

# THE CHANGE MAKERS



ANNUAL REPORT  
2018-2019

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For more information,  
log on to [www.kewalkiran.com](http://www.kewalkiran.com)

# KEY HIGHLIGHTS OF 2018-19

## MRP turnover

(₹ crore)

1,211.92

12.66% 

## Human assets

1,882

## Operating profit

(₹ crore)

112.34

14.38% 


## Stores

322

## Dividend per share (₹)

34

3.03% 

 y-o-y growth



## THE CHANGE MAKERS

India epitomises 'change' on the global grandstand, perhaps like no other country, in every aspect of life. More so, in the world of fashion, which articulates the aspirations and passion of young citizens of the nation.

We, at KKCL, help drive 'change' by crafting iconic brands that truly and aptly reflect the energy and enthusiasm of contemporary India. Our creativity and entrepreneurship embrace and deliver 'change' through our offerings with a playfully daring spirit.

Our ambition is to help widen the nation's fashion spectrum, with a unique convergence of global outlook and homegrown approach.

**'Change' is a dynamic playground for us to thrive and create value for our growing number of patrons and our expanding stakeholder universe.**

## ABOUT US

# EMBRACING CREATIVITY TO REWRITE RULES

We are one of India's largest branded apparel manufacturers, engaged in designing, manufacturing and marketing of branded jeans and a wide range of western wear, since 1992.

## VISION

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

## MISSION

- > Driving excellence through our people, business partners and other stakeholders
- > Focusing on consumer satisfaction and executing a customer-centric business module
- > Adopting international standards and best practices across our operations
- > Executing the business based on the three core growth principles of: Stability, Sustainability and Scalability

## VALUES

### ETHOS

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

### PASSION AND LONG-TERM VISION

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





## SEAMLESSNESS

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

## RESPECT AND HUMILITY

Every stakeholder, including employees, vendors and business partners, is treated with great respect and humility. They admit what they do not know, actively listen to ideas/suggestions from people at all levels and let their work speak instead of talking about it.

## GENEROUS THOUGHTS

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

## GEOGRAPHIC PRESENCE

# WE ARE CLOSER THAN YOU THINK

With strong geographic presence and several unique brands, KKCL makes fashion and design accessible to people across the country. We are present in 222 cities and towns across 24 states in India, as well as select international markets, leveraging a robust distribution network that reflects our rich understanding of customer segments.



## FASHION IS ALSO ABOUT ENCOURAGING NUMBERS

Units sold in 2018-19

50,82,504

10% Y-O-Y GROWTH ▲

Average realisation  
per unit (₹)

927



**EBOs that stock our brands**

**322**

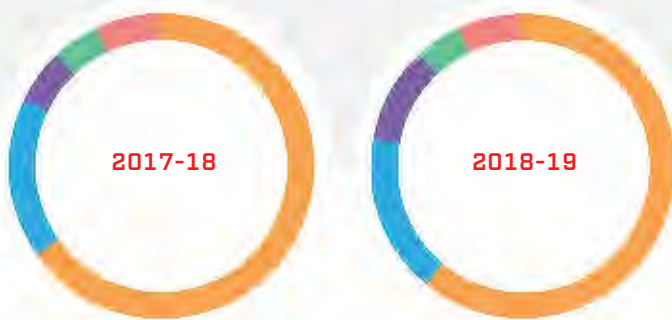
**Aggregate store size of EBOs (sq. ft.)**

**2,24,000+**

# PRODUCTS

## CELEBRATING TRANSFORMATIONAL FASHION

Fashion is the bold articulation of one's personality and the scenario is ever evolving. We help customers express their intrinsic aspiration for luxury by providing them value-for-money products across several price points.



Product-wise sales mix [%]

	2017-18	2018-19
Jeans	65	61
Shirts	17	17
Trousers	6	10
T-shirts	5	5
Others	7	7



**JEANS**  
**61%**



**SHIRTS**  
**17%**



**T-SHIRTS**  
**5%**



**TROUSERS**  
**10%**



**SHOES**



**BELTS**



**DEODORANTS**



**OTHERS**  
**7%**



**WALLETS**



**EYEWEAR**



**INDO-WESTERN**  
**OUTFITS**

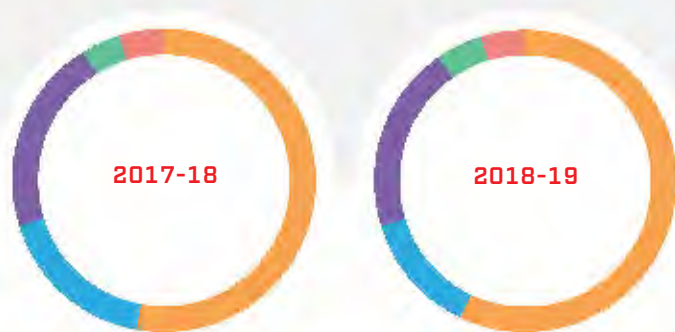


**WATCHES**

## BRANDS

# A COURAGEOUS PHILOSOPHY OF LUXURY

Our offerings span seven iconic brands – Killer, LawmanPg3, Integriti, Easies, K-Lounge, Addictions and most recently, Desi Belle. Together, our brands offer patrons a wealth of unique styles and contemporary fashion trends.



Brand-wise sales mix [%]

	2017-18	2018-19
Killer	53	57
LawmanPg3	17	13
Integriti	21	20
Easies	4	5
Others	5	5

## KILLER

# 57%

The flagship brand of KKCL and one of the largest selling denim brands in India, Killer imbibes in it the cool confidence of today's youth and redefines denims, giving a bold character to them.





## LAWMANPG3 13%

A glamorous, lifestyle brand, LawmanPg3 specialises in trendsetting denim and partywear for young adults.



## INTEGRITI 20%

Reflecting and resonating the ambition and energy of youth, Integriti offers affordably priced, fine-quality casual, semi-formal and formal wear.

## BRANDS

### EASIES 5%

A blend of classic and contemporary preferences, Easies is reshaping corporate fashion in India through its range of semi-formal menswear, made from the most premium range of fabric and linen.



### DESI BELLE

With the acquisition of Desi Belle, KKCL has ventured into Indo-Western womenswear after more than two decades of dominance in menswear. The brand exists at the confluence of modern style and desi touch, catering to the contemporary woman.

OTHERS  
5%



### K-LOUNGE

A one-stop destination for the fashion conscious, K-Lounge stores showcase KKCL's home grown apparels and other accessories.

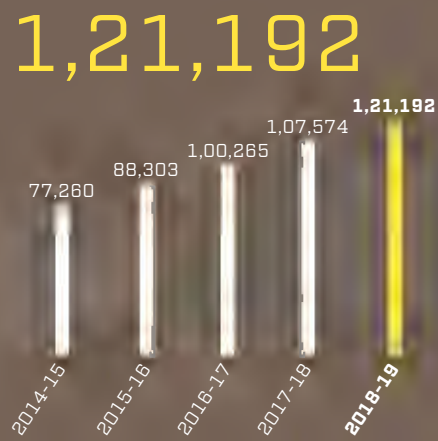
### ADDICTIONS

The accessories wing of KKCL, Addictions makes lifestyle products such as deodorants, watches, wallets, belts and inner wear.

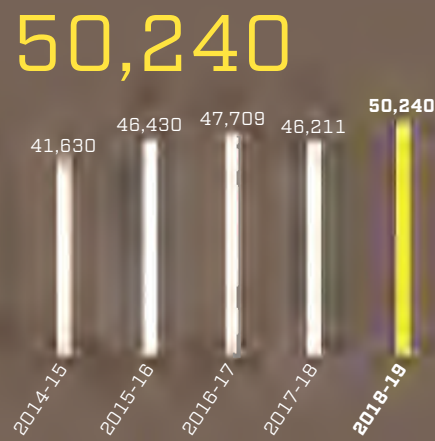


# KEY PERFORMANCE INDICATORS

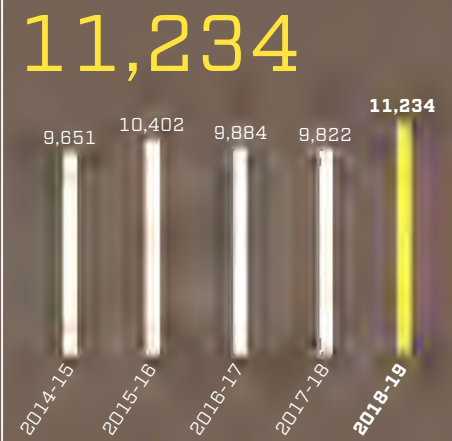
MRP turnover (₹ Lakhs)



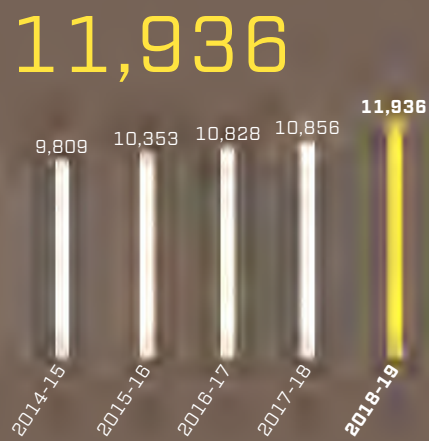
Revenue (₹ Lakhs)



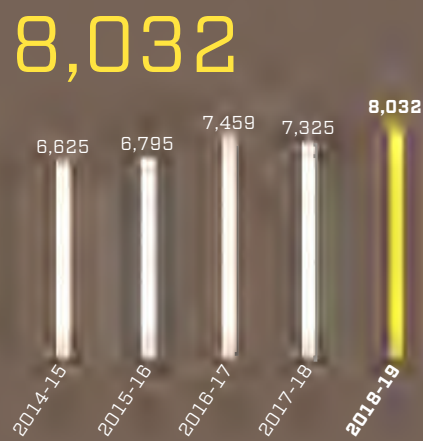
Operating profit (₹ Lakhs)



Net profit before tax (₹ Lakhs)



Net profit after tax (₹ Lakhs)

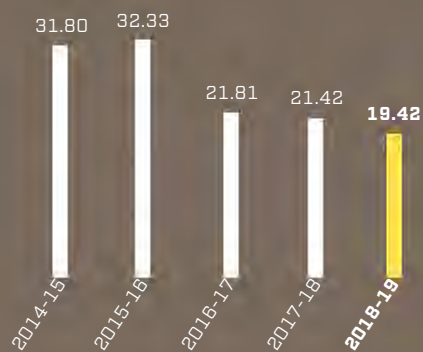


Net worth (₹ Lakhs)



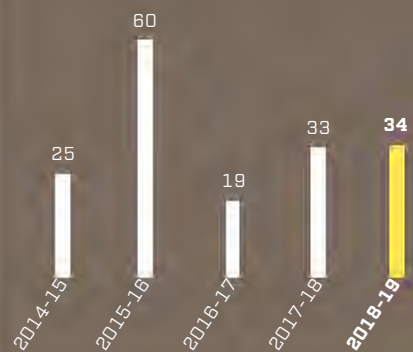
### Return on capital employed (%)

# 19.42



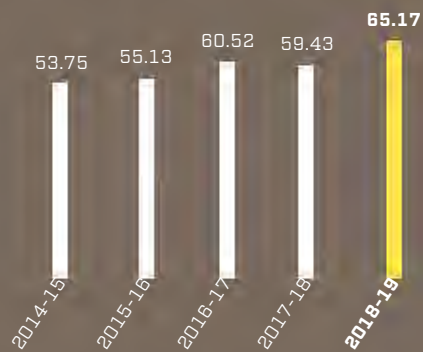
### Dividend per share (₹)

# 34



### Earnings per share (₹)

# 65.17



## CHAIRMAN'S INSIGHT

# FOCUSED STRATEGY TO FAST-TRACK GROWTH

### Dear Shareholders,

We continued to strengthen our innovation culture and creativity to remain at the vanguard of fashion trends during the financial year ended March 31, 2019. The Report presents a concise and cogent analysis of our performance during the reporting year, along with industry trends and our broad strategy to fast-track growth.

During the year, the Company achieved a total revenue of ₹502.40 crore and a profit after tax of ₹80.31 crore. The Company continued to maintain a healthy dividend payout, with a cumulative disbursement of ₹34 per share. Our sustained momentum was an outcome of the Company's strategy to pursue profitable growth.

Although aggressive discounting has adversely impacted pricing, we believe our deep insight into changing consumption and spending patterns among today's youth remains a key game changer for us in the branded apparel industry.

Even as the country's long-term growth potential continues to remain stable, short-term market dynamics need to be analysed meticulously to remain agile and address customer aspirations with a laser-sharp focus.

The country's predominantly young population represents the most exciting segment to watch out for. The volatility and uncertainty of market conditions have taught us that in such dynamic scenarios we should keep a close watch on the business, understand the aspirations of the young population and remain ahead of the curve.

During the year, our total sales grew by 8.72% and net profit went up by 9.65%. This was achieved without impacting the Company's financial mettle, and we continue to be net debt free with strong cash reserves. You can refer to the Management Discussion and Analysis section and the Financial Statements in the Annual Report for more details on our financial and operational performance.

Growth, we believe, needs to be viewed through a long-term perspective. This means that chasing growth for its own sake is not a prudent approach. Our consistent focus needs to be on growing profitably, with a strong emphasis on cash flow. We will continue to take relevant steps to safeguard the Company's stable financial position with healthy cash reserves on the books.

Our business is strongly anchored in our core values and ethos and we continue to focus on building a uniform communication strategy to engage with all stakeholders. We are inspired by the change that we observe around us in the fashion landscape, and we are committed to make the most of the evolving scenario. Encouraged by a huge and aspiring population as well as stable policy initiatives and driven by an empowered workforce, we look forward with optimism to grow profitably and create enhanced value for all stakeholders.

Warm regards,

**Kewalchand P. Jain**

Chairman and Managing Director





**Kewalchand P. Jain**  
Chairman and  
Managing Director

“We are inspired by the change that we observe around us in the fashion landscape, and we are committed to make the most of the evolving scenario. Encouraged by a huge and aspiring population as well as stable policy initiatives and driven by an empowered workforce, we look forward with optimism to grow profitably and create enhanced value for all stakeholders.”

# BOARD OF DIRECTORS



**Kewalchand P. Jain**

Chairman and  
Managing Director

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



**Hemant P. Jain**

Whole-time Director

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



**Dinesh P. Jain**

Whole-time Director

- > Heads the manufacturing operations of the Company
- > Specialises in production, human resources and industrial relations-related issues
- > Ensures optimum utilisation of the Company's production facilities, its personnel and overall development
- > Trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust



**Vikas P. Jain**

Whole-time Director

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



**Prakash A. Mody**

Independent Director

- > Doctorate in Organic Chemistry from University of Mumbai; pursued Marketing Management from Jambhwal Institute of Management Studies, University of Mumbai; and graduate alumnus of the Harvard Business School, having undergone the Owner Presidents' Management Programme
- > Chairman and Managing Director of Unichem Laboratories Limited
- > Rich experience in marketing, research and production



**Nimish G. Pandya**

Independent Director

- > Eminent lawyer and founding partner at Pandya Juris LLP, International Lawyers & Tax Consultants and proprietor at Pandya and Co., Advocates and Notary
- > Member of the Bar Council of Maharashtra and was appointed as Notary Public by the Government of Maharashtra in 1993
- > Specialises in mergers and acquisitions, litigation and arbitration, trusts and charities, corporate, commercial and financial planning and execution, including transaction support and contracts, intellectual property, technology, media and communications, competition and trade, conveyance and real estates and family and personal law
- > Trustee of Shree Satya Sai Trust, Maharashtra
- > All-India President of Shree Satya Sai Seva Organisation



**Yogesh A. Thar**

Independent Director

- > Member of the Institute of Chartered Accountants of India
- > Senior Partner in Bansi S. Mehta & Co., a renowned Chartered Accountancy firm in Mumbai
- > 30+ years of experience in Business mergers, acquisitions and restructuring, business valuations, corporate taxation and taxation of non-resident citizens and foreign companies
- > Member of the Direct Tax Committee of the Chamber of Tax Consultants



**Drushti R. Desai**

Independent Director

- > Member of the Institute of Chartered Accountants of India
- > Partner in Bansi S. Mehta & Co., a renowned Chartered Accountancy firm in Mumbai
- > 19+ years of experience in valuation of shares, businesses and intangibles and advisory services on schemes relating to mergers, acquisitions, spin-offs and other forms of corporate restructuring and family settlements, financial and management advice and corporate and individual taxation (income tax, wealth tax and gift tax)

## BUSINESS MODEL

# CHANGE IS A WELL-CRAFTED APPROACH

Our philosophy is to build iconic brands for apparel and accessory lovers that help drive change in the way today's aspiring population look at fashion; and create enduring value for all stakeholders.

### CRITICAL ASSETS WE RELY ON

#### EMPOWERED GO-GETTERS

We are only as good as our people. From creative teams to proactive sales associates, our brands are driven by our workforce.

#### INSPIRING BRAND ENGAGEMENT

The brand outreach initiatives foster an emotional connect with our patrons and build robust market recall.

#### DEEP OMNICHANNEL BANDWIDTH

We have an extensive sales and distribution footprint of directly operated and franchise stores, along with a presence in large format stores, a robust distribution network, carefully selected multi-brand outlets (MBOs) and licensing partnerships.

#### STRONG BALANCE SHEET

Our business is net debt free; and we utilise our free cash flow to realise our business objectives.

### HOW OUR BUSINESS FUNCTIONS



**DESIGN** products that are creative and authentic to help drive change



**DEVELOP** materials, techniques and combinations that bring designs to life



**DIVERSIFY** collections to enhance customer appeal



**DELIVER** products through our growing sales network



→ **KEY OUTPUT  
WE PRODUCE**

→ **HOW WE  
CREATE VALUE**



**JEANS**



**SHIRTS**



**TROUSERS**



**T-SHIRTS**



**INDO-WESTERN OUTFITS**

**EMPLOYEES**

We recognise, reward and celebrate our people's efforts and contributions.

**CUSTOMERS**

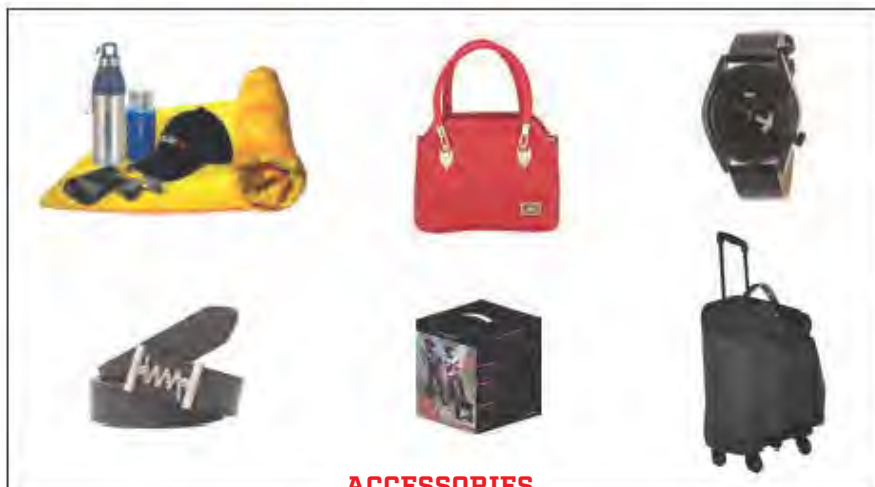
We deliver products that delight customers for various events: work, casual, dinner or travel. Customers also engage with us through various online and offline platforms.

**SHAREHOLDERS**

We drive shareholder value by accomplishing growth in revenue, operating margin and cash flow.

**PARTNERS AND  
COMMUNITY**

We support other businesses across our value chain; and also focus on giving back to society in different ways.



**ACCESSORIES**

## EMPOWERED GO-GETTERS

# CHANGE IS THE TRIUMPH OF A DARING SPIRIT

We look at change through the prism of creativity and entrepreneurship; and our team of close to 1,900 go-getters are united to help craft best experiences for our brand patrons.

Our environment inspires cross-pollination of ideas gleaned from our diverse workforce; and attracts talent that delivers lasting value. We have put in place a mechanism for regular feedback to help our people steadily improve their performance.

We are enhancing competence in the organisation through structured training programmes and compensation structure that acknowledges performance. Individual development plans provide our teams with access to various development programmes. Our diversity helps us understand our customers better and makes us more capable to manage change, fostering innovation and creativity.

We help promote an open and transparent work environment, while at the same time align our teams with the Company's broad strategic roadmap for business excellence. During the year, we continued to maintain congenial industrial relations with employees at our manufacturing facilities. Adequate safety and welfare measures have been put in place to ensure employee safety.

Also, digitalisation helps us streamline processes, strengthen customer relationships and embrace 'change' with speed. We will continue to drive digitalisation to serve more customers and attain the next level of growth and value creation.





*desi belle*



**INSPIRING BRAND ENGAGEMENT**

# **CHANGE IS BIGGER, BETTER AND BOLDER ENGAGEMENT**

We put our brands at the centre of our communication strategy and aggressively leverage digital, video and social media collaborations. Interestingly, we craft mobile-friendly content and continue to sharpen our focus on creating refreshing experiences for our customers.

# INSPIRING BRAND ENGAGEMENT

## KILLER



### BOX CRICKET LEAGUE

Franchise team 'Goa Killer', comprising 18 television celebrities, participated in the 45-day long sports reality television show, Box Cricket League (BCL). BCL, telecast on major television and over-the-top content platforms like MTV, JioTV, ALTBalaji and Voot, has roped in 125 cricket stars.

### SPRING SUMMER 2018

Killer launched its Spring Summer 2018 collection in print, across all leading English and regional language newspapers in India. The campaign unveiled an innovative twist to formal jeans and was well received at all points of sale.



