, Navsari - 396 424.
Gujarat.