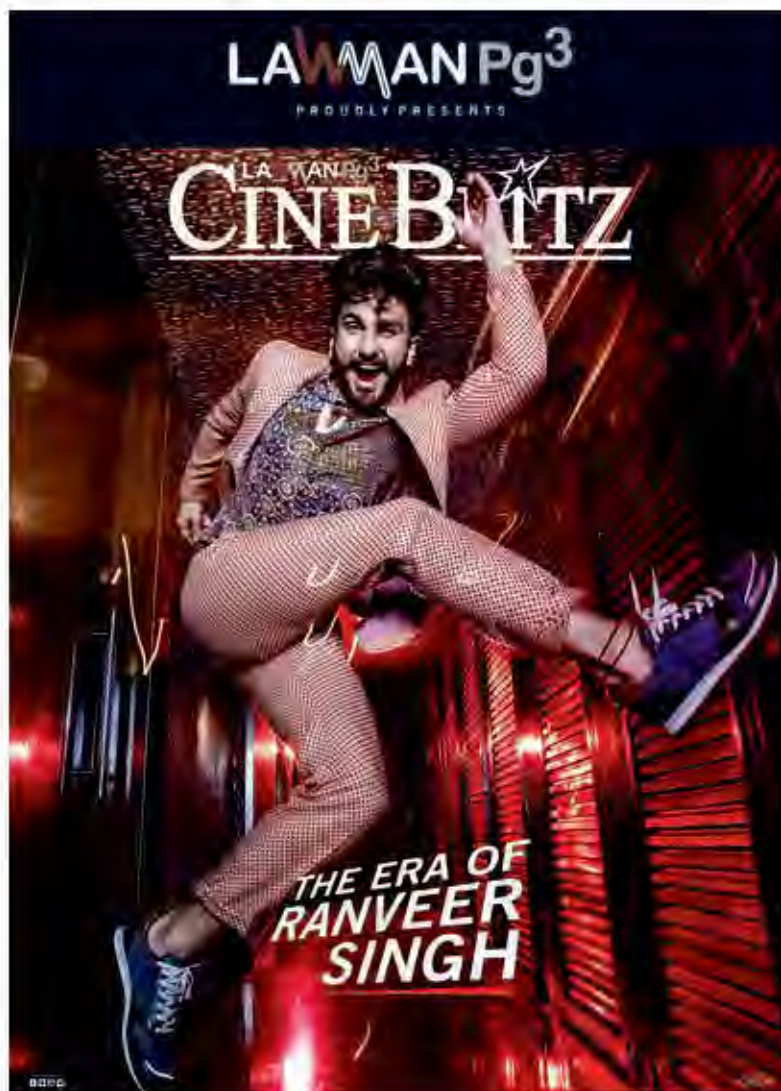
### FESTIVE 2018

Killer launched its new range of 'Biker Denims' during the festival season of 2018.

## LAWMANPg3

### CINEBLITZ

LawmanPg3 associated itself with 45-year-old established and trusted entertainment brand, CineBlitz. Through this venture, LawmanPg3 seeks to engrave its brand in the minds of a niche customer segment, one that is deeply devoted to the Hindi film entertainment business in India. Rebranded as LawmanPg3 CineBlitz, the asset occupies a unique space in print as well as digital media, through the daily entertainment news portal CineBlitz.com and relevant social media.



### 'HOLI RELOADED'

LawmanPg3 presented 'Holi Reloaded' to celebrate colours, music and entertainment. From A-list celebrities to music from popular EDM acts, the event was a cocktail of spring fun for everyone present and has emerged as a must-attend ritual for partygoers through the years.

# INSPIRING BRAND ENGAGEMENT

## INTEGRITI



### YOUTH-FOCUSED MUSIC

Integriti presented 30+ Electronic Dance Movement (EDM) events at various reputed colleges across India, with participation from accomplished DJs like DJ Maddix, DJ Ritviz, DJ FunkD, DJ Wolf Pack, Quintino, Julia Bliss, Olly Esse and others.

### LAUGHTER-FILLED EVENINGS

Integriti presented Nishant Suri, the winner of Comicstaan Season 1, an Amazon Prime original series, at an engineering college in Mumbai. This event was a major hit among young engineering students and Integriti was able to take advantage of India's rising trend of stand-up comedy.





## GALA IN GOA

A first for KKCL, the Company launched its Autumn Winter 2019 collection in Goa. The mega event saw participation from 1,500+ distributors, retailers and dealers, including leading large format stores across India. This was an important milestone that helped gain mindshare among dealers and made a mark in B2B branding as well.

KKCL unveiled new collections of iconic brands, including Desi Belle, that were showcased across 17,000 square feet of space. Besides, each apparel booking, done at the site, was routed through QR code scans, ensuring data transparency and instant ordering.

## DEEP OMNICHANNEL BANDWIDTH

# CHANGE IS TO REMAIN RELEVANT ACROSS DECADES

In a digital-first economy and society, we are expanding and at the same time, aligning our physical and digital capabilities in response to evolving customer expectations and shopping patterns. Faster adoption of sunrise technologies and automated processes are enabling improvement throughout the value chain – from product development to customer interactions – and opportunities are arising to expand in new ways.

Channel-wise sales mix [%]



	2017-18	2018-19
MBO	51	42
Retail	21	20
National chain stores	13	21
Factory outlets	7	6
E-commerce	3	8
Overseas	5	3

## WE ARE GROWING THROUGH NEW STORES AND DIGITAL MARKETPLACES



- > **MULTI-BRAND OUTLETS**
- > **K-LOUNGES AND EXCLUSIVE BRAND OUTLETS**
- > **NATIONAL CHAIN STORES**
- > **FACTORY OUTLETS**
- > **E-COMMERCE**
- > **OVERSEAS**

## STRONG BALANCE SHEET

# CHANGE IS EVOLVING A VALUE-ACCRETIVE BUSINESS

Our business continues to grow and reward shareowners, who have reposed their precious trust in our vision and strategies. Our market capitalisation is now worth ₹1,000+ crore. This was possible on account of prudent measures undertaken by the Company over the years, both at the front end and the back end.

We have always managed the business with a perspective of achieving sustainable growth for the long term. Our management continues to focus on the best outcomes for our business and our investments over a period of years.

We thrive on a meticulously nurtured reputation of transparency and corporate governance that attracts the faith of the investing community. We remain agile and efficient, enabling us to better respond to the rapidly changing environment in which we operate. Our ambition is to adapt our business to deliver true value-enhancing products. By working differently and more effectively, we can generate significant operational efficiencies and cost reduction.

We are firm advocates of the old 'cash is king' adage and believe that cash inflows help brands grow and reinforce their competitive positioning. We maintain laser-sharp

focus on inventory and receivables. Besides, we avoid borrowings to reduce the burden of finance cost and retain market leadership, without compromising on quality or pricing.

In the context of the front end, KKCL believes in enhancing the holistic customer proposition and does not follow the principle of discount-driven pricing. Down-selling garments erodes brand value and impacts customer retention. We are spread across a breadth of price points that allow us to remain competitive in every segment.

We are unveiling more contemporary offerings across apparel and accessories to reach out to more customers and win a bigger fan following. Our objective is to democratise India's fashion scenario, with a global outlook and a homegrown approach.







WIRE STITCH

LAWMAN Pg<sup>3</sup>

BE THE STAR

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Kewalchand P. Jain**

Chairman & Managing Director

**Mr. Hemant P. Jain**

Whole-time Director

**Mr. Dinesh P. Jain**

Whole-time Director

**Mr. Vikas P. Jain**

Whole-time Director

**Dr. Prakash A. Mody**

Director

**Mr. Nimish G. Pandya**

Director

**CA Mr. Yogesh A. Thar**

Director

**CA Ms. Drushti R. Desai**

Director

## CHIEF FINANCIAL OFFICER

**CA Mr. Bhavin D. Sheth**

## VICE PRESIDENT - LEGAL & COMPANY SECRETARY

**CS Mr. Abhijit B. Warange**

## STATUTORY AUDITORS

**M/s. Khimji Kunverji & Co. LLP**

(formerly known as M/s Khimji Kunverji & Co.)

## SECRETARIAL AUDITORS

**M/s. U. P. Jain & Co.**

Company Secretaries, Mumbai

## LEGAL ADVISORS

**Pandya Juris LLP**

International lawyers and tax consultants

**Solomon and Co.**

Solicitors and advocates

## BANKERS

**Standard Chartered Bank**

Mumbai

## REGISTRAR & TRANSFER AGENTS

**Link Intime India Private Limited,**

C-101, 247 Park, LBS Marg,

Vikhroli (West),

Mumbai - 400 083

## FACTORIES

**Vapi**

Plot No. 787/1/2A/3, 40, Shed,

IInd Phase, G.I.D.C,

Vapi - 396 195

Gujarat

**Daman**

697/3/5/5A/8/9/13, Maharani Estate,

Somnath Road, Dabhel,

Daman - 396 210

**Mumbai**

Synthofine Estate,

Opp Virwani Industrail Estate

Goregaon (East),

Mumbai - 400 063

71-73, Kasturchand Mill Estate

Bhawani Shankar Road,

Dadar (West),

Mumbai - 400 028

**Windmill**

Land Survey No.1119/P

Village Kuchhadi,

Taluka Porbunder,

District Porbunder,

Gujarat

## WEBSITE

[www.kewalkiran.com](http://www.kewalkiran.com)

## REGISTERED OFFICE

Kewal Kiran Estate, 460/7,

I.B. Patel Road, Goregaon (East),

Mumbai - 400 063

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT



## FINANCIAL PERFORMANCE

- Back to growth with Total Revenue of ₹ 524.37 crores
- Sales (Revenue from Operations) went up by 8.72% from ₹ 462.11 crores to ₹ 502.40 crores
- Better profits with EBITDA growth of 14.38% from ₹ 98.22 crores to ₹ 112.34 crores and EBITDA margin also moved up from 21.34% to 22.36%
- Profit after Tax (PAT) went up from ₹ 73.24 crores to ₹ 80.31 crores
- Profit distribution remains liberal and was increased with total dividend of ₹ 34.00 per share
- Company continues to be cash rich with net cash of ₹ 195.55 crores.

## ECONOMIC AND INDUSTRY OVERVIEW

### Economy:

The Indian economy began the financial year on a healthy note with more than 8% GDP growth in the first quarter. However, the growth rate hit a speed breaker and started a steady decline by first falling to 7.1% in Q2, then 6.6% in Q3 and finally touched a low of 5.8% in Q4. Disruption has become a consistent feature of the Indian economy in recent years with some hiccup or other issues cropping up on a regular basis. First it was demonetization, then came the GST transition and now it's the NBFC liquidity crisis. The sudden and shocking default by a few NBFC's has sent ripples across the financial system and it remains to be seen how and when this will stabilize. The unfortunate victim in this crisis is consumption as evidenced from falling sales of automobiles. Add to this, global factors like trade wars, Brexit, potential war mongering and we have a perfect recipe for an extremely dynamic and uncertain environment to operate in. Having said this, the resilience of the Indian economy is truly remarkable as we still remain amongst the fastest growing major economy in the world with GDP growth of 6.8% in FY2019. With a stable government, we all look forward to a phase where policy initiatives start bearing fruit and all major setbacks now become a thing of the past.

### Industry:

A lot of macro data can be given about the size and growth potential of the domestic apparel industry that paints a rosy picture in the long term, but many times these statistics fail to convey the immediate ground reality. E.g. statistically the domestic apparel industry has been growing at a rate of 13.8% CAGR from FY2010 to FY2018 and has been estimated at ₹ 5,408 billion. But it's difficult to relate to this growth and size when most companies have experienced slowdown over the past few years. The reality is that it is difficult to measure the industry size due to large presence of unorganized producers where the data is not adequately recorded and estimates are formed based on final consumption patterns.

While the overall apparel market has shown good growth, branded apparel has to face some unique market conditions as various markets in the country evolve. The metro and urban markets have obviously been the first to move towards "branded" apparel with higher incomes, changing lifestyles and fashion awareness. But these markets are today over crowded with brands and all fighting to get the consumers attention and wallet-share. Add to this high real estate prices and operating costs and the prospect of achieving profitable growth in these markets becomes a real challenge.



## Contribution of jeans to sales

61%

Sales under the brand Killer grew more than 16% from ₹ 242.75 crores in 2017-18 to ₹ 282.33 crores in 2018-19. It now accounts for 57% of sales.

On the other hand, the rural and semi urban areas provide a big growth opportunity as fashion trends percolate across the country and fashion awareness starts catching up. But, these have been traditional markets and traditionally Indians have been highly price conscious; always seeking maximum bang for the buck. There are no doubts that these markets will eventually grow, but a high level of patience is required as the affordability factor has to accelerate to meet the aspirations. We recognize this trend and hence have built a pan India presence with sharper focus on Tier II and Tier III locations and a bouquet of power brands to cater to key consumer segments.

### Overview:

The Company achieved 8.72% growth in total revenue from operations with sales of ₹ 502.40 crores as compared to ₹ 460.28 crores in the previous year. The growth in sales has been accompanied with growth in profits with the net profit increasing from ₹ 73.24 crores to ₹ 80.31 crores.

## BRANDS

**Killer** - Killer is the most recognized brand from the company's stable and has been the main growth driver since its inception. The brand has a premium image and strong consumer following in the age group of 25 to 40. Sales under the Killer grew more than 16% from ₹ 242.75 crores to ₹ 282.33 crores. This brand now accounts for 57% of sales.

**Integrity** - Integrity was the second largest brand with 20% share and sales of ₹ 100.28 crores, growth of 5% over sales of ₹ 95.10 crores in the previous year. Integrity is the brand targeted towards young executives and embodies the character that its brand name represents.

**Lawman Pg3** - Lawman sales dropped to ₹ 62.81 crores from ₹ 75.89 crores, which has resulted in the brand now contributing to 13% of sales. This brand has created a distinct image and position with younger consumers by bringing innovative, trend setting initiatives like wire stitch, organic stitch, lazer wash and smoke wash.

**Easies** - Easies was the fastest growing brand in FY2019 with 27% growth rate and sales increasing to ₹ 25.6 crores from ₹ 20.18 crores. Easies has an increasing and dedicated following of consumers who like smart, casual wear.

**Addictions** - Addictions is not a separate brand but a business segment that includes branded fashion

accessories that are complimentary to our apparel brands. Addictions business achieved sales of ₹ 25.14 crores compared to ₹ 20.18 crores in the previous year, thereby reflecting growth of 17%.

Brand-wise Breakup of Sales (%)



## PRODUCT

Jeans have been the forte of the company. Building on the success achieved in denim wear, the company today has evolved into a complete lifestyle company with a wide range of fashion apparel and accessories. All product categories showed positive growth trends in FY2019.

**Jeans** - Jeans remains the top revenue contributor with 61% of sales. Jeans sales stood at ₹ 303.13 crores compared to ₹ 297.23 crores in previous year.

**Trousers** - Trousers saw a sharp uptick in sales with a 77% growth rate and sales increased to ₹ 47.89 crores from ₹ 27.08 crores. Revenue share of Trousers moved up to 10% from 6% of FY2018. It is important to view the sales of bottom wear on combined basis, i.e. by including Jeans and Trousers, as there can be some interplay between these two product categories based on fashion trends. Share of bottom wear remained stable at ~71% of sales.

**Shirts** - Shirts sales increased by 6% to ₹ 82.58 crores from ₹ 77.82 crores. Shirts contributed 16% to total sales.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

**T-Shirts** - T-Shirts sales went up by 16% to ₹ 24.21 crores from ₹ 20.84 crores in FY2018 and maintained its revenue share of 5% of total sales.

**Other products** - Other products sales increased by 19% to ₹ 38.35 crores from ₹ 32.36 crores and accounted for 8% of total sales.

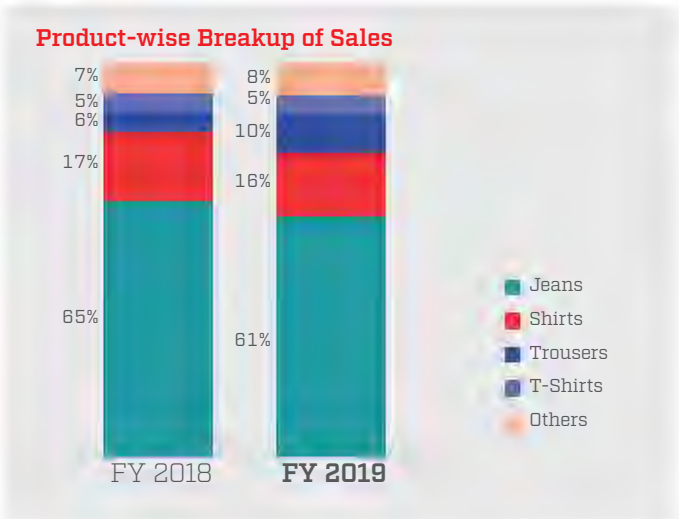
**National Chain Stores (NCSs)** - The company focused on ramping up sales through National Chain Stores in FY2019. The results is that sales through these large format stores showed strong growth of 72% moving up from ₹ 61.00 crores to ₹ 105.12 crores and accounting for 21% of total sales.

**E-Commerce** - E-Commerce sales further aided the growing share of modern retail formats with almost 3-fold increase in sales from ₹ 13.75 crores in FY2018 to ₹ 39.52 crores. Online sales now account for 8% of total sales compared to 3% in the previous year.

**Overseas** - Overseas sales in FY2019 were down to ₹ 14.25 crores from ₹ 22.71 crores in previous year and contributed to 3% of total sales.

**Factory outlets** - Factory outlets achieved sales of ₹ 30.08 crores which were at similar levels in the previous year accounting for 6% of total sales.

The Company has presence in 24 states and 222 towns and cities in India and also sells in select international markets.

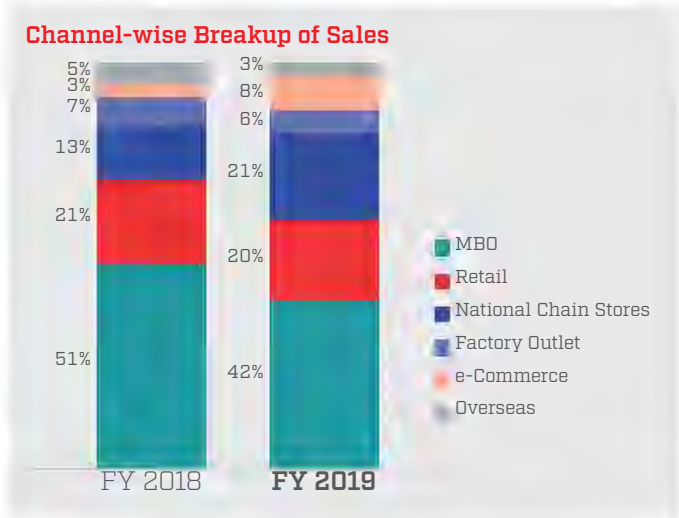


## SALES AND DISTRIBUTION CHANNELS

The winds of change in the retailing sector in India are now secular with increasing trend of shopping through malls, departmental stores and online portals as compared to traditional shops and high streets. In sync with the changing retail formats, the company has also diversified its sales channel mix.

**Multi Brand Outlets (MBOs)** - MBO's revenue contribution dipped to 42% from 51% of total sales and stood at ₹ 207.04 crores as compared to ₹ 230.80 crores in FY2018.

**K-Lounges and Exclusive Brand Outlets (EBOs)** - K-Lounge is the retailing brand of the company and K-Lounge stores exclusively sell products of the company's brands. In addition, the company also has brand specific EBOs. These stores together accounted for 20% of total sales and showed growth of 5% from ₹ 95.79 crores to ₹ 100.14 crores.



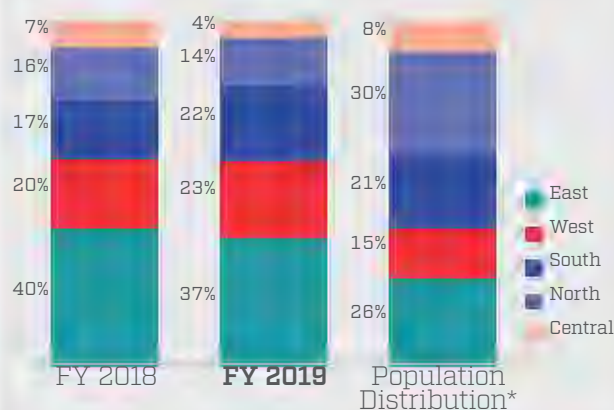
**Retail Stores:**

The total retail stores count of the company stood at 322 with 19 more stores that are Work-in-Progress taking the total count to 341 stores. 44 new stores were added and 40 stores were closed/relocated/ converted during the year.

Store Type	Number of stores
K-Lounge	203
EBUs	118
Factory Outlet	1
<b>Total</b>	<b>322</b>

**REGIONS**

The regional sale mix of the company is widely diversified and the company's key markets - East, West and South, showed growth in sales of 3%, 25% and 42% respectively. These three regions account for 82% of total domestic sales. Eastern region with sales of ₹ 179.40 crores represents 37% of domestic sales, Western region had sales of ₹ 109.63 crores (23% of domestic sales) and Southern region had sales of ₹ 104.46 crores (22% of domestic sales). There was a small dip in sales in North of 3% and the Central region was down by 23%. Also, overseas sales were down from 22.71 crores to 14.25 crores.

**Region-wise Breakup of Sales**

\* Based on comparable distribution data from 11 to 50 years age group.  
Source: India Population Census data- 2011

**RESULTS OF OPERATIONS****Total Revenue:**

The total revenue from operations (Sales) grew by 9.15% to ₹ 502.4 crores. Overall apparel sales value increased by 8.14% to ₹ 471.04 crores as compared to ₹ 435.58 crores while apparel sales volume grew by 9.99% to 50.83 lakhs units from 46.21 lakhs units in the previous year. Sale realization per apparel unit was down slightly to ₹ 927 per unit from ₹ 943 per unit.

**Costs:**

Cost of Goods Sold (COGS): Even though the sales of the company have increased the cost of goods sold were lower at ₹ 192.17 crores compared to ₹ 193.49 crores in FY2018. Due to this, the COGS percentage to sales has fallen from 42.04% to 38.25% thus improving the Gross Profit amount and Gross Profit Margin of the company.

**Personnel cost:** Personnel costs went up to ₹ 75.12 crores from ₹ 65.07 crores. Personnel cost percentage to sales changed to 14.95% from 14.14%.

**Manufacturing and operating expenses:** Percentage of Manufacturing expenses to sales remained flat at 9.76% and these expenses stood at ₹ 49.04 crores as compared ₹ 45.35 crores in the previous year.

**Selling and distribution expenses:** Selling expenses went up from ₹ 40.90 crores against ₹ 27.47 crores in FY2018 as the company accelerated its sales efforts. The expenses stood at 8.14% of sales compared to 5.97%.

**Administrative and other expense:** Administrative and other expense were stable at ₹ 32.83 crores as compared to ₹ 30.68 crores in FY 18, representing 6.53% of total sales.

**Profitability:**

**EBITDA and EBITDA Margin:** This year company recorded EBITDA of ₹ 112.34 crores as compared to ₹ 98.22 crores in the previous year. EBITDA grew by 14.38% while EBITDA margin improved to 22.36% from 21.30% in FY2018. This growth in EBITDA and EBITDA margin is combined result of increased sales and reduced costs.



KKCL focused on ramping up sales through National Chain Stores in the year, driving strong growth of 72%, moving up from ₹ 61 crores to ₹ 105.12 crores and accounting for 21% of total sales.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

**Profit before Tax (PBT):** The PBT margin was stable at 23.76% as PBT increased to ₹ 119.37 crores from ₹ 108.55 crores showing annual growth of 9.97%.

**Profit after Tax (PAT):** The Net Profit of the company increased by 9.66% to ₹ 80.32 crores from ₹ 73.24 crores in FY 18. Net Profit Margin increased to 15.99%.

**Earnings per Share:** The EPS of the Company in FY2019 has grown to ₹ 65.17 as compared to ₹ 59.42 in FY2018.

**Return on Capital Employed (ROCE):** The ROCE from operations stood at 52.43% in FY2019 while overall ROCE was stable at 21.46%.

**Return on Net-worth (RONW):** The RONW of the company remains stable at 19.42%.

## Financial Position and Cash flows:

The Company's financial position is strong with net cash i.e. investments and cash and cash equivalents (net of borrowing) totaling to ₹ 195.55 crores. Short-term borrowing increased to ₹ 93.46 crores from ₹ 48.30 crores of FY2018 due to higher working capital in this season.

The Debtors Turnover ratio moved up to 105 days as compared to 84 days in previous financial year. Inventory Turnover ratio stood at 49 days and Creditors Turnover ratio increased to 50 days from 46 days. The working capital requirements towards the end of financial year increased due to tight liquidity situation in the industry and the economy. The current ratio and debt to equity ratio stood at 1.98 times and 0.22 times respectively. For the year FY2019 total dividend per share is ₹ 34.00, which consists of ₹ 32.00 as interim dividend and ₹ 2.00 as final dividend for the year.

## Business Progressive Fund:

The Business Progressive Fund was enhanced by ₹ 5 crores during the year thereby taking the closing balance to ₹ 40 crores from ₹ 35 crores. The objective of this fund is to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockist and franchisees for development of retail business, reinforce existing channels of sales etc.

## Details of significant changes in key financial ratios, along with explanation thereof:

Ratios	Mar-19	Mar-18	Variance
Debtors Turnover	105 Days	84 Days	Not Applicable
Inventory Turnover	49 Days	41 Days	Not Applicable
Interest Coverage (EBIT/INT)	15.12	18.55	Not Applicable
Current Ratio	1.98	2.11	Not Applicable
Debt / Equity	0.22	0.12	Increase in borrowings
Operating Margin	22.36%	21.30%	Not Applicable
NP Margin	15.37%	15.34%	Not Applicable
Return on Networkth	19.42%	19.14%	Not Applicable

## CREDIT RATING

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

## OUTLOOK

It is common to read about the long-term growth potential in India across sectors and especially for consumer related sectors like branded apparel. Various factors have often been quoted like rising disposable income, increasing young population, shift from need based clothing to aspiration-based clothing, rising mall culture, higher fashion consciousness etc. that will drive future growth. But these are very long-term trends and it is difficult to take such a long-range basis to forecast the growth trends in the near term.

## OPPORTUNITIES AND THREATS

The industry has weathered several storms and there are no new threats that endanger the industry's survival. The company has maintained a strong financial position

due to its focus on longevity of business and continues to pursue growth opportunities as the market evolves.

The real challenges are disruptions and trends that can distort and affect short-term growth. Although your company believes that profitable growth is a must for longevity and sustainability of business, there continue to be industry players whose short-term thinking clouds their long term sustenance.

## RISK AND CONCERNS

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

Increasing competition can result in pricing pressure as other players offer discounts and extend sale periods to drive revenue growth. The Indian markets have attracted



foreign brands who spend heavily on advertisement and promotion to establish their presence thereby increasing costs for the company to maintain its visibility in the market.

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

KKCL is uniquely placed in the sector with an integrated business model that encompasses design, manufacturing and sourcing, distribution and logistics and retailing. The company has an in-house team of designers that track national and international trends to create innovative fashionable products that customers would relate to. The company has state of the art manufacturing facilities that ensure quality and timely deliveries.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

The key constituents of the internal control system are:

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

The Company has an Internal Audit Department to monitor the Internal Control systems and its implementation.

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

### **HUMAN RESOURCE**

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

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

As on 31st March 2019, the company had 1882 employees.

### **CAUTIONARY STATEMENT**

This discussion contains certain forward-looking statements within the meaning of applicable securities laws. Readers are cautioned not to place undue reliance on these forward looking statements, which reflects management's analysis describing our objectives and expectations based on certain information and assumptions. Our operations are dependent on various internal and external factors within and outside the control of the management.

We assume no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events. Actual results may differ from those expressed or implied herein.



# DIRECTORS' REPORT



To  
The Members,

Your Board of Directors are pleased to present the 28th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2019.

## FINANCIAL SUMMARY & HIGHLIGHTS (STANDALONE)

(Amount in Lakhs)

Sr. No.	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
1.	Net Sales/Income from operations	50,239.62	46,211.08
2.	Other Income	2,197.87	2,109.05
3.	Total Expenditure	40,501.26	37,464.88
4.	Profit (Before deducting any of the following)	13,431.74	11,930.90
	a. Finance charges	689.36	498.30
	b. Depreciation/Amortization	806.15	577.35
	c. Tax provision	3,904.54	3,530.00
5.	Net profit for the Period	8,031.69	7,325.25
6.	Other Comprehensive Income	29.62	84.28
7.	Total of Comprehensive Income (net of tax)	8,061.31	7,409.53
8.	Profit b/f from previous years	21,430.43	18,916.17
9.	Appropriation of profit	5,477.60	4,895.26
	i. Dividend (Including DDT) on equity shares	4,977.60	4,895.26
	ii. Transfer to Business progressive fund	500.00	-
10.	Surplus c/f	24,014.14	21,430.43
11.	Dividend (in ₹) per ordinary share	34	33
12.	Paid up Equity capital	1,232.50	1,232.50
13.	Reserves except revaluation reserve	17,802.40	17,302.40

## OVERALL PERFORMANCE AND STATE OF COMPANY AFFAIRS

The company was back to growth and achieved total revenues of ₹ 524.37 crores compared to ₹ 483.20 crores in the previous year. The EBITDA was ₹ 112.34 crores compared to ₹ 98.22 crores and Profit After Tax stood at ₹ 80.32 crores resulting in an EPS of ₹ 65.17 per share. Disruption in business environment has become a regular feature in recent times. The liquidity crisis caused by the defaults of a few NBFCs has had severe repercussions on the economy.

Despite the headwinds, the company's operating revenue grew by 8.72% to ₹ 502.40 crores. Also noteworthy was that the company reported better EBITDA margin and PAT margin this year. The company's flagship brand "Killer" has stood out in this uncertain environment by growing 16% this year and contributing to 57% of operating sales. The company continues to adopt its time tested strategy to pursue sustainable and profitable growth. The Company has acquired a brand 'Desi belle' to foray in the business of women's apparel.



The total dividend for the year ended March 31, 2019 (including interim and final dividends) stood at ₹ 34 per share as compared to ₹ 33 per share in the previous year.

### TRANSFER TO RESERVES

During the year under review no amount was transferred to the reserves.

### SHARE CAPITAL

There is no change in share capital during the financial year 2018-19.

### DIVIDEND

The total dividend for the year ended March 31, 2019 (including interim and final dividends) stood at ₹ 34 per share as compared to ₹ 33 per share in the previous year.

The Board of Directors had in their meeting held on July 21, 2018 declared the first interim dividend of ₹ 7/- (70%) per equity share absorbing a sum of ₹ 104,009,393/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was August 1, 2018 and the said interim dividend was paid in August 2018.

The Board of Directors had in their meeting held on October 25, 2018 declared the second interim dividend of ₹ 10/- (100%) per equity share absorbing a sum of ₹ 148,584,846/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was November 6, 2018 and the said interim dividend was paid in November 2018.

The Board of Directors had in their meeting held on January 23, 2019 declared the third interim dividend of ₹ 10/- (100%) per equity share absorbing a sum of ₹ 148,584,846/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was February 4, 2019 and the said interim dividend was paid in February 2019.

The Board of Directors had in their meeting held on March 7, 2019 declared the fourth interim dividend of ₹ 5/- (50%) per equity share absorbing a sum of ₹ 74,292,423/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was March 19, 2019 and the said interim dividend was paid in March 2019.

Your directors are pleased to recommend a final dividend of ₹ 2/- (20%) per equity share of ₹ 10/- each for the year ended March 31, 2019.

The dividend once approved by the members in the ensuing Annual General Meeting will be paid out of the profits of your company for the year and will sum up to a total of ₹ 29,716,970/- including dividend distribution tax.

Cumulatively, the Board of Directors of your company has declared / recommended a total Dividend of ₹ 34/- per equity share (340%) for the year under review.

### DIVIDEND DISTRIBUTION POLICY

The Company has formulated Dividend Distribution policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual dividend consists of a few interim dividend and a final dividend at the year end. The Board of Directors seeks to balance member needs of returns and company's requirement of long term growth. After meeting internal cash balance towards any strategic investments, the Company will endeavour to return the rest of the free cash generated to shareholders through regular dividend. The said policy as approved by the Board of Directors has been uploaded on the website of the Company. The dividend distribution policy is available on <https://kewalkiran.com>



### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report. There is no change in the nature of business of the Company.

# DIRECTORS' REPORT (CONTD.)

## FINANCIAL STATEMENTS

The Company has prepared the Consolidated Financial Statement in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with the Auditor's Report form part of the Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013 a statement containing the salient features of the financial statements of the Joint Venture is attached to the Financial Statements in Form AOC-1.

The Financial Statements of the Company, Consolidated Financial Statements along with relevant documents and separate audited accounts in respect of joint venture, are available on the website of the Company [www.kewalkiran.com](http://www.kewalkiran.com)

## DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

White Knitwears Private Limited is a joint venture of the Company. There were no other companies, which have become or ceased to be its subsidiaries, joint ventures or associate companies during the financial year 2018-19.

## INVESTMENT IN WHITE KNITWEAR PRIVATE LIMITED

The company had invested in aggregate ₹ 34,550,000 (P.Y. ₹ 34,550,000) in Joint Venture "White Knitwear Private Limited" (WKPL). WKPL had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of knitwear apparels for exports. However due to slowdown in International market, SEZ could not take off and most of the members of SEZ shelved their projects and approached to Gujarat Industrial Development Corporation (GIDC) and state and central government for de-notification of SEZ. Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/Distribution/Policy /13/05 dated 14.03.2013 has de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfillment of conditions stated therein. WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of Land and undertaken to complete the formal procedure for the same.

## CASH FLOW STATEMENT

In conformity with the provisions of Regulation 34(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated and Standalone Cash

Flow Statements for the year ended March 31, 2019 forms a part of this Annual Report.

## BUSINESS RESPONSIBILITY REPORT

Regulation 34 (2) of the Listing Regulations, inter alia, provides that the annual report of the top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year), shall include a Business Responsibility Report ("BRR").

Your Company is not featuring in the list of top 500 listed entities as per market capitalization calculated as on March 31, 2018 and hence the Business Responsibility Report is not provided for the financial year ended March 31, 2019.

## OVERVIEW OF INDUSTRY AND IMPORTANT CHANGES IN THE INDUSTRY

The pivots for growth in the branded apparel industry remain intact. With increasing awareness, adoption of branded fashionable products is increasing in the country. However, the consumer is spoilt for choice with a plethora of brands. In line with global trends, fashion cycles are becoming shorter. With its long-term focus, strong brands and healthy balance sheet, the company remains well placed to weather short term events and remains committed to sustainability and profitability.



## EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK

India's economy began with a healthy growth in line with various national and international forecasts, however the growth rate became a victim of the sudden default by a few NBFCs which brought the broader NBFC sector to a standstill. Adding to these headwinds, were the global events like trade wars, disorderly Brexit and escalating tensions in the Middle East which directly affected growth and more so consumer sentiment. However with a stable government now in place, economic outlook can be expected to be stable with high expectations that government policy initiatives shall spur growth.

## CREDIT RATING OF SECURITIES

CRISIL, India's leading ratings, research, risk and policy advisory company, has assigned 'AA- / Stable' (pronounced Double A Negative Stable), meaning high degree of safety, for the banking facilities of the company

as on February 26, 2019. This will further ensure superior credit terms from the financial market and banks.

### **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

#### **Unclaimed Dividend**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act. The details of unclaimed/unpaid dividend are available on the website of the Company viz. [www.kewalkiran.com](http://www.kewalkiran.com)

The Company had during the year, accordingly, transferred to IEPF, the unpaid and unclaimed dividend amounts pertaining to 2nd Interim Dividend 2010-11 of ₹ 20,017/, Final Dividend 2010-11 of ₹ 10,276/- and 1st Interim Dividend 2011-12 of ₹ 21,203/-. Subsequent to the end of the financial year 2018-19 till the date of this report the company transferred the 2nd Interim Dividend 2011-12 of ₹ 27,907 /- to the IEPF. Dividend declared by the Company thereafter, is still lying in the respective unpaid dividend accounts of the Company.

#### **Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more are credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting

rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules. The Company sends out individual communication to the concerned Members whose shares are liable to be transferred to IEPFA on a continuous basis, to take immediate action in the matter.

An aggregate of 402 shares were transferred to the IEPF till date of which 196 shares were transferred by the Company to IEPF during the financial year under review.



**An aggregate of 402 shares were transferred to the IEPF till date of which 196 shares were transferred by the Company to IEPF during the financial year under review.**

## DIRECTORS' REPORT (CONTD.)

### Disclosure with respect to demat suspense account/unclaimed suspense account

The Company does not have any shares in the demat suspense /unclaimed suspense account.

The below mentioned is the information relating to outstanding dividend accounts and the due dates for claiming dividends.

Financial year	Date of allotment/ declaration	Unclaimed Dividend (in ₹)	Last date for claiming dividend
Final Dividend 2011-12	August 3, 2012	9,624	September 8, 2019
1st Interim Dividend 2012-13	November 7, 2012	32,410	December 14, 2019
2nd Interim Dividend 2012-13	February 13, 2013	13,091	March 22, 2020
3rd Interim Dividend 2012-13	May 11, 2013	8,469.5	June 17, 2020
Final Dividend 2012-13	August 22, 2013	2,800	September 28, 2020
1st Interim Dividend 2013-14	October 19, 2013	19,327.5	November 25, 2020
2nd Interim Dividend 2013-14	January 24, 2014	21,462	March 1, 2021
3rd Interim Dividend 2013-14	May 10, 2014	9,990	June 16, 2021
Final Dividend 2013-14	August 28, 2014	4,998	October 4, 2021
1st Interim Dividend 2014-15	September 10, 2014	22,224	October 17, 2021
2nd Interim Dividend 2014-15	October 17, 2014	15,922.5	November 24, 2021
3rd Interim Dividend 2014-15	January 31, 2015	12,215	March 9, 2022
4th Interim Dividend 2014-15	May 14, 2015	4,365	June 22, 2022
Final Dividend 2014-15	August 31, 2015	3,841.5	October 8, 2022
1st Interim Dividend 2015-16	June 16, 2015	64,820	July 24, 2022
2nd Interim Dividend 2015-16	November 6, 2015	14,713.5	December 14, 2022
3rd Interim Dividend 2015-16	February 6, 2016	25,584	March 14, 2023
4th Interim Dividend 2015-16	March 9, 2016	19,796	April 16, 2023
Final Dividend 2015-16	September 7, 2016	10,159.5	October 14, 2023
1st Interim Dividend 2016-17	October 27, 2016	21,123	December 3, 2023
2nd Interim Dividend 2016-17	January 27, 2017	25,678.5	March 6, 2024
Final Dividend 2016-17	September 7, 2017	3,676.5	October 14, 2024
1st Interim Dividend 2017-18	April 25, 2017	22,743	June 2, 2024
2nd Interim Dividend 2017-18	October 14, 2017	19,800	November 20, 2024
3rd Interim Dividend 2017-18	January 18, 2018	58,995	February 26, 2025
4th Interim Dividend 2017-18	March 10, 2018	20,235	April 16, 2025
Final Dividend 2017-18	September 4, 2018	12,498	October 12, 2025
1st Interim Dividend 2018-19	July 21, 2018	26,894	August 27, 2025
2nd Interim Dividend 2018-19	October 25, 2018	58,070	December 1, 2025
3rd Interim Dividend 2018-19	January 23, 2019	28,080	March 1, 2026
4th Interim Dividend 2018-19	March 7, 2019	42,410	April 15, 2026

The web-addresses of the company and IEPF Authority, where the details of unpaid and unclaimed amounts lying with the company are uploaded, are <https://kewalkiran.com> and <http://www.iepf.gov.in/>



## NODAL OFFICER

The Nodal Officer appointed by the company under the provisions of IEPF is Mr. Abhijit Warange, Vice President – Legal & Company Secretary and the web-address on which the said details are available is <https://kewalkiran.com>

## DIRECTORS

### Re-appointment of Director retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your company, Mr. Vikas P. Jain (DIN: 00029901), Director of your Company would retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

### Re-appointment of Managing Director

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment and remuneration of Mr. Kewalchand P. Jain as Managing Director of the Company for a period of 5 (five) years w.e.f April 1, 2020 to March 31, 2025.

## KEY MANAGERIAL PERSONNEL

The Company has recognised the following persons as Key Managerial Personnel in accordance with the Companies Act, 2013.

1. Mr. Kewalchand P. Jain - Chairman and Managing Director
2. Mr. Hemant P. Jain - Whole-time Director
3. Mr. Dinesh P. Jain - Whole-time Director
4. Mr. Vikas P. Jain - Whole-time Director
5. Mr. Bhavin Sheth - Chief Financial Officer
6. Mr. Abhijit Warange - Vice President - Legal & Company Secretary

## COMPLIANCE WITH THE CODE OF CONDUCT

Your company has put in place a Code of Conduct effective January 14, 2006, for its Board Members and Senior Management Personnel. Declaration of compliance with

the Code of Conduct has been received from all the Board Members and Senior Management Personnel as stipulated under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A certificate to this effect from the Chairman & Managing Director forms a part of this Report.

## COMPLIANCE WITH THE CODE OF INDEPENDENT DIRECTORS

Your company has put in place a Code of Independent Director approved in the Board Meeting held on May 10, 2014, for its Independent Directors. Declaration of compliance with the code has been received from all the Independent Directors of your Company as required under Section 134(3)(d) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A certificate to this effect from the Chairman and Managing Director forms a part of this Report.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Sub Section (6) of Section 149 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including Sweat Equity Shares) to employees of the Company under any scheme and ESOS.
3. Issue of shares pursuant to SEBI (Employees Stock Option scheme) Regulations and SEBI (Share Based Employee Benefit) Regulation, 2014.
4. Issue of shares on preferential basis pursuant to Section 62 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## BOARD MEETINGS

The details of the dates and the number of meetings of the Board of Directors held during the Financial Year 2018-19 forms part of the Corporate Governance Report.



# DIRECTORS' REPORT (CONTD.)

## COMMITTEES

The disclosure of composition of all committees constituted by the Board under the Act and the Listing Regulations and the changes if any in the composition of such committees during the year as well as number and dates of meetings of the committee are given in the Corporate Governance report, which forms part of this Annual Report.

## COMPANY'S POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND EVALUATION

In terms of the applicable provision of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had approved the Nomination and Remuneration Policy and Evaluation Policy as recommended by Nomination and Remuneration committee, in the Board Meeting held on October 10, 2014. The Nomination and Remuneration Committee has incorporated the criteria for determining qualifications, positive attribute and independence of Director in the Nomination and Remuneration and Evaluation Policy in terms of provision of Section 178(3) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Company's policy on directors' appointment and remuneration and the criteria for determining qualifications, positive attributes and independence of a Director is given at <https://kewalkiran.com>

The said policy envisages the criteria for selection and appointment of Board Members like determining qualification, positive attributes and independence of director, etc. It also lays down the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The detail of the remuneration policy of the company is given in the Corporate Governance Report, which forms part of this Annual Report. The said policy also lays down the criteria for payment of remuneration to Non-Executive Directors and the web-link of the same is <https://kewalkiran.com>

## ANNUAL BOARD EVALUATION

The Board has adopted a formal mechanism for evaluating its performance and as well as that of its committee and individual directors, including the Chairman of the Board.

The criteria for performance evaluation of the Board include aspects like Board composition and structure effectiveness of Board processes, information and functioning, experience, competencies, etc. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Individual Directors including the Board Chairman who was evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## REMUNERATION OF DIRECTORS AND EMPLOYEES

The information required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' report for the year ended March 31, 2019 and the prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as '**Annexure-V**' and forms part of this report.

Save and except the relation between the Executive Directors inter se (the executive directors are brothers) none of the employees listed in the said annexure is a relative of any Director of the company. None of the employees (save and except the Executive Directors) hold (by himself or along with his/her spouse and dependent children) more than two percent of the equity shares of the company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:





- (a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the accounts for the financial year ended March 31, 2019 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;
- (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.

#### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit team monitors and evaluates the efficacy and adequacy of the Internal Control System in the Company, its compliance with operating systems, accounting procedures and policies at all the Company locations. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control System and suggests improvements to strengthen the same.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the Internal Audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Your Board has also reviewed the Internal Processes, Systems and the Internal Financial Controls and the Directors' Responsibility Statement contain a confirmation as regards adequacy of the Internal Financial Controls.

Details of Internal Financial Controls and its adequacy are included in the Management Discussion and Analysis Report ('MDAR') which forms part of this Report.

#### **AUDITORS**

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

#### **AUDIT REPORT**

There are no Qualification or Adverse Remark in the Auditors report which require any explanation from the Board of Directors the Auditors Report on financial statements forming part of this Annual Report is self-explanatory and do not call for any further comments.

During the year under review, no frauds were reported by the auditor under section 143(12) of Companies Act, 2013.

**Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.**



# DIRECTORS' REPORT (CONTD.)

## DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies [Acceptance of Deposit] Rules, 2014 during Financial Year 2018-19.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Your Company has not given any loans or guarantee during the financial year 2018-19. The acquisitions of securities of any other body corporate are within the limit specified u/s 186 of the Companies Act, 2013. The details of the same are given in the notes to financial statements.

## RELATED PARTY TRANSACTIONS

Suitable disclosure as required by the Accounting Standard (AS-24) has been made in the notes to the Financial Statement.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is given in **Annexure - III**.

There were no material related party transaction during the year under review with Promoters, Directors or Key Managerial Personnel which may have potential conflict of interest with the company at large. The Company has developed a Related Party transactions framework through standard operating procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee. A statement of all Related Party Transactions is placed before Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for approval. The policy on Related Party transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the Related Party Policy is <https://kewalkiran.com>

## CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy of the Company indicating the activities to be undertaken by the Company which has been approved by the Board. The CSR Policy may be accessed on the Company's website at <https://kewalkiran.com>

The report on Corporate Social Responsibility initiatives as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given as **Annexure-VI**.

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

The details of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given as **Annexure II**.

## RISK MANAGEMENT

Your Company has a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Committee has adopted a Risk Management Policy in accordance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has been approved by Board of Directors.

Your Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's management systems, organisational structures, processes, standards, code of conduct and behaviours together governs how the Group conducts the business of the Company and manages associated risks.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Fraud free and corruption free work culture has been core of your company. In view of the potential risk of fraud and corruption due to rapid growth and geographic spread of operation, your company has put an even greater emphasis to address this risk.

To meet this objective your company has adopted a Whistle Blower Policy establishing Vigil Mechanism to provide a formal mechanism to the Directors and employees to report their concern about unethical behavior, actual or suspect fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employee who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

It is affirmed that no personnel of the company have been denied access to the Audit Committee in the Financial Year 2018-19.



The Policy on whistle blower/ vigil mechanism may be accessed on the Company website at <https://kewalkiran.com>.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant and/or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Ummedmal P. Jain, proprietor of M/s U. P. Jain & Co (C.P. No. 2235) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as **Annexure IV** and forms an integral part of this report.

There are no Qualification, Reservation and Adverse Remark in the Secretarial Audit report which require any explanation from the Board of Directors.

### **SECRETARIAL STANDARDS**

The company has complied with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of Board of Directors, General Meeting, Dividend and The Board's Report.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, is annexed as **Annexure I** which forms an integral part of this Report and is also available on the Company's website viz. [www.kewalkiran.com](http://www.kewalkiran.com)

### **ENVIRONMENT AND SAFETY**

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company's

policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances with environmental regulations and preservation of natural resources. The Company provides a safe and healthy workplace focussing on creating right safety culture across the organisation and aims to achieve ultimate goal of zero injuries to all its employees and all stakeholders associated with the Company's operations.

### **MAINTENANCE OF COST RECORD**

The Company is not required to maintain cost record as specified by the Central Government under section 148(1) of the Companies Act, 2013.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed review of Industry Structure and Developments, Internal Control System, Risk and Concern, operations, performance and future outlook of the company is given separately under the head Management Discussion and Analysis Report as stipulated under Regulation 34(2)(e)



## DIRECTORS' REPORT (CONTD.)

of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of this Annual Report.

### CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. Your Company has also implemented several best Corporate Governance practices as prevalent globally.

The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of the Annual Report.

The requisite certificate from the Auditors, M/s. Khimji Kunverji & Co. LLP, (Previously known as Khimji Kunverji & Co.) Chartered Accountants confirming the compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this report.

### DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year:

- (a) Number of complaints pending at the beginning of the year; 0
- (b) Number of complaints received during the year: 0
- (c) Number of complaints disposed of during the year: Not Applicable
- (d) Number of cases pending at the end of the year: Not Applicable

### ACKNOWLEDGEMENTS

The Board would like to place on record its sincere appreciation for the wholehearted support and contribution made by its customers, its shareholders and all its employees across the country, as well as the various Government Departments, Banks, Distributors, Suppliers and other business associates towards the conduct of efficient and effective operations of your Company.

For and on behalf of the Board

**Kewalchand P. Jain**

Chairman & Managing Director  
DIN: 00029730

Dated: July 24, 2019  
Place: Mumbai



## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Company  
(Management and Administration) Rules, 2014

## I. REGISTRATION AND OTHER DETAILS:

1. CIN	L18101MH1992PLC065136
2. Registration Date	30th January, 1992
3. Name of the Company	Kewal Kiran Clothing Limited
4. Category/Sub-category of the Company	Public Company Limited by shares / Indian Non- Government Company
5. Address of the Registered office & contact details	460/7, Kewal Kiran Estate, I. B. Patel Road, Goregaon(East), Mumbai - 400063 Tel no. - 26814400 Website- www.kewalkiran.com E-mail-grievanceredressal@kewalkiran.com
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park LBS Marg, Vikhroli (West) Mumbai - 400083. Tel. no. - 49186000 Fax no. - 49186060 Email ID - mumbai@linkintime.co.in Website- www.linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Apparels	141 - Manufacturing of wearing apparels, except fur apparels	94.93

## III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	White Knitwears Private Limited 460/7, Kewal Kiran Estate, I. B. Patel Road, Goregaon(East), Mumbai - 400063	U18101MH2005PTC157994	Joint Venture	Equity: 33.33 Preference: 50	Section 2(6)

# DIRECTORS' REPORT (CONTD.)

## IV. SHARE HOLDING PATTERN:

### A) [Equity Share Capital Breakup as percentage of Total Equity] Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>[1] Indian</b>									
a) Individual/ HUF	9,147,178	0	9,147,178	74.22	9,147,178	0	9,147,178	74.22	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	4,295	0	4,295	0.03	4,295	0	4,295	0.03	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total [A] (1)</b>	<b>9,151,473</b>	<b>0</b>	<b>9,151,473</b>	<b>74.25</b>	<b>9,151,473</b>	<b>0</b>	<b>9,151,473</b>	<b>74.25</b>	<b>0.00</b>
<b>[2] Foreign</b>	0	0	0	0	0	0	0	0	0
<b>Sub-total [A] (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter [A] = [A](1) + [A](2)</b>	<b>9,151,473</b>	<b>0</b>	<b>9,151,473</b>	<b>74.25</b>	<b>9,151,473</b>	<b>0</b>	<b>9,151,473</b>	<b>74.25</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	1,152,844	0	1,152,844	9.35	1,467,906	0	1,467,906	11.91	2.56
b) Banks / FI	1,382	0	1,382	0.01	10	0	10	0.00	(0.01)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs/FPI	1,469,916	0	1,469,916	11.93	1,168,367	0	1,168,367	9.48	(2.45)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total [B](1)</b>	<b>2,624,142</b>	<b>0</b>	<b>2,624,142</b>	<b>21.29</b>	<b>2,636,283</b>	<b>0</b>	<b>2,636,283</b>	<b>21.39</b>	<b>0.10</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	145,853	0	145,853	1.18	137,894	0	137,894	1.12	(0.06)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	290,546	58	290,604	2.36	281,437	58	281,495	2.28	(0.07)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	68,270	0	68,270	0.55	68,270	0	68,270	0.55	0.00
c) Others (specify)									
Non Resident Indians	14,777	0	14,777	0.12	15,003	0	15,003	0.12	0.00
Clearing Members	1,515	0	1,515	0.01	1,156	0	1,156	0.01	0.00
Office Bearer	640	0	640	0.01	751	0	751	0.01	0.00
Independent Director	336	0	336	0	336	0	336	0.00	0.00
Hindu Undivided Family	27,221	0	27,221	0.22	31,455	0	31,455	0.25	0.03
IEPF	206	0	206	0	402	0	402	0.00	0.00
NBFCs Registered with RBI	0	0	0	0	519	0	519	0.00	0.00
<b>Sub-total [B](2):-</b>	<b>549,364</b>	<b>58</b>	<b>549,422</b>	<b>4.46</b>	<b>537,223</b>	<b>58</b>	<b>537,281</b>	<b>4.36</b>	<b>(0.10)</b>
<b>Total Public Shareholding [B]=[B](1)+ [B](2)</b>	<b>3,173,506</b>	<b>58</b>	<b>3,173,564</b>	<b>25.75</b>	<b>3,173,506</b>	<b>58</b>	<b>3,173,564</b>	<b>25.75</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total [A+B+C]</b>	<b>12,324,979</b>	<b>58</b>	<b>12,325,037</b>	<b>100</b>	<b>12,324,979</b>	<b>58</b>	<b>12,325,037</b>	<b>100</b>	<b>0</b>

**B) Shareholding of Promoter:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain	6,153,000	49.92	0	6,153,000	49.92	0	0
2	Kewalchand P. Jain	690,611	5.61	0	690,611	5.61	0	0
3	Hemant P. Jain	691,915	5.61	0	691,915	5.61	0	0
4	Dinesh P. Jain	729,831	5.92	0	729,831	5.92	0	0
5	Vikas P. Jain	721,821	5.86	0	721,821	5.86	0	0
6	Kewalchand P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
7	Hemant P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
8	Dinesh P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
9	Vikas P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
10	Veena K. Jain	16,000	0.13	0	16,000	0.13	0	0
11	Lata H. Jain	16,000	0.13	0	16,000	0.13	0	0
12	Sangeeta D. Jan	16,000	0.13	0	16,000	0.13	0	0
13	Kesar V. Jain	16,000	0.13	0	16,000	0.13	0	0
14	Pankaj Jain	16,000	0.13	0	16,000	0.13	0	0
15	Hitendra Jain	16,000	0.13	0	16,000	0.13	0	0
16	Kewal Kiran Finance Private Limited	4,295	0.03	0	4,295	0.03	0	0
<b>TOTAL</b>		<b>9,151,473</b>	<b>74.25</b>	<b>0</b>	<b>9,151,473</b>	<b>74.25</b>	<b>0</b>	<b>0</b>

**C) Change in Promoter's Shareholding (please specify, if there is no change):** No change**D) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total Shares of the company
1	Nalanda India Fund Limited At the beginning of the year Changes during the year At the end of the year	1,179,081 (3,00,000)	9.57 (2.44)	879,081	7.13
2	SBI Small Cap Fund At the beginning of the year Changes during the year At the end of the year	390,469 295,001	3.17 2.39	685,470	5.56
3	Kotak Emerging Equity Scheme At the beginning of the year Changes during the year At the end of the year	428,402 45604	3.47 0.37	474,006	3.84
4	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Dividend Yield Fund At the beginning of the year Changes during the year At the end of the year	246,563 (3762)	2.00 (0.03)	242,801	1.97
5	Pinebridge Global Funds - Pinebridge India Equity Fund At the beginning of the year Changes during the year At the end of the year	179,644 -	1.46 -	179,644	1.46
6	Ambit Capital Private Limited At the beginning of the year Changes during the year At the end of the year	125,100 -	1.01 -	125,100	1.01
7	Government of Singapore - E At the beginning of the year Changes during the year At the end of the year	71,599 -	0.58 -	71,599	0.58

## DIRECTORS' REPORT (CONTD.)

8	DSP Blackrock Small Cap Fund	87,410	0.71	65,629	0.53
	At the beginning of the year	(21781)	(0.18)		
	Changes during the year				
	At the end of the year				
9	N S Raghavan	42,270	0.34	42,270	0.34
	At the beginning of the year	-	-		
	Changes during the year				
	At the end of the year				
10	Lobco Limited	35,261	0.28	35,261	0.28
	At the beginning of the year	-	-		
	Changes during the year				
	At the end of the year				

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

### E) Shareholding of Directors

1	Shareholding of Kewalchand P. Jain, Chairman and Managing Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	690,611	5.61		
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	<b>At the end of the year</b>			<b>690,611</b>	<b>5.61</b>
2	Shareholding of Hemant P. Jain, Wholetime Executive Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	691,915	5.61		
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	<b>At the end of the year</b>			<b>691,915</b>	<b>5.61</b>
3	Shareholding of Dinesh P. Jain, Wholetime Executive Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	729,831	5.92		
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	<b>At the end of the year</b>			<b>729,831</b>	<b>5.92</b>
4	Shareholding of Vikas P. Jain, Wholetime Executive Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	721,821	5.86		
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	<b>At the end of the year</b>			<b>721,821</b>	<b>5.86</b>
5	Shareholding of Yogesh Thar, Non-Executive Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL



6	Shareholding of Nimish Pandya, Non-Executive Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

7	Shareholding of Prakash Mody, Non-Executive Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	336	0.00	336	0.00
	Increase/ Decrease during the year:	0	0	0	0
	At the end of the year	336	0.00	336	0.00

8	Shareholding of Drushti Desai, Non-Executive Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

#### Shareholding of Key Managerial Personnel:

9	Shareholding of Abhijit Warange, Company Secretary	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

10	Shareholding of Bhavin Sheth, Chief Financial Officer	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase/ Decrease during the year:	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

#### Note:

- Any changes in shareholding, as indicated above, are based on disclosures received from the Directors and Key Managerial Personnel.

# DIRECTORS' REPORT (CONTD.)

## V. INDEBTEDNESS:

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

Figures in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1578.64	3251.01	0	4829.65
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	10.24	0	10.24
<b>Total (i+ii+iii)</b>	<b>1578.64</b>	<b>3261.25</b>	<b>0</b>	<b>4839.89</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	4516.83	0	0	4516.83
* Reduction	0	0.49	0	0.49
<b>Net Change</b>	<b>4516.83</b>	<b>-0.49</b>	<b>0</b>	<b>4516.34</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6095.47	3250.52	0	9345.99
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	3.90	0	3.90
<b>Total (i+ii+iii)</b>	<b>6095.47</b>	<b>3254.42</b>	<b>0</b>	<b>9349.90</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SN. Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Kewalchand P. Jain(CMD)	Hemant P. Jain (WTD)	Dinesh P. Jain (WTD)	Vikas P. Jain (WTD)	
1 Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	7,950,000	7,950,000	7,950,000	7,950,000	31,800,000
(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	39,600	39,600	39,600	39,600	158,400
(c) Profits in lieu of salary under section 17(3) of the Income- Tax Act, 1961	0	0	0	0	0
2 Stock Option	0	0	0	0	0
3 Sweat Equity	0	0	0	0	0
4 Commission - as % of profit - others, specify	0	0	0	0	0
5 Others, please specify	0	0	0	0	0
<b>Total (A)</b>	<b>7,989,600</b>	<b>7,989,600</b>	<b>7,989,600</b>	<b>7,989,600</b>	<b>31,958,400</b>
Ceiling as per the Companies Act, 2013	10,22,99,440				

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Nimish Pandya	Prakash Mody	Yogesh Thar	Drushti Desai	
1	Independent Directors					
	Fee for attending board/committee meetings	8,40,000	2,40,000	7,80,000	7,80,000	26,40,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>8,40,000</b>	<b>2,40,000</b>	<b>7,80,000</b>	<b>7,80,000</b>	<b>26,40,000</b>
2	Other Non-Executive Directors					
	Fee for attending board/committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>8,40,000</b>	<b>2,40,000</b>	<b>7,80,000</b>	<b>7,80,000</b>	<b>26,40,000</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>3,45,98,400</b>
	Ceiling as per the Companies Act 2013	11,25,29,380				

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

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Mr. Abhijit Warange, Company Secretary	Mr. Bhavin Sheth, Chief Financial Officer	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961		3,583,734	5,500,002	9,083,736
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961		-	-	-
2	Stock Option	Not Applicable	-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	others, specify		-	-	-
5	Others, please specify		-	-	-
	<b>Total</b>		<b>3,583,734</b>	<b>5,500,002</b>	<b>9,083,736</b>

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

There were no penalties, punishment or compounding of offenses during the year ended March 31, 2019.

# DIRECTORS' REPORT (CONTD.)

## ANNEXURE II

### A. CONSERVATION OF ENERGY

Your company had taken up energy conservation activities, guided by a professional firm with 40 years' experience, M/s Econ Engineers, on several fronts, from the Head office and other offices, to all manufacturing units.

The major step taken at various locations were as under:

1. Energy Conservation Teams were formed at all large facilities and were provided with all relevant monitoring instruments.
2. Energy Efficiency of Air Conditioning Systems and equipment was improved:
  - i. At the Offices since air conditioning was the major load, your company set up regular monitoring of all the air conditioning equipment, assessing the three major energy efficiency parameters of temperature difference between supply and return air, flow rate and the power used, for all the air conditioning equipment, including Ductables, Cassette, Split and Window Air conditioners. Wherever short falls were detected, corrective action was immediately taken to restore the equipment to rated parameters.
  - ii. The practice of monitoring of the air conditioning equipment was adopted at all the factories also. Regular monitoring resulted in both improved performance and energy saving.
  - iii. Old air conditioners were replaced by 5 Star ones: At a number of locations, wherever the air conditioners were very old, or working for long periods, they were replaced by the modern energy efficient 5 Star Split air conditioners. This added to the energy savings.



3. Lighting Energy Conservation:
  - i. Illumination levels were checked at all locations; excess lights were removed and lights were switched on only when required;
  - ii. Energy efficient lights were adopted, including the use of LEDs
4. Improving Power Factor:

The power factor was being controlled mostly by Automatic Power Factor Controllers. However, these were studied to optimize the maintenance of P.F. above 0.98; the monthly bonuses earned in the electricity bills will offset the investments in short periods.
5. Improving Efficiency of Boilers at the Factories:
  - i. Regular Monitoring of the various parameters important for maintaining high efficiency in Boilers yielded ways to improve their efficiency. This was diligently taken up; maintenance was improved and done regularly resulting in useful fuel savings.
    - ii. Systems were installed to monitor the distribution of steam, including at pressure reducing stations and at steam traps, to ensure that the required steam quality and pressure was available at the various equipment using steam, e.g. tumble driers, washers, steam irons, etc. This enabled high productivity of the equipment.
6. Improving efficiency of driers, ashers, steam irons, etc. at the Factories:
  - i. Regular Monitoring of the various parameters important for maintaining high efficiency in the driers and washers, etc., ensured that the cycles were completed not only within rated times but also often ahead of time.
  - ii. In washers steam usage was restricted to those cycles where temperature required was 90 °C.



For all other cycles the recovered hot water was used. This yielded useful savings in the use of steam, electricity and operation period.

7. Regular monitoring of all important parameters relating to improved maintenance were adopted in a dedicated way, to improve plant & equipment availability.
8. Leakages of steam and compressed air were minimized and plant productivity improved.

#### **UTILISING ALTERNATE SOURCES OF ENERGY**

The Company already has a 600 KW Wind Generator in Gujarat which provides most of the electricity at your company's Vapi Factory.

Serious efforts are on to explore the feasibility of Roof Top Solar Power Generation. The Central Govt. has offered to provide the necessary impetus and funds, and the State Governments are gearing up to accept all the surplus energy generated allowing direct feeding into their Grid. Hence we expect this

will soon be viable and we will consider their use at our factories.

The capital investment on energy conservation equipment is estimated as approx. ₹ 5,00,000/-

#### **B. TECHNOLOGY ABSORPTION**

Your company continues to use the latest technologies for improving the productivity and quality of its products. The company's operations do not require significant import of technology.

#### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Total Foreign Exchange used and earned:

FOB Value earned	₹ 151,257,855/-
Total Foreign Exchange outgo	₹ 61,920,001/-

# DIRECTORS' REPORT (CONTD.)

## ANNEXURE III

Particulars of Contracts/Arrangement with related parties

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**This form pertains to the 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 the third proviso thereto**

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

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms*	Amount (₹ In lakhs)
Kewalchand P. Jain	Promoter Director	01.09.2014 - 31.08.2019	As per Agreement	9.98
Hemant P. Jain	Promoter Director	01.09.2014 - 31.08.2019	As per Agreement	8.60
Dinesh P. Jain	Promoter Director	01.09.2014 - 31.08.2019	As per Agreement	5.66
Vikas P. Jain	Promoter Director	01.09.2014 - 31.08.2019	As per Agreement	5.66
Shantaben P. Jain	Promoter	01.09.2014 - 31.08.2019	As per Agreement	9.18
Pankaj K. Jain	Relative of Promoter Director	Ongoing	As per terms of appointment	27.24
Hitendra H. Jain	Relative of Promoter Director	Ongoing	As per terms of appointment	23.35
Jai D. Jain	Relative of Promoter Director	1.11.2018 -Ongoing	As per terms of appointment	2.02
Yash V. Jain	Relative of Promoter Director	1.11.2018 -Ongoing	As per terms of appointment	2.02
Pandya & Co.	Mr. Nimesh Pandya, Non Executive Independent Director is the proprietor of M/s. Pandya & Co.	14.05.2015 - ongoing	Professional Fees on actuals	1.70
Bansi S. Mehta & Co.	Mr. Yogesh Thar and Ms. Drushti Desai Non Executive Independent Directors are partners of M/s. Bansi S. Mehta & Co.	23.01.2019 - ongoing	Professional Fees on actuals	1.17

\*Appropriate approvals have been taken from the Audit Committee, the Board of Directors and the members of the company from time to time for the related party transactions as mentioned above.

2. Details of contracts or arrangements or transactions at arm's length basis - Nil

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,  
The Members,  
**Kewal Kiran Clothing Limited**  
Kewal Kiran Estate, 460/7, I. B. Patel Road,  
Near Western Express Highway, Goregaon (East)  
Mumbai - 400063

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KEWAL KIRAN CLOTHING LIMITED** [CIN: L18101MH1992PLC065136] (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

I. We have examined the Secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019**, as shown to us during our audit, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:



- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to the extent applicable;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the extent applicable.
  - c. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.
- II. We further report that the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.
- III. During the year under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.
- IV. We have relied on the representation made by the Company and its officers and state that there are no other laws, rules / regulations specifically applicable to the industry under which the Company operates.
- V. The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 were, in our opinion, not attracted during the financial year under report:
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

## DIRECTORS' REPORT (CONTD.)

f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

VI. The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder in relation to Overseas Direct Investment and External Commercial Borrowings were not attracted during the financial year under report.

VII. We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors / Independent Directors.

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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the year under review.

VIII. We have relied on the representation made by the Company and its officers for the compliance of various

applicable laws, rules, regulations and guidelines and after examining the system and mechanism followed by the Company for compliances we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure the compliance of applicable laws, rules, regulations and guidelines.

IX. We further report that during the audit period, there has not been any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **U. P. Jain & Co.**  
Company Secretaries

**Ummedmal P. Jain**  
Proprietor  
FCS-3735, CP-2235

Dated: July 24, 2019  
Place: Mumbai

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





## ANNEXURE A

(To the Secretarial Audit Report of KEWAL KIRAN CLOTHING LIMITED  
for the financial year ended March 31, 2019)

To,  
The Members,  
**KEWAL KIRAN CLOTHING LIMITED**  
Kewal Kiran Estate, 460/7, I. B. Patel Road,  
Near Western Express Highway, Goregaon (East)  
Mumbai - 400063

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. In respect of the filing of forms /returns by the Company, related to the period under audit, we have not observed any material non-compliance, which can have material bearing on the financial of the Company and hence have not reported in our audit report.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **U. P. Jain & Co.**  
Company Secretaries

**Ummedmal P. Jain**  
Proprietor  
FCS-3735, CP-2235

Dated: July 24, 2019  
Place: Mumbai

# DIRECTORS' REPORT (CONTD.)

## ANNEXURE V

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 are as under:-

Sr. No	Name of Director/ KMP and Designation	Remuneration of the Director/ KMP for the financial year 2018-19 [In Rupees]	% increase in remuneration in the financial year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Kewalchand P. Jain, Chairman & Managing Director	7,989,600	Nil	29: 1
2	Mr. Hemant P. Jain, Whole Time Director	7,989,600	Nil	29: 1
3	Mr. Dinesh P. Jain, Whole Time Director	7,989,600	Nil	29: 1
4	Mr. Vikas P. Jain, Whole Time Director	7,989,600	Nil	29: 1
5	Mr. Bhavin Sheth, Chief Financial Officer	5,500,002	12.24	20: 1
6	Mr. Abhijit Warange, Company Secretary	3,583,734	2.39	13: 1

#### Notes:

- Gross remuneration figures are based on Cost to Company (CTC) and does not include gratuity to be paid at the time of separation or retirement from services.
  - The Non-Executive Independent Directors are paid only sitting fees which is not considered as remuneration.
- (ii) The Median remuneration of employees of the company during the financial year was ₹ 2.78 Lakhs.
- (iii) In the financial year, there was increase of 20% in the median remuneration of the employees.
- (iv) There were 1882 permanent employees including Piece rate employees on the rolls of company as on March 31, 2019.
- (v) Average percentage increase made in the salaries of the employees (excluding wages) other than Key Managerial Personnel(s) in the financial year 2018-19 was 8.30% whereas, the increase in Key Managerial remuneration was 8.14%.
- (vi) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel(s) and other employees.

## Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014

### A. Name of top 10 employees in terms of remuneration drawn:

Sr. No	Name	Designation	Nature of employment whether contractual or otherwise	Nature of Duties of the employee	Qualification	Age in years	Date of Commencement of employment	Total Experience in years	Gross Remuneration (₹)	Previous Employment/ Designation
1	Kewalchand P. Jain	Chairman & Managing Director	Permanent	Finance & overall control of the company affairs	Under Graduate	57	January 30, 1992	36	7,989,600	Keval Kiran & Co/ Partners
2	Hemant P. Jain	Wholetime Director	Permanent	Marketing - Killer & Easies	Under Graduate	55	January 30, 1992	34	7,989,600	Keval Kiran & Co/ Partner
3	Dinesh P. Jain	Wholetime Director	Permanent	Production	Under Graduate	50	October 2, 1997	29	7,989,600	Keval Kiran & Co/ Partner
4	Vikas P. Jain	Wholetime Director	Permanent	Marketing- Lawman, Integrity & K-Lounge Stores	B. Com	48	October 2, 1997	26	7,989,600	N.A
5	Lakhbir Singh	Brand Head - Killer	Permanent	End to End operations of Killer brand	1. B. Com 2. M. Com 3. M.B.A. 4. M. Phil	40	September 21, 2018	17	70,00,003	Royal Classic Group (Classic Polo) – Business Head
6	Bhavin Sheth	Chief Financial Officer	Permanent	Financial Operations & Control	1.B. Com 2.C.A. 3.D.I.S.A.	43	January 15, 2016	20	55,00,003	GTL Limited - Joint CFO
7	Dr. Sanjeev Kumar Chauhan	Head - HR	Permanent	Human Resource Operations including OD interventions	1. B.A. 2.PHD Law, 3.M.B.A. 4.L.L.M.	52	May 8, 2014	33	55,00,003	Gitanjali Gems Ltd. - Head HR
8	Abhijit Warange	Vice President - Legal and Company Secretary	Permanent	Legal and Secretarial Work	1.B. Com 2.C.S. 3.L.L.B	41	November 1, 2009	17	35,83,734	Zodiac Clothing - Assistant Manager - Secretarial
9	Nimesh Anandpara	Deputy General Manager	Permanent	Financial Operations	1.B. Com 2.C.A.	37	January 7, 2008	16	35,50,009	Shruti Shah & Co - Audit and Taxation Manager
10	Ashish Barodia	Head Operations - Easies	Permanent	End to End operations of Easies brand	1.Diploma in Mechanical Engineering 2.M.B.A. - Marketing	46	April 1, 2014	26	33,00,007	K.G. Denim- General Manager - Apparel Division

#### Note :-

- Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain are brothers. Save and except Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain none of the other employees' aforesaid hold equity shares in the company either individually or together with their spouse or dependent children exceeding two percent of the total equity shares. The details of the shareholding of Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain are detailed in the Corporate Governance Report which forms a part of the Annual Report.
- Gross Remuneration figures are based on Cost to Company (CTC) as on 31st March, 2019 and does not include gratuity to be paid at the time of separation or retirement from service.
- Mr. Bhavin Sheth, Mr. Lakhbir Singh and Mr. Nimesh Anandpara's remuneration figures exclude variable performance pay.

# DIRECTORS' REPORT (CONTD.)

## ANNEXURE VI

# CORPORATE SOCIAL RESPONSIBILITY REPORT

### 1. CORPORATE SOCIAL RESPONSIBILITY POLICY

Social and Environmental responsibility has always been at the forefront of Kewal Kiran Clothing Limited's operating philosophy and as a result the Company consistently contributes to socially responsible activities. Corporate Social Responsibility (CSR) at Kewal Kiran Clothing Limited portrays the deep symbiotic relationship that the group enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates.

We are of the opinion that CSR underlines the objective of bringing about a difference and adding value to our stakeholders' lives. Kewal Kiran Clothing Limited's Corporate Social Responsibility Policy is rooted in the Company's core values of quality, reliability and trust guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business.

Pursuant to Section 135 of the Companies Act, 2013 and rules made there under the company had approved the Corporate Social Responsibility policy, as recommended by Corporate Social Responsibility Committee, in the Board Meeting held on April 23, 2018. The company incurred a CSR spend of an amount of ₹ 19,100,000/- during the financial year 2018-19. The details of the donations made during the year ended March 31, 2019 are detailed below:

Sr. No.	Name of the Party	Amount (₹)	Purpose
1.	Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	18,100,000/-	Promoting health care including preventive health care
2.	People For Animals	500,000/-	Rehabilitate sick and needy animals
3.	Jain International Trade Organization	500,000/-	Support for bereaved families of the Martyrs of Pulwama

The web-link to the CSR policy is <https://kewalkiran.com>

### 2. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013 the Board of Directors have in the Board Meeting held on May 10, 2015 constituted Corporate Social Responsibility Committee under the chairmanship of Mr. Nimish Pandya and comprising of Mr. Kewalchand Jain and Mr. Hemant Jain as members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

**3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE YEARS:** ₹ 950,763,954/-

**4. PRESCRIBED CSR EXPENDITURE:** (2% of the amount as in item no. 3): ₹ 19,015,279/-

**5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:** 2018-2019

**a. Total amount to be spent for the financial year -** ₹ 19,100,000/-

**b. Amount unspent, if any -** Nil

**c. Manner in which the amount spent during the financial year is detailed below -**

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1.Local area or other 2.State & district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the programs or projects Direct expenditure on programs or projects and Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Contribution towards operating hospital	Promoting health care including preventive health care	Sadri, Rajasthan	18,100,000	18,100,000	18,100,000	Implementing Agency - Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust
2.	Contribution towards Rehabilitation of animals	Promoting Welfare of needy animals	Pan India	500,000	500,000	500,000	Implementing Agency - People For Animals.
3.	Financial aid towards families of martyrs of Pulwama Attack 2019	Measures for the benefit of armed forces, veterans, war widows and their dependents	Pan India	500,000	500,000	500,000	Implementing Agency - Jain International Trade Organization

**6. REASON FOR FAILURE TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF - Not applicable**

- 7.** The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the company.

**Mr. Kewalchand P. Jain**  
 (Chairman and Managing Director)  
 DIN: 00029730

**Mr. Nimish G. Pandya**  
 (Chairman CSR Committee)  
 DIN: 00326966

# CORPORATE GOVERNANCE REPORT



## I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Kewal Kiran Clothing Limited is committed to good Corporate Governance in order to enhance stakeholders' value. Your company believes that Corporate Governance is not an end in itself but a catalyst in the process towards maximization of stakeholder value. Your company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with its stakeholders. It is your company's belief that good ethics make good business sense and our business practices are in keeping with the spirit of maintaining the highest level of ethical standards.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide for stricter disclosure and protection of investor rights by listed entities. The regulations are aligned with the provisions of the Companies Act, 2013 and are aimed to encourage companies to adapt best practices on Corporate Governance. Our Corporate Governance frame work has helped us be aligned with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We believe that an active, well informed and independent Board is necessary to ensure the highest standard of Corporate Governance. The Board of Directors of your company is at the core of our Corporate Governance practices. The Board thus oversees your company's management functions and protects the long term interest of our stakeholders.

In so far as compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is concerned, your company has complied in all material respects with the requirements of Corporate Governance specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company continues to undertake the Audit of its secretarial records by Practicing Company Secretary in respect of compliance with the applicable provision of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable regulations and guidelines issued by Securities and Exchange Board of India. A copy of the Secretarial Audit Report for the period under review is a part of the Annual Report.

## II. BOARD OF DIRECTORS

### Composition of the Board: -

The Board of Directors along with its Committees provides leadership and guidance to your Company's management and also directs, supervises and controls the performance of the Company.

The Board of Directors of your company has an optimum combination of Executive and Non Executive Directors. As at March 31, 2019 the Board of Directors comprise of 8 Directors of which 4 are Independent Non-executive Directors including 1 Woman Director. The Executive Directors of your company have more than two decades of hands on experience in manufacturing and retailing of branded apparels. The Non Executive Independent Directors are eminent professionals with wide range of knowledge and experience in various spheres of business and industry, finance and law.



The meetings of the Board of Directors are scheduled well in advance. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings.

None of the Director on the Company's Board is a Member of more than ten (10) Committees and Chairman of more than five (5) Committees (Committees being Audit Committee and Stakeholder Relationship Committee) across all the public limited companies in which he/she is a Director. All the Director have made necessary disclosures regarding Committee position held by them in other Companies and do not hold the office of Director in more than twenty (20) companies, including ten (10) public companies. None of the Non-Executive Independent Director is acting as an Independent Director in more than seven (7) listed entities. None of the Non-Executive Independent Director who is serving as a Whole time Director in a listed entity is acting as an Independent Director in more than three (3) listed entities.

The composition of the Board and other relevant details relating to Directors as on March 31, 2019 are given below:

Name of the Director	Designation	Category of Directorship	No. of other Directorship	No. of Committee Chairmanship/ Membership
Mr. Kewalchand P. Jain (DIN - 00029730)	Chairman & Managing Director	Promoter & Executive	8	1
Mr. Hemant P. Jain (DIN - 00029822)	Whole-time Director	Promoter & Executive	7	1
Mr. Dinesh P. Jain (DIN - 00327277)	Whole-time Director	Promoter & Executive	7	0
Mr. Vikas P. Jain (DIN - 00029901)	Whole-time Director	Promoter & Executive	6	0
Mr. Yogesh A. Thar (DIN - 02687466)	Director	Independent-Non Executive	0	1
Dr. Prakash A. Mody (DIN - 00001285)	Director	Independent-Non Executive	1	1
Mr. Nimish G. Pandya (DIN - 00326966)	Director	Independent-Non Executive	0	2
Ms. Drushti R. Desai (DIN - 00294249)	Director	Independent-Non Executive	3	4

Note:

Details of other directorships (excluding directorship in Kewal Kiran Clothing Limited)/Committee memberships (including committee chairmanship/membership in Kewal Kiran Clothing Limited) are given by way of a separate Annexure.

The Committee chairmanship/membership of the Directors is restricted to the chairmanship/membership of Audit Committee and Stakeholders Relationship and Shareholder/Investor Grievance Committee. It excludes Chairmanship/ Membership in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

**Number of Board Meetings held and attended by Directors:-**

(i) The meetings of the Board of Directors are scheduled well in advance. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings. During the year under review five (5) meetings of the Board of Directors were held on the following dates: -

April 23, 2018, July 21, 2018, October 25, 2018, January 23, 2019 and March 7, 2019. The Maximum time gap between any two consecutive meetings did not exceed 120 days.

## CORPORATE GOVERNANCE REPORT (CONTD.)

- (ii) The attendance record of each of the Directors at the Board Meetings during the year ended on March 31, 2019 and during the last Annual General Meeting is as under: -

Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Kewalchand P. Jain	4 of 5	Present
Mr. Hemant P. Jain	5 of 5	Present
Mr. Dinesh P. Jain	5 of 5	Present
Mr. Vikas P. Jain	5 of 5	Present
Mr. Yogesh A. Thar	5 of 5	Present
Dr. Prakash A. Mody	3 of 5	Absent
Mr. Nimish G. Pandya	5 of 5	Present
Ms. Drushti R. Desai	5 of 5	Present

### Disclosure of relationship between the Directors inter-se:

Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain are brothers.

### Details of shares held by directors in the company as on March 31, 2019

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

61,53,000 shares are held by Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain as trustees of the P.K. Jain Family Holding Trust.

#### \*Note:

The said shares held by Mr. K. P. Jain includes 16,000 equity shares in his capacity of Karta of Kewalchand P. Jain H.U.F and 79,361 shares held j/w Veena K. Jain.

The said shares held by Mr. H.P. Jain includes 16,000 equity shares in his capacity of Karta of Hemant P. Jain H.U.F and 80,665 shares held j/w Lata H. Jain.

The said shares held by Mr. D.P. Jain includes 16,000 equity shares in his capacity of Karta of Dinesh P. Jain H.U.F and 102,581 shares held j/w Sangeeta D. Jain.

The said shares held by Mr. V.P. Jain includes 16,000 equity shares in his capacity of Karta of Vikas P. Jain H.U.F and 94,571 shares held j/w Kesar V. Jain.





**Details of names of the listed entities where the Director is a Director and the category of directorship**

Sr. No.	Name of the Director	Name of listed company where Director other than KKCL	Category of Directorship
1	Mr. Kewalchand P. Jain	NIL	NA
2	Mr. Hemant P. Jain	NIL	NA
3	Mr. Dinesh P. Jain	NIL	NA
4	Mr. Vikas P. Jain	NIL	NA
5	Mr. Yogesh A. Thar	NIL	NA
6	Dr. Prakash A. Mody	Unichem Laboratories Limited	Executive Director
7	Mr. Nimish G. Pandya	NIL	NA
8	Ms. Drushti R. Desai	(i) Narmada Gelatines Limited (ii) Chemfab Alkalis Limited	Non-Executive Non-Independent Independent Director

**Familiarisation Programme for Independent Directors:-**

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as an Independent Director of the Company. The Independent Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations. The Chairman and Managing Director also has one to one discussion with the newly appointed Independent Director to familiarize him/her with the Company's operations. Further the Company has put in place a policy to familiarize the Independent Directors about the company, its products, business and on-going events relating to the Company.

During the financial year 2018-19 the Independent Directors have attended familiarization programme conducted by the company and the web-link for the details of familiarization programme is <https://kewalkiran.com>

**Core skills/expertise/competencies identified by the board of directors for it to function effectively and available with the Board:**

The Board of Directors ('Board') has not established specific minimum age, education, years of business experience or specific types of skills for appointing any individual as a Board member, but, in general, expects an individual to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values and loyalty to the interest of the Company and its stakeholders.

The Board would generally ensure that an individual should have ability to exercise objectivity and independence in making informed business decisions, willingness and commitment to devote the required time to fulfil his/her duties, ability to communicate effectively and collaborate with other Board members to contribute effectively to the diversity of perspectives that enhances Board including a willingness to listen to and respect the views of others.

The Board would also assess individual's skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in international operations, public service, finance, accounting, strategic planning, technology and marketing. The Company believes that an effective and diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

The ultimate objective is to have a Board that offers a broad range of perspectives that are directly relevant to the business and organizational needs.

Name of the Director	Expertise in specific functional area
Kewalchand Jain	Apparel and Textile Industry domain expert, Finance, Banking and Corporate Management
Hemant Jain	Apparel and Textile Industry domain expert, Business Strategy, Marketing, Corporate Management, Retail Business
Dinesh Jain	Human Resources (HR) and Industrial Relations (IR), Resource Management, Overall operation and development of production facilities
Vikas Jain	Marketing, Retail Business, Corporate Management, Research for new technologies in manufacturing
Prakash Mody	Marketing, Communication, Advertising, Media, Research and Production
Drushti Desai	Valuation of Shares, Businesses and Intangibles and Advisory Services on schemes relating to Mergers, Acquisitions, Spin-offs and other forms of Corporate Restructuring and Family Settlements, Financial and

# CORPORATE GOVERNANCE REPORT (CONTD.)



Nimish Pandya Management Advice and Corporate and Individual Taxation (income tax, wealth tax and gift tax)

Mergers and Acquisitions, Litigation and Arbitration, Trusts and Charities, Corporate, Commercial and Financial Planning and Execution, including Transaction Support and Contracts, Intellectual Property, Technology, Media and Communications, Competition and Trade, Conveyance and Real Estates and Family and Personal Law

Yogesh Thar

Business Mergers, Acquisitions and Restructuring, Business Valuations, Corporate Taxation and Taxation of Non-resident Citizens and Foreign Companies

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and are independent of the management. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on the website of the Company.

## Governance Codes:-

### • Code of Conduct

In line with the company's objective of following the best Corporate Governance Standards the Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the company. The Code is effective from January 14, 2006.

All the Board members and Senior Management of the Company as on March 31, 2019 have affirmed compliance with their respective Codes of Conduct in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has also adopted code for Independent Directors in the Board meeting held on May 10, 2014 pursuant to Section 149(8) of the Companies Act, 2013 which makes it mandatory for independent directors to abide by the provisions of the code.

### • Conflict of Interest

Each Director informs the company on an annual basis about the Board and the Committee positions he/she occupies in other companies and notifies changes if any during the year. The Board Members while discharging their duties, avoid conflict of interest in the decision making process. The members of the Board neither participate in any discussions nor vote in any transactions in which they have any concern or interest.

### • Insider Trading Code

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 the company had formulated and approved the amended (i) Insider Trading Code to regulate dealings in the securities of the company by designated persons in compliance with the regulations, (ii) policy for fair disclosure of unpublished price sensitive information and (iii) Unpublished Price Sensitive Information Leak Enquiry Policy. The aforesaid codes were effective to the company from April 1, 2019. Mr. Abhijit Warange, Vice President - Legal and Company Secretary is the Compliance Officer for the purpose of Insider Trading Code while Mr. Bhavin Sheth, Chief Financial Officer is Chief Investor Relations Officer for the purpose of the fair disclosure policy.



The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process.

### III. AUDIT COMMITTEE

#### Constitution of Audit Committee: -

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the internal control and financial reporting process. The composition, quorum, powers, role and scope of the Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Audit Committee are financially literate and bring in expertise in the field of Finance, Taxation, Economics and Risk Management.

The Audit Committee comprises the following members:

Mr. Yogesh A. Thar, Non Executive-Independent Director	Chairman and Member
Mr. Nimish G. Pandya, Non Executive-Independent Director	Member
Ms. Drushti R. Desai, Non Executive-Independent Director	Member

Mr. Abhijit B. Warange, Company Secretary acts as the Secretary of the Committee.

The terms of reference of the Audit Committee:

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process. The Audit Committee, inter-alia, performs the functions of discussing and reviewing quarterly and audited financial results, recommendation of appointment of statutory auditors and their remuneration, recommendation of appointment and remuneration of internal auditors, review of Internal Audit Reports, approval and review of related party transactions.

For the smooth and effective functioning, the Audit Committee has also powers to investigate any activity within its terms of reference, to seek information from employees and obtain outside and legal/ professional advise. In addition to the above, the other role and terms of reference of the Audit Committee cover the matters as specified in Section 177 of the Companies Act, 2013 read with Regulation 18(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Meetings of the Audit Committee: -

During the year ended March 31, 2019, four (4) Audit Committee meetings were held on April 23, 2018, July 21, 2018, October 25, 2018 and January 23, 2019. The attendance of each Audit Committee member is given hereunder: -

Name of the Audit Committee Member	No. of meetings attended
Mr. Yogesh A. Thar	4 of 4
Mr. Nimish G. Pandya	4 of 4
Ms. Drushti R. Desai	4 of 4

#### Attendees: -

At the invitation of the Company, representatives from various divisions of the company, internal auditors, statutory auditors and the Chief Financial Officer also attend the Audit Committee Meeting to respond to queries raised at the Committee Meetings.

### IV. NOMINATION AND REMUNERATION COMMITTEE

#### Composition of Committee:-

The Nomination and Remuneration Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 and Part D (Point A) of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

# CORPORATE GOVERNANCE REPORT (CONTD.)

The Nomination and Remuneration Committee comprises of the following members:

Mr. Nimish G. Pandya, Non Executive-Independent Director	Chairman and Member
Mr. Yogesh A. Thar, Non Executive-Independent Director	Member
Dr. Prakash A. Mody, Non Executive-Independent Director	Member
Ms. Drushti R. Desai, Non Executive-Independent Director	Member

Mr. Abhijit B. Warange, Company Secretary acts as the Secretary of the Committee.

The terms of reference of Nomination and Remuneration Committee includes:-

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies and in the industry.
- To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long -term performance objectives appropriate to the working of the company and its goals.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise policy on diversity of Board of Directors.
- To determine whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent director.
- To recommend to the board all remuneration, in whatever form, payable to senior management.

## Meetings of the Nomination and Remuneration Committee:

During the year ended March 31, 2019 one (1) Nomination and Remuneration Committee meeting was held on April 23, 2018. The attendance of Nomination and Remuneration Committee meeting is given hereunder:-

Name of the Nomination and Remuneration Committee Member	No. of meetings attended
Mr. Nimish G. Pandya	1 of 1
Mr. Yogesh A. Thar	1 of 1
Dr. Prakash A. Mody	0 of 1
Ms. Drushti R. Desai	1 of 1

## Performance Evaluation:-

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of individual directors as well as the evaluation of the working of the Board and Committees in accordance with the performance evaluation policy. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## V. REMUNERATION OF DIRECTORS

### Remuneration Policy for Executive Directors:-

The Board of Directors of the company presently comprises of four Executive Directors namely Mr. Kewalchand P. Jain, Chairman and Managing Director, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain, Whole-time Directors.

The remuneration of the Executive Directors is governed by the Articles of Association of the Company, the resolution of the Board of Directors and the members. The details of the remuneration paid to the Executive Directors have been detailed hereafter.

Revisions, if any in the remuneration of the Executive Directors are deliberated by the Nomination and Remuneration Committee of the Board. Based on the recommendation of the Nomination and Remuneration



Committee, the Board decides on the revision subject to the shareholders approval.

#### Remuneration Policy for Non-Executive Directors:-

Non-Executive Directors of a company's Board of Directors can add substantial value to the company through their contribution to the Management of the company. In addition, they can safeguard the interest of the investors at large by playing an appropriate control role. Non-Executive Directors bring in their long experience and expertise and add substantial value to the deliberations of the Board and its Committee.

#### All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity

Payments to M/s. Bansi S. Mehta & Co., Chartered Accountants, where Ms. Drushti R. Desai and Mr. Yogesh A. Thar are Partners, amounted to ₹ 1,16,500/- (Excluding GST) for Income Tax related services;

Payments to M/S. Pandya & Co., Advocates, where Mr. Nimish G. Pandya is a Proprietor, amounted to ₹ 1,70,000/- for legal services.

#### Criteria of making payment to Non-Executive Directors:-

Apart from receiving sitting fees for attending the Board /Committee meetings the Non-Executive Directors have no other pecuniary relationship or transaction with the company. The sitting fees paid to the Non Executive Directors is within the statutory limits prescribed under the Companies Act, 2013 and the rules made thereunder for payment of sitting fees without the approval of the Central Government.

#### Service contracts, notice period and severance fee:-

The appointment of the Executive Directors is governed by the Articles of Association of the Company, the resolution of the Board of Directors and the members.

There is no provision for severance fees.

Details of sitting fees, remuneration etc. paid to Directors for the year ended March 31, 2019.

Name of the Directors	Sitting Fees	Salary	Contribution to PF and Perquisites	Retiral benefits/ Bonuses/ Commission payable/ performance linked incentive/pension/ Stock options granted	Total
Mr. Kewalchand P. Jain	Nil	₹ 75,00,000	₹ 4,89,600	Nil	₹ 79,89,600
Mr. Hemant P. Jain	Nil	₹ 75,00,000	₹ 4,89,600	Nil	₹ 79,89,600
Mr. Dinesh P. Jain	Nil	₹ 75,00,000	₹ 4,89,600	Nil	₹ 79,89,600
Mr. Vikas P. Jain	Nil	₹ 75,00,000	₹ 4,89,600	Nil	₹ 79,89,600
Mr. Yogesh A. Thar	₹ 7,80,000	Nil	Nil	Nil	₹ 7,80,000
Dr. Prakash A. Mody	₹ 2,40,000	Nil	Nil	Nil	₹ 2,40,000
Mr. Nimish G. Pandya	₹ 8,40,000	Nil	Nil	Nil	₹ 8,40,000
Ms. Drushti R. Desai	₹ 7,80,000	Nil	Nil	Nil	₹ 7,80,000

## VI. STAKEHOLDERS RELATIONSHIP AND SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE

#### Composition of Committee:-

The Stakeholders Relationship and Shareholder/Investor Grievance Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act,

2013 and Regulation 20 and Part D (Point B) of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Stakeholders Relationship and Shareholder/Investor Grievance Committee comprise of the following members:

# CORPORATE GOVERNANCE REPORT (CONTD.)

Mr. Nimish G. Pandya, Non Executive- Independent Director	Chairman and Member
Mr. Kewalchand P. Jain, Chairman & Managing Director	Member
Mr. Hemant P. Jain, Whole-time Director	Member

Mr. Abhijit B. Warange, Company Secretary acts as the Secretary of the Committee.

The terms of reference of Stakeholders Relationship and Shareholder/ Investor Grievance Committee are to specifically look into the redressal of shareholders and investors complaints like transfer of shares, non receipt of balance sheet, non receipt of dividends, etc.

### Meetings of the Stakeholders Relationship and Shareholder/ Investor Grievance Committee:-

During the year ended March 31, 2019 one (1) Stakeholders Relationship and Shareholder/ Investor Grievance Committee meeting was held on March 7, 2019. The attendance of Stakeholder Relationship and Shareholder/ Investor Grievance Committee members is given hereunder: -

Name of the Stakeholders Relationship and Shareholder/Investor Grievance Committee Member	No. of meetings attended
Mr. Nimish G. Pandya	1 of 1
Mr. Kewalchand P. Jain	1 of 1
Mr. Hemant P. Jain	1 of 1

Status report of the complaints received and resolved to the satisfaction of the shareholders/investors during the year ended March 31, 2019.

No. of complaints received - 0

No. of complaints resolved - 0

No. of complaints pending - 0

### Name and Designation of the Compliance Officer:-

Mr. Abhijit B. Warange - Vice President - Legal & Company Secretary, who is the Compliance Officer, can be contacted at, Kewal Kiran Estate, 460/7, I.B. Patel Road, Goregaon (East), Mumbai - 400063

Tel: 022-26814400, Fax: 02226814410

E-mail: grievanceredressal@kewalkiran.com

## VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition of Committee:-

The Corporate Social Responsibility (CSR) Committee was constituted pursuant to Section 135 of the Companies Act, 2013.

Corporate Social Responsibility Committee comprises of the following members:

Mr. Nimish G. Pandya, Non Executive-Independent Director	Chairman and Member
Mr. Kewalchand P. Jain, Chairman & Managing Director	Member
Mr. Hemant P. Jain, Whole-time Director	Member

Mr. Abhijit B. Warange, Company Secretary acts as the Secretary of the Committee.

The terms of reference of Corporate Social Responsibility Committee broadly comprises:

- To review the existing CSR policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process
- To recommend the amount of expenditure to be incurred on the activities as specified in Schedule VII of the Companies Act, 2013
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

### Meetings of the Corporate Social Responsibility Committee:-

During the year ended March 31, 2019 one (1) Corporate Social Responsibility Committee meeting was held on April 23, 2018. The attendance of Corporate Social Responsibility Committee meeting is given hereunder:

Name of the Member of Corporate Social Responsibility Committee	No. of meetings attended
Mr. Nimish G. Pandya	1 of 1
Mr. Kewalchand P. Jain	1 of 1
Mr. Hemant P. Jain	1 of 1

The policy on CSR as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the CSR Policy is <https://kewalkiran.com>

## VIII. RISK MANAGEMENT COMMITTEE

### Composition of Committee:-

The Company has constituted Risk Management Committee.

Risk Management Committee comprises of the following members:

Mr. Kewalchand P. Jain, Chairman & Managing Director	Chairman
Mr. Hemant P. Jain, Whole-time Director	Member
Mr. Nimish G. Pandya, Non Executive-Independent Director	Member
Mr. Bhavin Sheth, Chief Financial Officer	Member
Dr. Sanjeev Chauhan, Head - Human Resource	Member & Secretary
Mr. Abhijit Warange, Vice President Legal and Company Secretary	Member

#### Risk Management Policy:-

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

#### Role and Responsibilities of the Committee includes the following:-

- Framing of Risk Management Plan and Policy;
- Overseeing implementation of Risk Management Plan and Policy;
- Monitoring of Risk Management Plan and Policy;
- Validating the process of risk management;
- Validating the procedure for risk minimisation;
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes;
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- Performing such other functions as may be necessary or appropriate.

#### Meetings of the Risk Management Committee:-

During the year ended March 31, 2019 four (4) Risk Management Committee meetings were held

on April 16, 2018, July 14, 2018, October 16, 2018 and January 10, 2019. The attendance of Risk Management Committee meeting is given hereunder:

Name of the Risk Management Committee Member	No. of meetings attended
Mr. Kewalchand P. Jain	3 of 4
Mr. Hemant P. Jain	4 of 4
Mr. Nimish G. Pandya	4 of 4
Mr. Abhijit B. Warange	4 of 4
Mr. Bhavin Sheth	4 of 4
Dr. Sanjeev Chauhan	4 of 4

## IX. INVESTMENT COMMITTEE

#### Composition of Committee:-

The Investment Committee comprises of the following members:

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

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

#### Meetings of the Investment Committee:-

During the year ended March 31, 2019 one (1) Investment Committee meeting was held on July 4, 2018. The attendance of Investment Committee meeting is given hereunder:

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



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## X. BORROWING COMMITTEE

### Composition of Committee:-

The Borrowing Committee comprises the following members:

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

### Role and Responsibilities of the Committee includes the following:-

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

### Meetings of the Borrowing Committee:-

During the year ended March 31, 2019 two (2) Borrowing Committee meetings were held on September 14, 2018 and November 12, 2018. The attendance of Borrowing Committee meeting is given hereunder:

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

## XI. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on March 7, 2019 interalia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executives Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## XII. GENERAL BODY MEETINGS

Location, time and date where the three immediately preceding Annual General Meetings of the company were held are given below:

Financial Year	Day & Date	Time	Venue
2015-16	Wednesday, September 7, 2016	12.00 noon	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Fort, Mumbai - 400 001
2016-17	Thursday, September 7, 2017	12.00 noon	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Fort, Mumbai - 400 001
2017-18	Tuesday, September 4, 2018	12.00 noon	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Fort, Mumbai - 400 001





### Special Resolutions passed in previous three Annual General Meetings:

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

**26th Annual General Meeting:** At this meeting there were no Special Resolutions passed by the members of the Company.

**27th Annual General Meeting:** At this meeting seven (7) Special Resolutions were passed by the members of the Company. These special resolutions were with regard to:

- Appointment of Mr. Hemant P. Jain as the Whole-time Director of the Company
- Appointment of Mr. Dinesh P. Jain as the Whole-time Director of the Company
- Appointment of Mr. Vikas P. Jain as the Whole-time Director of the Company
- Re-appointment of Ms. Drushti R. Desai, Independent Non-Executive Director of the Company not liable to retire by rotation to hold office for a second term of 5 (five) consecutive years
- Re-appointment of Mr. Nimish G. Pandya, Independent Non-Executive Director of the Company not liable to retire by rotation to hold office for a second term of 5 (five) consecutive years
- Re-appointment of Dr. Prakash A. Mody, Independent Non-Executive Director of the Company not liable to retire by rotation to hold office for a second term of 5 (five) consecutive years
- Re-appointment of Mr. Yogesh A. Thar, Independent Non-Executive Director of the Company not liable to retire by rotation to hold office for a second term of 5 (five) consecutive years

### Special Resolutions whether passed by Postal Ballot:-

No special resolution was passed by postal ballot in the last year and also no resolution requiring approval of shareholders by way of postal ballot is proposed to be passed in the ensuing Annual General Meeting of the Company.

## XIII. MEANS OF COMMUNICATION

The Annual Financial Results of the company for the financial year ended March 31, 2019 are published in The Economic Times, Business Standard, Mint, The Free Press Journal and Navshakti. The results of the company are normally published in The Economic Times, Business Standard, Mint and Lokmat. The financial results and other information are displayed on the company's website viz. www.kewalkiran.com. The company also displays official news releases on its website for the information of its shareholders/investors. Even presentations

made to institutional investors have been hosted on the website of the company.

The company does not have the system of intimating shareholders individually of its quarterly results. However, investors/shareholders desirous of getting the quarterly audited results are given copies thereof after consideration of results by the Board and publication in newspapers. In the current year the company has sent financial snapshot of its half yearly results to its shareholders in line with its continued thrust for better Corporate Governance. The company will make sincere attempt to continue this trend in the years ahead.

The Management discussion and Analysis Report forms a part of the Annual Report.

## XIV. GENERAL SHAREHOLDERS' INFORMATION

### a) Annual General Meeting:

Day, Date and Time : Wednesday,  
September 18, 2019  
at 12:00 Noon.

Venue : M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushra Dubash Marg, Behind Prince Of Wales Museum, Fort, Mumbai 400 001, Maharashtra

### b) Financial Year: April 1, 2018 to March 31, 2019

### c) Dividend payment date and dates of Book Closure:

Dividend if declared by the shareholders will be made payable on or after September 23, 2019.

### d) Listing on Stock Exchanges:

The Equity Shares of the company got listed on April 13, 2006 and continue to be listed at the following Stock Exchanges: -

The BSE Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai: 400 001.

National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai: 400 051.

### Note:

Listing fees as applicable has been paid to both the stock exchanges i.e The BSE Limited and National Stock Exchange of India Limited.

### e) Stock Code/Symbol:

The BSE Limited : 532732

National Stock Exchange of India Limited : KKCL

ISIN No. : INE401H01017

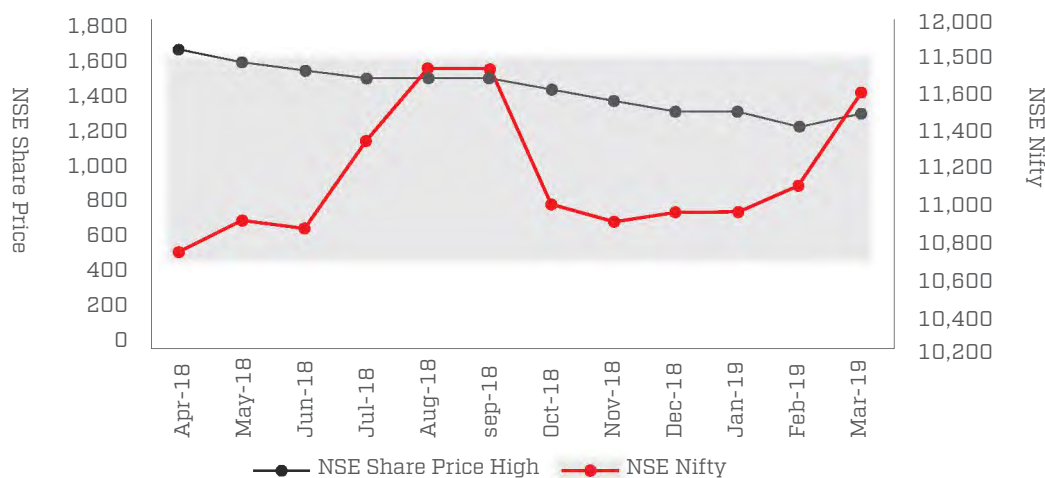
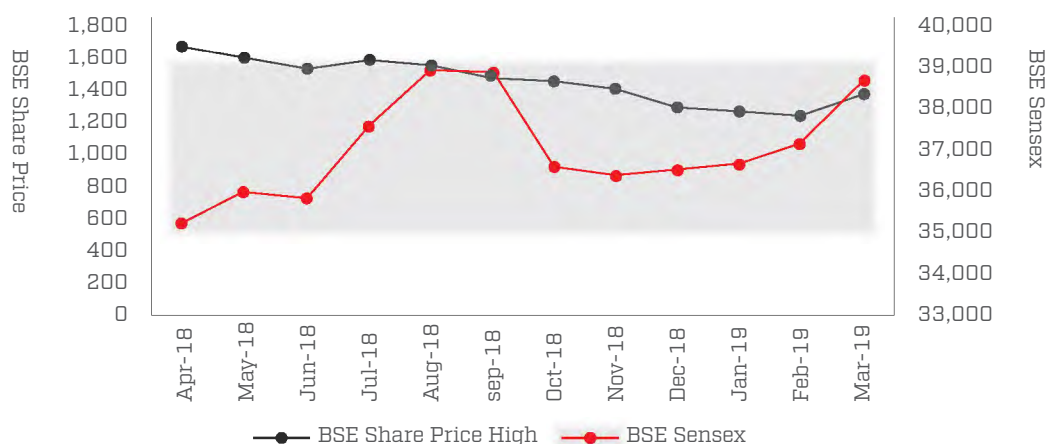
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## f) Market Price Data:

The monthly high and low quotations of the company's shares traded on the BSE Limited and the National Stock Exchange of India Limited during the financial year 2018-2019 are as under:

Months	BSE		NSE	
	High [₹ Per share]	Low [₹ Per share]	High [₹ Per share]	Low [₹ Per share]
April 18	1,685.00	1,523.00	1,665.00	1,490.30
May 18	1,616.95	1,475.00	1,598.60	1,481.10
June 18	1,550.00	1,375.00	1,548.95	1,380.05
July 18	1,597.00	1,320.00	1,507.90	1,336.15
August 18	1,560.00	1,420.20	1,508.00	1,411.90
September 18	1,499.00	1,258.00	1,500.00	1,299.00
October 18	1,470.10	1,250.00	1,450.00	1,230.05
November 18	1,425.00	1,260.05	1,388.60	1,255.00
December 18	1,301.00	1,209.10	1,325.00	1,178.05
January 19	1,287.75	1,100.00	1,320.00	1,135.00
February 19	1,245.55	1,111.00	1,250.05	1,125.00
March 19	1,385.00	1,160.00	1,321.60	1,151.05

## g) Performance in comparison to broad based indices:



h) **Suspension of securities from trading** - Not Applicable

i) **Registrar & Share Transfer Agents:**

Link Intime India Private Limited  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai-400 083

Tel: +91 22 49186000

Fax: +91 22 49186060

Email: mumbai@linkintime.co.in

Website: www.linkintime.co.in

j) **Share Transfer System:**

Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt,

subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Managing Director and/or Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Managing Director/ Company Secretary is placed at every Board meeting / Share Transfer Committee meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificates with stock exchange(s).

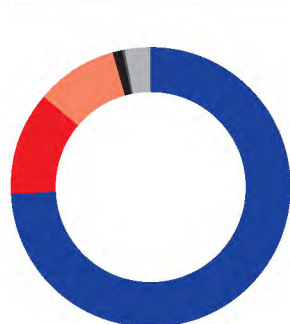
k) **Distribution Pattern of shareholding as on March 31, 2019:**

No of equity shares	Number of shareholders	% of shareholders	Number of shares held	% of shareholding
1-500	5074	97.69	167383	1.36
501-1000	35	0.67	27360	0.22
1001-2000	24	0.46	38354	0.31
2001-3000	6	0.12	14390	0.12
3001-4000	1	0.02	3199	0.03
4001-5000	5	0.10	22280	0.18
5001-10000	14	0.27	90028	0.73
10001 & above	35	0.67	11962043	97.05
<b>Total</b>	<b>5194</b>	<b>100</b>	<b>12325037</b>	<b>100</b>

**Shareholding Pattern as on March 31, 2019:**

Category	No. of Shares	% to total
Indian Promoters	9151473	74.25
Mutual Funds	1467906	11.91
Foreign Portfolio Investor(Corporate)	1168367	9.48
Investor Education and Protection Fund (IEPF)	402	0.00
NRI	15003	0.12
Bodies Corporate	137894	1.12
Independent Director	336	0.00
Clearing Members	1156	0.01
Office Bearers	751	0.01
HUFs	31455	0.26
Public	350284	2.84
Banks / FI	10	0.00
<b>Total</b>	<b>12325037</b>	<b>100.00</b>

**Shareholding Pattern graph as on March 31, 2019:**



Indian Promoters	74.25
Mutual Funds	11.91
Foreign Portfolio Investor(Corporate)	9.48
Investor Education and Protection Fund (IEPF)	0.00
NRI	0.12
Bodies Corporate	1.12
Independent Director	0.00
Clearing Members	0.01
Office Bearers	0.01
HUFs	0.26
Public	2.84
Banks / FI	0.00

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## l) Dematerialisation of Equity Shares:

The shares of the company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems –NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). 99.99% of total equity shares of the company are held in dematerialised form with NSDL & CDSL as on March 31, 2019.

### Liquidity:-

Kewal Kiran Clothing Limited's shares are actively traded on The BSE Limited and National Stock Exchange of India Limited.

## m) Outstanding GDR'S/ADR'S/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The company has not issued any GDR'S/ADR'S/Warrants or any Convertible Instruments.

## n) Commodity price risk or foreign exchange risk and hedging activities:

Your Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the company.

In respect of price risk of raw material used for manufacturing purposes the same is taken care of as per industry requirements.

## o) Plant Locations:

### Vapi

Plot No. 787/1/2A/3, 40, Shed  
IInd Phase, G.I.D.C  
Vapi: 396 195  
Gujarat

### Daman

697/3/5/5A/8/9/13, Near Maharani Estate,  
Somnath Road, Dhabel  
Daman: 396 210

### Mumbai

Synthofine Estate,  
Opp Virwani Industrial Estate  
Goregaon (East), Mumbai: 400 063

71-73, Kasturchand Mill Estate  
Bhawani Shankar Road,  
Dadar (West), Mumbai: 400 028

## p) Address for Investor Correspondence: Shareholding related queries

Link Intime India Private Limited  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai: 400 083

Tel: +91 22 49186000  
Fax: +91 22 49186060  
Email: mumbai@linkintime.co.in  
Website: www.linkintime.co.in

## General Correspondence

Kewal Kiran Estate,  
Behind Tirupati Udyog,  
460/7, I.B. Patel Road,  
Goregaon (East), Mumbai: 400 063

Tel: +91 22 26814400  
Fax: +91 22 26814410  
Email: info@kewalkiran.com  
Website: www.kewalkiran.com

An exclusive email address, grievanceredressal@kewalkiran.com for redressal of investor complaints has been created and the same is available on company's website www.kewalkiran.com

## q) Credit ratings obtained by the entity along with any revisions thereto during the relevant financial year:

CRISIL, India's leading ratings, research, risk and policy advisory Company has assigned 'AA- / Stable' rating for the banking facilities of the company.

## XV OTHER DISCLOSURES

- a. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant Related Party Transactions which have potential conflict with the interest of the company at large. Transactions with related parties are disclosed separately in note no. 2.41 to the financial statements.
- b. No penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital market during the last three years.
- c. The Company has adopted the Vigil Mechanism/ Whistle Blower Policy pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under which the Directors and employees can report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. The Board hereby confirms that no personnel have been denied access to the Audit Committee.
- d. The company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including Regulation 17 to 27 and clauses (b)

- to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is reviewed by the Board from time to time. Half yearly declaration of financial performance including summary of the significant events in last six months were sent to shareholders.
- e. The Company does not have any subsidiaries so the Company is not required to frame a policy for determining 'material' subsidiaries.
  - f. The Company has adopted a Related Party Transaction policy, as recommended by the Audit Committee pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy on Related Party transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the Related Party Policy is <https://kewalkiran.com>
  - g. Your Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the company.
  - h. The Company did not raise any funds through preferential allotment or qualified institutional placement during the year under review.
  - i. A certificate from Practicing Company Secretary, M/s. U.P. Jain & Co. has been received stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
  - j. In the preparation of the financial statement, the Company has followed the Accounting Standards

referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements. The board had accepted all recommendations of committees of the board, which were mandatorily required, in the relevant financial year.

- k. Total fees for all services paid by the company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is - ₹ 27,37,752/- (Excluding TDS).
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. Number of complaints filed during the financial year - 0
  - b. Number of complaints disposed of during the financial year - 0
  - c. Number of complaints pending as on end of the financial year - 0

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Kewalchand P. Jain, Chairman & Managing Director and Mr. Bhavin Sheth, Chief Financial Officer have furnished certificate to the Board in the prescribed format for the year ended March 31, 2019.

The Company has formulated policy on archival and preservation of documents in terms of Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has formulated policy for determination of materiality of event in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



# CORPORATE GOVERNANCE REPORT (CONTD.)

## ANNEXURE TO CORPORATE GOVERNANCE

(A) DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS OF ALL DIRECTORS

### [1] BODIES CORPORATE OF WHICH MR. KEWALCHAND P. JAIN IS A CHAIRMAN/DIRECTOR

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Chairman
Kewal Kiran Management Consultancy Limited	Chairman
Kewal Kiran Media and Communication Limited	Chairman
Kewal Kiran Realtors and Infrastructures Private Limited	Chairman
Kewal Kiran Finance Private Limited	Chairman
White Knitwears Private Limited	Director
Lord Gautam Charitable Foundation	Chairman
Porwal Jain Foundation	Director

#### Committee Memberships

NAME OF THE COMPANY	NAME OF THE COMMITTEE	POSITION HELD
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Member

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

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
White Knitwears Private Limited	Director
Lord Gautam Charitable Foundation	Director

#### Committee Memberships

NAME OF THE COMPANY	NAME OF THE COMMITTEE	POSITION HELD
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Member

### [3] BODIES CORPORATE OF WHICH MR. DINESH P. JAIN IS A CHAIRMAN/DIRECTOR

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Synthofine Chemicals of India Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
Lord Gautam Charitable Foundation	Director

#### Committee Memberships

NAME OF THE COMPANY	NAME OF THE COMMITTEE	POSITION HELD
NIL	NIL	NIL

**[4] BODIES CORPORATE OF WHICH MR. VIKAS P. JAIN IS A CHAIRMAN / DIRECTOR**

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
Lord Gautam Charitable Foundation	Director

**Committee Memberships**

NAME OF THE COMPANY	NAME OF THE COMMITTEE	POSITION HELD
NIL	NIL	NIL

**[5] BODIES CORPORATE OF WHICH MR. YOGESH A. THAR IS A CHAIRMAN/ DIRECTOR**

NAME OF THE COMPANY	BOARD POSITION HELD
NIL	NIL

**Committee Memberships**

NAME OF THE COMPANY	NAME OF THE COMMITTEE	POSITION HELD
Kewal Kiran Clothing Limited	Audit Committee	Chairman

**[6] BODIES CORPORATE OF WHICH DR. PRAKASH A. MODY IS A CHAIRMAN/ DIRECTOR**

NAME OF THE COMPANY	BOARD POSITION HELD
Unichem Laboratories Limited	Chairman & Managing Director

**Committee Memberships:**

NAME OF THE COMPANY	NAME OF THE COMMITTEE	POSITION HELD
Unichem Laboratories Limited	Stakeholder Relationship Committee	Member

**[7] BODIES CORPORATE OF WHICH MR. NIMISH G. PANDYA IS A CHAIRMAN/ DIRECTOR**

NAME OF THE COMPANY	BOARD POSITION HELD
NIL	NIL

**Committee Memberships**

NAME OF THE COMPANY	NAME OF THE COMMITTEE	POSITION HELD
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Chairman
Kewal Kiran Clothing Limited	Audit Committee	Member

**[8] BODIES CORPORATE OF WHICH MS. DRUSHTI R. DESAI IS A CHAIRMAN/DIRECTOR**

NAME OF THE COMPANY	BOARD POSITION HELD
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Director
Narmada Gelatines Limited	Director
Kruti Finance and Holdings Private Limited	Director

**Committee Memberships**

NAME OF THE COMPANY	NAME OF THE COMMITTEE	POSITION HELD
Kewal Kiran Clothing Limited	Audit Committee	Member
Narmada Gelatines Limited	Audit Committee	Member
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Audit Committee	Member
Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited)	Stakeholder Relationship Committee	Chairman

# CORPORATE GOVERNANCE REPORT (CONTD.)

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Kewal Kiran Clothing Limited

Certificate No.: 0724/2019/Gata

We have examined the compliance of conditions of Corporate Governance by Kewal Kiran Clothing Limited (the 'Company'), for the year ended March 31, 2019, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Khimji Kunverji & Co LLP**  
[formerly Khimji Kunverji & Co.]  
Chartered Accountants  
Firm's Registration No: 105146W

Hasmukh Dedhia  
Partner [F - 033494]  
Mumbai  
Date: July 24, 2019  
UDIN: 19033494AAAAEI1359

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## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

I, Kewalchand P. Jain, Chairman & Managing Director of the company, hereby declare that the company has adopted a Code of Conduct for its Board Members and Senior Management and a code for Independent Directors, in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Board Members and Senior Management have affirmed compliance with the said Code of Conduct of board of directors and senior management.

For and on behalf of the Board  
**Kewalchand P. Jain**  
Chairman & Managing Director  
(DIN: 00029730)

Place : Mumbai  
Date : May 4, 2019



# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Kewal Kiran Clothing Limited**

Report on the Audit of the Standalone Ind AS  
Financial Statements

## OPINION

1. We have audited the accompanying standalone Ind AS financial statements of **Kewal Kiran Clothing Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

## BASIS FOR OPINION

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

## KEY AUDIT MATTERS

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the year under audit. We have determined that there is no key audit matter to be communicated in our report.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

4. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and such other disclosures related Information, excluding the standalone Ind AS financial statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'

## RESPONSIBILITY OF MANAGEMENT FOR STANDALONE IND AS FINANCIAL STATEMENTS

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

Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS**

6. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

7. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash

Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounting Standards) Rules, 2015.
- e. On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 3.
- g. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:
  - (i) The Company has disclosed the impact of pending litigations on the financials position in its standalone Ind AS financial statements.;
  - (ii) The Company did not have any long-term contracts including derivative 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 Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

**Hasmukh B Dedhia**  
Partner [F - 033494]  
Place: Mumbai  
Date: 4th May 2019

# ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEWAL KIRAN CLOTHING LIMITED

(referred to in para 6 titled "Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements")

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEWAL KIRAN CLOTHING LIMITED

[referred to in para 7 under 'Report on Other Legal and Regulatory Requirements']

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, fixed assets were physically verified by the Management at regular intervals. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its business; according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii. The Inventories (other than lying with the third parties) have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. As informed, the discrepancies noticed on verification between the physical stocks and the book records were not material. In respect of inventories lying with the third parties, confirmations have been obtained by the company from such third parties and discrepancies therein were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the requirement of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or securities covered under Section 185 and 186 of the Act and in respect of Investments made by company, provisions of Section 186 of the Act have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Thus, reporting under (vi) of the Order is not applicable.
- vii. In respect of Statutory dues:
- viii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues generally have been regularly deposited during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statutes, outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Sales-tax, Service tax, Goods and Service

Tax and Value added tax which have not been deposited as on March 31, 2019 on account of disputes except as under:

Nature of Statute	Nature of Dues	Period to which the Amount Relates [Assessment Year]	Forum where Dispute is Pending	Amount Unpaid/ (refund) ₹
Income Tax, 1961*	Income Tax and Interest	2005 - 06	Bombay HC (appeal filed by the department)	68,94,194.00
Income Tax, 1961**	Income Tax and Interest	2011 - 12	Appeal Partially Allowed. Pending for order giving effects to ITAT order	8,85,510.00
Income Tax, 1961	Income Tax and Interest	2011 - 12	CIT (A)	10,75,480.00
Income Tax, 1961	Income Tax and Interest	2012 - 13	Appeal Partially Allowed. Pending for order giving effects to ITAT order	6,89,290.00
Income Tax, 1961**	Income Tax and Interest	2013 - 14	CIT (A)	(7,79,065.00)
Income Tax, 1961	Income Tax and Interest	2014 - 15	CIT (A)	5,01,770.00

[\*] Adjusted against the refund of assessment year 2007-08

[\*\*] Adjusted against the refund of assessment year 2013-14

- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken loans or borrowings from government and financial institutions.
- x. In our opinion and according to the information and explanations given to us, Company did not raise any money by way of initial public offer (including debt instruments) and loans. Hence, clause (ix) of paragraph 3 of the Order is not applicable.
- xi. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under clause (xii) of the Order is not applicable.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required under applicable Indian Accounting Standard (Ind AS).
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause (xiv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, reporting under clause (xv) of the Order is not applicable to the Company.
- xvii. In our opinion, The Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934

**For Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

**Hasmukh B Dedhia**  
Partner (F - 033494)  
Place: Mumbai  
Date: 4th May 2019

# ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEWAL KIRAN CLOTHING LIMITED

[referred to in paragraph 8(f) under 'Report on Other Legal and Regulatory Requirements']

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

We have audited the internal financial controls over financial reporting of Kewal Kiran Clothing Limited ("the Company") as at March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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
- (c) 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 standalone 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 considering the nature and size of the operations, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

**Hasmukh B Dedhia**  
Partner (F - 033494)  
Place: Mumbai  
Date: 4th May 2019

# STANDALONE BALANCE SHEET

as at 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(Amount ₹ in lakhs)

Particulars	Note	As at	As at
		31st March 2019	31st March 2018
		Audited	Audited
<b>ASSETS</b>			
<b>1] Non-Current Assets</b>			
a) Property, Plant and Equipment	2.1	7,693.91	6,755.62
b) Capital Work in Progress	2.1	224.16	908.51
c) Investment Property	2.1.1	142.84	151.59
d) Other Intangible Assets		194.18	50.06
e) Intangible Assets under Development		-	15.35
f) Financial Assets			
i) Investments	2.2	14,490.55	13,712.52
ii) Loans		-	-
iii) Other Financial Assets	2.3	311.15	251.70
g) Deferred Tax Assets(Net)		-	-
h) Other Non-Current Assets	2.4	312.08	232.05
		<b>23,368.87</b>	<b>22,077.40</b>
<b>2] Current Assets</b>			
a) Inventories	2.5	8,310.25	5,285.01
b) Financial Assets			
i) Investments	2.6	9,081.10	9,329.68
ii) Trade Receivables	2.7	17,766.62	12,071.67
iii) Cash & Cash Equivalents	2.8	5,320.61	6,154.29
iv) Bank balances other than iii above	2.9	7.97	94.45
v) Loans		-	-
vi) Other Financial Assets	2.10	143.14	144.27
c) Current Tax Assets ( Net)		-	-
d) Other Current Assets	2.11	572.61	529.40
		<b>41,202.30</b>	<b>33,608.77</b>
		<b>64,571.17</b>	<b>55,686.17</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	2.12	1,232.50	1,232.50
b) Other Equity	2.13	41,816.55	38,732.83
		<b>43,049.05</b>	<b>39,965.33</b>
<b>Liabilities</b>			
<b>1] Non-Current Liabilities</b>			
a) Financial Liabilities		-	-
b) Provisions	2.14	6.50	6.50
c) Deferred Tax Liability	2.15	547.00	460.00
d) Other non - current liabilities	2.16	134.92	159.45
		<b>688.42</b>	<b>625.95</b>
<b>2] Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	2.17	9,345.99	4,829.65
ii) Trade Payables			
- Due to Micro and Small Enterprises	2.18	176.38	25.39
- Due to Others		4,296.79	4,325.26
iii) Other financial liabilities	2.19	690.19	717.69
b) Other Current Liabilities	2.20	3,251.00	2,892.52
c) Provisions	2.21	3,073.35	2,233.38
d) Current Tax Liabilities (Net)	2.22	-	71.00
		<b>20,833.70</b>	<b>15,094.89</b>
		<b>64,571.17</b>	<b>55,686.17</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

Significant accounting policies and notes on accounts

1 & 2

The notes referred to above form integral part of Financial Statements

As per our Audit Report of even date

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

Hasmukh Dedhia  
Partner  
Membership No. : 33494

Place: Mumbai  
Date: 4th May, 2019

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

Kewalchand P Jain  
Chairman & Managing Director  
Din No : 00029730

Bhavini Sheth  
Chief Financial Officer

Hemant P Jain  
Whole time Director  
Din No : 00029822

Abhijit Warange  
Company Secretary



# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

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Particulars	Note	[Amount ₹ in lakhs]	
		For the Year Ended 31st March 2019 Audited	For the Year Ended 31st March 2019 Audited
<b>INCOME</b>			
Revenue from Operations	2.23	50,239.62	46,211.08
Other Income	2.24	2,197.87	2,109.05
		<b>52,437.49</b>	<b>48,320.13</b>
<b>EXPENDITURE</b>			
Changes in inventories of Finished goods, Stock in trade and Work in progress	2.25	(3,008.71)	(267.64)
Cost of Material Consumed	2.26	19,362.97	17,992.90
Purchase of Trading Items: Lifestyle Accessories/ Products		2,862.26	1,622.86
Excise Duty on Sales		-	164.28
Employee Benefit Expenses	2.27	7,511.53	6,507.23
Finance Cost	2.28	689.36	498.30
Depreciation/ Amortization	2.1	806.15	577.35
Manufacturing and Operating Expenses	2.29	4,904.36	4,535.25
Administrative and Other Expenses	2.30	3,283.12	3,067.95
Selling and Distribution Expenses	2.31	4,090.22	2,766.40
		<b>40,501.26</b>	<b>37,464.88</b>
<b>Net Profit Before Tax</b>		<b>11,936.23</b>	<b>10,855.25</b>
<b>Tax Expense</b>			
Current Tax		3,806.79	3,182.72
Deferred Tax		87.00	347.28
(Excess)/Short Provision for Taxes of Earlier Years		10.75	-
<b>Net Profit for the Period</b>		<b>8,031.69</b>	<b>7,325.25</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to Profit and Loss</b>			
Effect [(gain) / loss] of measuring equity instruments at fair value through OCI		(42.24)	(51.62)
Remeasurement (gain) / loss on net defined benefit liability		19.41	(49.94)
Income tax relating to items that will not be reclassified to profit and loss		(6.79)	17.28
<b>Total Comprehensive Income for the year</b>		<b>8,061.31</b>	<b>7,409.53</b>
Earnings per Share - Basic and Diluted (Face Value of ₹ 10 each fully paid up)		<b>65.17</b>	<b>59.43</b>
Weighted Average Number of Shares used in computing Earnings per Share -Basic and Diluted		<b>12,325,037</b>	<b>12,325,037</b>
Significant accounting policies and notes on accounts	1 & 2		

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

**As per our Audit Report of even date**

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

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

Place: Mumbai  
Date: 4th May, 2019

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

**Kewalchand P Jain**  
Chairman & Managing Director  
Din No : 00029730

**Bhavin Sheth**  
Chief Financial Officer

**Hemant P Jain**  
Whole time Director  
Din No : 00029822

**Abhijit Warange**  
Company Secretary

# STANDALONE CASH FLOW STATEMENT

for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(Amount ₹ in lakhs)

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
	Audited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Taxes as per Statement of Profit and Loss</b>	<b>11,936.23</b>	10,855.25
Adjustments for:		
Depreciation/ Amortization	797.39	568.59
(Gain)/Loss on Sale / discard of Property plant & equipment (Tangible Assets) (Net)	(10.86)	(6.53)
Proportionate Lease premium charged	3.06	3.06
Depreciation on Investment Property	8.76	8.76
Effect of fair value measurement of investments	(2,006.50)	(1,939.22)
Sundry Balance (written back)/written off (Net)	(8.96)	(14.57)
Finance costs	609.69	441.96
Dividend Income	(4.10)	(3.15)
Provision/(Reversal of provision) for Doubtful Debts , Advances, Deposits and Investments	129.76	(18.62)
Provision/(Reversal of provision) for Contingent Rent/JV	-	(1.08)
Provision/(Reversal of provision) for Contingencies	150.92	
Provision/ (Reversal of Provision) of Exchange Rate Fluctuation (Net)	1.06	(5.33)
Interest Income	(29.06)	(38.96)
	<b>(358.84)</b>	<b>(1,005.09)</b>
	<b>11,577.39</b>	<b>9,850.16</b>
<b>Changes in Current &amp; Non-current Assets and Liabilities</b>		
Trade Receivable and Other Assets	(5,905.66)	(3,188.95)
Inventories	(3,025.25)	(158.81)
Trade Payables, Liabilities and Provisions	1,100.88	2,103.54
	<b>(7,830.03)</b>	<b>(1,244.22)</b>
<b>Net Cash Inflow from Operating Activities</b>	<b>3,747.36</b>	<b>8,605.94</b>
Less: Income Tax paid (Net of Refund)	<b>(3,801.60)</b>	<b>(3,046.94)</b>
<b>Net Cash Inflow/(outflow) from Operating Activities</b>	<b>(54.24)</b>	<b>5,559.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant & Equipment (including Capital Advances)	(1,241.04)	(949.81)
Sale of Property Plant & Equipment	82.88	51.55
Purchase of Investments	(3,451.33)	(5,983.41)
Redemption of Investments (net of taxes)	4,783.43	5,448.79
Bank Deposit offered as Security	(40.57)	(66.33)
Maturity of Bank Deposit offered as Security	88.85	83.12
Dividend Income	4.10	3.15
Interest received on Bank Deposits	57.92	19.08
Less : Income Tax Paid (refer note 1 below)	(5.79)	(10.11)
<b>Net Cash inflow /(Outflow) from Investing Activities</b>	<b>278.45</b>	<b>(1,403.97)</b>

# STANDALONE CASH FLOW STATEMENT

for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

[Amount ₹ in lakhs]

Particulars	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
	Audited	Audited
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Working Capital Demand Loan (Net)	4,516.34	779
Interest and Finance Charges	(616.03)	(441)
Payment of Dividend (Including Dividend Tax)	(4,958.17)	(4,895)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(1,057.86)</b>	<b>(4,556.77)</b>
Net Increase/ (Decrease) in Cash & Cash Equivalents	(833.65)	(401.74)
<b>CASH AND CASH EQUIVALENTS - OPENING</b> [refer note 2.8]	<b>6,154.29</b>	<b>6,556.03</b>
	<b>5,320.64</b>	<b>6,154.29</b>
<b>Effect of Exchange(Gain)/Loss on Cash and Cash Equivalents</b>	0.03	-
<b>CASH AND CASH EQUIVALENTS - CLOSING</b> [refer note 2.8]	<b>5,320.61</b>	<b>6,154.29</b>

Significant accounting policies and notes on accounts 1 & 2  
The notes referred to above form integral part of cash flow statement.

1. The Aggregate Income Tax paid during the year is ₹ 3,952.39 lakhs (P.Y. ₹ 3103.67 lakhs).
2. The amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments as on 31st March 2019 is ₹ 1654.01 lakhs (P.Y. ₹ 6170.35 lakhs).

## As per our Audit Report of even date

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

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

Place: Mumbai  
Date: 4th May, 2019

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

**Kewalchand P Jain**  
Chairman & Managing Director  
Din No : 00029730

**Bhavin Sheth**  
Chief Financial Officer

**Hemant P Jain**  
Whole time Director  
Din No : 00029822

**Abhijit Warange**  
Company Secretary

# STATEMENT OF STANDALONE CHANGE IN EQUITY

for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

## A) EQUITY SHARE CAPITAL

(Amount ₹ in lakhs)

	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the reporting year	1232.50	1232.50
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	<b>1,232.50</b>	<b>1,232.50</b>

## B) OTHER EQUITY

(Amount ₹ in lakhs)

	General Reserve	Retained Earning	Securities premium	Business Progressive fund (refer note below)*	Equity Instruments through OCI	Total
Balance as at 31st March 2018	<b>5,375.63</b>	<b>21,378.66</b>	<b>8,426.77</b>	<b>3,500.00</b>	<b>51.77</b>	<b>38,732.83</b>
Profit for the year	-	8,031.69	-	-	-	8031.69
Items of OCI for the year, net of tax						-
Remeasurement of net defined benefit liability	-	(12.62)	-	-	-	(12.62)
Effect of measuring equity instruments at fair value through OCI	-		-	-	42.24	42.24
Total Comprehensive income from the year (2018-19) (I)	-	8,019.08	-	-	42.24	8,061.32
Transfer		(500.00)		500.00		-
Dividends	-	(4,128.88)	-	-	-	(4,128.88)
Tax on dividends	-	(848.71)	-	-	-	(848.71)
Total (II)	-	(5,477.58)	-	500.00	-	(4,977.58)
Balance as at 31st March 2019 (III) = I+II	<b>5,375.63</b>	<b>23,920.16</b>	<b>8,426.77</b>	<b>4,000.00</b>	<b>94.01</b>	<b>41,816.57</b>

## BUSINESS PROGRESSIVE FUND

\* The Company has created "Business Progressive Fund" out of its profits to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business, reinforce existing channels of sales etc. The amount of fund is specifically earmarked and invested in liquid mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Indian Accounting Standard (AS) -37 in normal course of business. INDAS-37 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.

Accordingly the Company has opted to create Business Progressive Fund. Further addition to the aforesaid fund shall be reviewed from time to time considering business environment and conditions and the income accrued from the fund. Any accretion to the investment shall be credited to Statement of Profit and Loss.

### As per our Audit Report of even date

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

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

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

**Kewalchand P Jain**  
Chairman & Managing  
Director  
Din No :00029730

**Hemant P Jain**  
Whole time Director  
Din No :00029822

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

## 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

### A. Corporate Information

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

### B. Statement of Compliance and Basis of Preparation

#### (i) Compliance with Ind AS

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

#### (ii) Basis of Preparation and presentation

##### Basis of Preparation:

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

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

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

##### Functional and Presentation Currency:

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

### c. Summary of Significant Accounting Policies

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

The Company has ascertained its operating cycle as twelve months for the purpose of

Current/ Non-Current classification of its Assets and Liabilities.

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

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

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

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

All other liabilities are classified as non-current.

#### 1.2 Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Following initial recognition, items of PPE are carried at its cost less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all PPE are measured using cost model. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. PPE are eliminated from financial statement either on disposal or when retired from active

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

use. Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date

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

### 1.3 Expenditure during construction period:

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

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

b) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

### 1.4 Depreciation:

a) Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Act except certain class of assets specified in table (i) below, based on internal assessment estimated by the management of the Company, where the useful life is lower than as mentioned in said Schedule II.

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

Assets	Estimated useful life depreciated on SLM basis
Furniture & fittings at retail stores	5 years
Second hand factory / office building (RCC frame structure)	30 years
Second hand factory / office building (other than RCC frame structure)	5 years
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase

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

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

c) In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.

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

e) Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the useful life mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Company does not have right of renewal), the same is amortized over the lease period of land.

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

## 1.5 Investment properties

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

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

## 1.6 Intangible Assets and Amortisation:

- Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.
- Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.
- Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.
- Class of intangible assets and their estimated useful lives are as under:

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

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

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

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

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

## 1.8 Impairment of Non-Financial Assets:

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

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

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

## 1.9 Inventories:

The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Since the Company is in fashion industry with diverse designs / styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable).

In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.

## 1.10 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings and exchange difference arising from foreign currency

borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

## 1.11 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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

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

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

## 1.12 Revenue Recognition:

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



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- a) Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and is measured at the fair value of consideration received or receivable taking net off the amount of goods and services tax (GST), sales tax, rebates, discounts and sales returns.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income on investment is accounted for in the period/year in which the right to receive the same is established.
- d) Service income is recognized upon rendering of services. Service income is recorded net of service tax/GST.
- e) Licensing revenue is recognized on accrual basis in accordance with the terms of the relevant agreements. Licensing income is recorded net of sales tax and service tax/GST
- f) Power generation income is recognized on the basis of electrical units generated and sold in excess of captive consumption and recognized at prescribed rate as per agreement of sale of electricity by the Company. Further, value of electricity generated and captively consumed is netted off from the electricity expenses.
- g) Export incentives principally comprises of Duty Drawback, merchandise exports from India scheme and refund of state levies based on guidelines formulated for the respective scheme by the government authorities. These incentives are recognized as income on accrual basis in Statement of Profit and Loss only to the extent that realisation/utilisation is certain.
- h) Rental income (net of taxes) on assets given under operating lease arrangements is recognized on a straight-line basis over the period of the lease unless the receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

## 1.13 Operating Lease:

Lease arrangements where risks and rewards incidental to ownership of an asset substantially

vests with the lessor are classified as operating lease.

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

## 1.14 Employees' Benefits:

### a) Short term employee benefits-

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

### b) Post-employment benefits

#### i) Defined contribution plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme, Employee Pension Scheme, National Pension Scheme and Labour Welfare Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

#### ii) Defined benefit plan

The Company's obligation towards gratuity liability is funded to an approved gratuity fund, which fully covers the said liability under Cash Accumulation Policy of Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. The net interest cost is calculated by applying the discount rate to the net balance of the

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

As per the Company's policy, employees who have completed specified years of service are eligible for death benefit plan wherein defined amount would be paid to the survivors of the employee on the death of the employee while in service with the Company. To fulfil the Company's obligation for the above mentioned plan, the Company has taken Company term policy from an insurance company. The annual premium for insurance cover is recognized in Statement of Profit and Loss.

## 1.15 Income Taxes:

- a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities premium or retained earnings or other reserves, the corresponding tax effect is also adjusted against the securities premium or retained earnings or other reserves, as the case may be, as per the announcement of Institute of Chartered Accountant of India.
- b) Current Tax is measured on the basis of estimated taxable income for the current accounting period in with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.
- c) Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

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

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

## 1.16 Earnings per Share:

Basic earnings per share (EPS) are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split if any.

For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 1.17 Foreign Currency Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items carried at fair value are translated at the rates prevailing at the date when the fair value was determined. Foreign currency non-monetary items measured in terms of historical cost are translated using the exchange rate as at the date of initial transactions.
- c) Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense

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in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost on those foreign currency borrowings.

## 1.18 Financial Instruments:

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

### Measurement

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

### Classification and Subsequent Measurement:

#### Financial Assets

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

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

#### Amortised Cost:

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

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

### Fair Value through OCI (FVOCI):

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

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

### Fair Value through Profit or Loss (FVTPL):

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

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

### Equity instruments:

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

### Impairment of financial assets

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

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## **Derecognition of financial assets:**

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

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

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

## **Subsequent measurement: Financial Liabilities**

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

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

## **Derecognition of Financial Liabilities:**

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

## **1.19 Cash Flow Statement and Cash and Cash Equivalents:**

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

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## 1.20 Dividend distribution:

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

## 1.21 Segment Reporting:

Operating segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. These operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM").

## 1.22 Critical accounting judgements and key sources of estimation uncertainty:

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

Critical judgements and estimates in applying accounting policies:

### 1) Property, Plant and Equipment:

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

or from a change in market demand of the product or service output of the asset.

### 2) Estimation of Defined benefit obligation:

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

### 3) Sales Returns:

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

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

### 5) Impairment

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

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## PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS 2.1:

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK As at 31/3/2019
		As at 01/04/2018	Additions	Deductions/ Discarded	As at 01/04/2018	Depreciation	Deductions/ Discarded	
<b>Property Plant &amp; Equipment (Tangible Assets)</b>								
1	Free Hold Land	1,697.36	-	-	-	-	-	1,697.36
2	Building	2,729.08	1,133.14	-	219.01	136.61	-	3,506.61
3	Furniture & Fixtures	96.27	8.48	13.24	23.51	14.43	2.23	55.81
4	Plant and Machinery	2,577.24	325.50	87.07	491.93	351.05	31.90	2,004.59
5	Computer	167.70	24.46	5.07	92.55	49.60	3.88	138.27
6	Office Equipments	245.51	67.72	0.35	74.00	38.01	0.17	201.04
7	Vehicles	198.17	73.12	14.45	54.70	32.43	9.97	179.69
	<b>Total of Property Plant &amp; equipment (A)</b>	<b>7,711.33</b>	<b>1,632.42</b>	<b>120.17</b>	<b>955.70</b>	<b>622.12</b>	<b>48.16</b>	<b>7,693.91</b>
<b>Intangible Assets (other than internally generated)</b>								
1	Software (Acquired)	112.46	19.38	-	62.40	25.69	-	43.75
2	Trademark	-	300.00	-	-	149.57	-	150.43
	<b>Total of Intangible Assets (B)</b>	<b>112.46</b>	<b>319.38</b>	<b>-</b>	<b>62.40</b>	<b>175.27</b>	<b>-</b>	<b>194.18</b>
<b>Capital Work in Progress (CWIP)</b>								
1	Plant and Machinery	57.02	94.20	137.98	-	-	-	13.24
2	Building	851.49	236.14	876.71	-	-	-	210.92
	<b>Total CWIP</b>	<b>908.51</b>	<b>330.34</b>	<b>1,014.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224.16</b>
<b>Intangible Assets under development</b>								
1	Software (Acquired)	15.35	-	15.35	-	-	-	-
	<b>Total CWIP (C)</b>	<b>923.86</b>	<b>330.34</b>	<b>1,030.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224.16</b>
<b>Investment Properties (2.1.1)</b>								
1	Building	255.91	-	-	104.32	8.76	-	142.83
	<b>Total Investment properties (D)</b>	<b>255.91</b>	<b>-</b>	<b>-</b>	<b>104.32</b>	<b>8.76</b>	<b>-</b>	<b>142.83</b>
	<b>Grand total (A+B+C+D)</b>	<b>9,003.56</b>	<b>2,282.14</b>	<b>1,150.21</b>	<b>1,122.42</b>	<b>806.15</b>	<b>48.16</b>	<b>8,255.08</b>

# STANDALONE NOTES

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## 2.1.1 INVESTMENT PROPERTY

Particulars	As at	As at
	31st March 2019	31st March 2018
Rental income derived from Investment property	92.33	89.51
Direct operating expenses (Including repair and maintenance)	-	2.58
Income arising from Investment properties before depreciation	92.33	86.93
Depreciation	8.76	8.76
Income from Investment properties (Net)	83.57	78.17

- 2.1.2 Building includes the value of 14,000 (P.Y.14,000) share of ₹ 100 each in Synthofine Estate CHS Ltd and value of 10 (P.Y.10) share of ₹ 50 each in Gautam Chemical Industrial Premises CHS Ltd.
- 2.1.3 Building includes building constructed on lease hold land having Gross block of ₹ 226.65 lakhs (P.Y. ₹ 226.65 lakhs)
- 2.1.4 In the year 2014-15, the company has acquired freehold land with integrated structures for a composite value whose conveyance is registered and municipal records updated. The value of the structure is determined based on estimated depreciated value of structures and the balance is considered as the value of the land. In respect of the land, the company has undivided share in land. Also an insignificant portion of land is unlawfully occupied by an illegal occupant and the said occupant had raised some illegal structures which were demolished by the Municipal Corporation. The said illegal occupant has filed a suit in the Hon'ble High Court for his alleged claim in respect of the portion of the land illegally occupied by him. The company has refuted the alleged claim of the illegal occupant and is defending the suit. The Company has filed an Eviction suit against the illegal occupant in the Hon'ble Small Causes Court. Both the said matters are sub-judiced. There is insignificant impact of these litigations on the financial position of the company.
- 2.1.5 Amount capitalised under building block includes ₹ 876.71 (P.Y. Nil) being the amount of capital expenditure incurred on self-constructed assets. Further such amount included under CWIP is aggregating to ₹ 210.92 lakhs (P.Y. ₹ 851.49 lakhs).

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## 2.1: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (CONT'D.)

Sr. No.	Description of the Block of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01/04/2017	Additions	Deductions/ Discarded	As at 31/3/2018	As at 01/04/2017	Depreciation	Deductions/ Discarded	As at 31/3/2018	As at 31/3/2018	As at 31/03/2017
<b>Property Plant &amp; Equipment [Tangible Assets]</b>											
1	Free Hold Land	1,603.42	93.93	-	1,697.35	-	-	-	-	1,697.35	1,603.42
2	Building	2,729.08	-	-	2,729.08	113.88	105.13	-	219.01	2,510.07	2,615.20
3	Furnitures & Fixtures	62.57	33.70	-	96.27	15.26	8.24	-	23.50	72.77	47.31
4	Plant and Machinery	1,870.81	758.16	51.72	2,577.25	209.75	290.35	8.15	491.95	2,085.30	1,661.06
5	Computer	139.96	36.82	9.08	167.70	42.41	57.77	7.63	92.55	75.15	97.55
6	Office Equipments	99.05	146.46	-	245.51	26.38	47.62	-	74.00	171.51	72.67
7	Vehicles	177.87	20.30	-	198.17	25.37	29.33	-	54.70	143.47	152.51
	<b>Total of Property Plant &amp; equipment (A)</b>	<b>6,682.76</b>	<b>1,089.37</b>	<b>60.80</b>	<b>7,711.33</b>	<b>433.04</b>	<b>538.45</b>	<b>15.78</b>	<b>955.71</b>	<b>6,755.62</b>	<b>6,249.72</b>
Intangible Assets [other than internally generated]											
1	Software (Acquired)	77.39	35.08	-	112.46	35.85	26.55	-	62.40	50.06	41.54
2	Membership Rights	7.20	-	-	7.20	3.60	3.60	-	7.20	-	3.60
	<b>Total of Intangible Assets (B)</b>	<b>84.59</b>	<b>35.08</b>	<b>-</b>	<b>119.66</b>	<b>39.45</b>	<b>30.15</b>	<b>-</b>	<b>69.60</b>	<b>50.06</b>	<b>45.14</b>
<b>Capital Work in Progress [CWIP]</b>											
1	Plant and Machinery	233.35	244.54	420.87	57.02	-	-	-	-	57.02	233.35
2	Building	491.15	360.34	-	851.49	-	-	-	-	851.49	491.15
	<b>Total CWIP</b>	<b>724.50</b>	<b>604.88</b>	<b>420.87</b>	<b>908.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>908.51</b>	<b>724.50</b>
Intangible Assets under development											
1	Software (Acquired)	2.86	12.49	-	15.35	-	-	-	-	15.35	2.86
	<b>Total CWIP (C)</b>	<b>727.36</b>	<b>617.37</b>	<b>420.87</b>	<b>923.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>923.86</b>	<b>727.36</b>
Investment Properties [2.1.1]											
1	Building	255.91	-	-	255.91	95.56	8.76	-	104.32	151.59	160.35
	<b>Total Investment properties (D)</b>	<b>255.91</b>	<b>-</b>	<b>-</b>	<b>255.91</b>	<b>95.56</b>	<b>8.76</b>	<b>-</b>	<b>104.32</b>	<b>151.59</b>	<b>160.35</b>
	<b>Grand total (A+B+C+D)</b>	<b>7,750.62</b>	<b>1,741.82</b>	<b>481.67</b>	<b>9,010.76</b>	<b>568.05</b>	<b>577.35</b>	<b>15.78</b>	<b>1,129.63</b>	<b>7,881.13</b>	<b>7,182.57</b>



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Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>INVESTMENTS</b>	2.2		
<b>Long Term Investments</b>			
<b>a) Trade Investments (Unquoted)</b>			
Investment in Joint Venture White Knitwear Private Limited			
<b>In Equity Shares</b>			
330,000 (P.Y. 330,000) Shares of face value ₹ 10 each, fully paid up.		33.00	33.00
In Preference Shares			
3,125,000 (P.Y. 3,125,000) 9% Cumulative Redeemable Preference Shares of face value of ₹ 10 each fully paid up.		312.50	312.50
<b>b) Other than Trade Investments (Quoted)</b>			
<b>In Equity Shares</b>			
4,512 (P.Y. 4,512) Reliance Power Limited Shares of face value ₹ 10 each fully paid up.		0.51	1.63
7,500 (P.Y. 7,500) HCL Technologies Ltd Shares of face value ₹ 2 each fully paid up.		81.60	72.71
25,000 (P.Y. 25,000) Tech Mahindra Ltd Shares of face value ₹ 5 each fully paid up.		194.05	159.58
<b>In Fixed Maturity Plan</b>			
<b>Investment in unquoted Mutual Funds</b>			
<b>In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up</b>			
Aditya Birla Sunlife FTP Series OF Growth [Units: 9,510,574 ( P.Y : 9,510,574)]		1,087.36	1,035.25
DSP FMP-Series 209-37M-Growth [Units: 3,000,000 (P.Y.: 3,000,000)]		342.93	319.55
HDFC FMP 1199D Jan 2017(1) - Growth [Units: 10,000,000 (P.Y.: 10,000,000)]		1,174.95	1,093.19
HDFC FMP 1178D Feb 2017(1) - Growth [Units: 3,252,951 (P.Y.: 3,252,951)]		383.93	356.79
ICICI Pru FMP Series 79 - 1120D Plan J - Growth [Units: NIL (P.Y.: 9,763,702)]		-	1,101.11
ICICI Pru FMP Series 80 - 1170D Plan I - Growth [Units: 5,253,506 (P.Y.: 5,253,506)]		620.03	575.87
Kotak FMP Series 187 - Growth [Units: NIL (P.Y.: 1,000,000)]		-	120.56
Kotak FMP Series 202 - Growth [Units: 5,000,000 (P.Y.: 5,000,000)]		575.40	534.75
Reliance Fixed Horizon Fund XXXI - Series 13 - Growth [Units: NIL (P.Y.: 15,179,080)]		-	1,692.85
Reliance Fixed Horizon Fund XXXII - Series 2 - Growth [Units: 1,600,000 (P.Y.: 1,600,000)]		192.36	178.91
Reliance Fixed Horizon Fund XXXII - Series 2 - Regular-Growth [Units: 1,000,000 (P.Y.: 1,000,000)]		118.85	110.64
Reliance Fixed Horizon Fund XXXII - Series 5 - Growth [Units: 2,000,000 (P.Y.: 2,000,000)]		234.61	217.73
Reliance Fixed Horizon Fund XXXIII - Series 2 - Growth [Units: 2,000,000 (P.Y.: 2,000,000)]		236.73	219.83
Reliance Fixed Horizon Fund XXXIII - Series 5 - Growth [Units: 6,006,447.403 (P.Y.: 6,006,447.403)]		708.72	657.33
UTI Fixed Term Income Fund Series XXV-VII - Growth [Units: NIL (P.Y.: 1,600,000)]		-	175.88

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
UTI Fixed Term Income Fund Series XXV-XII - Growth [Units: 2,000,000 (P.Y.: 2,000,000)]		234.06	218.17
UTI Fixed Term Income Fund Series XXVI-I - Growth [Units: 3,019,459.258 (P.Y.: 3,019,459.258)]		349.79	325.86
UTI Fixed Term Income Fund Series XXVI-II - Growth [Units: 10,000,000 (P.Y.: 10,000,000)]		1,155.75	1,076.41
Franklin India FMP-Sereis 2-Plan A - Growth [Units: 1,000,000 (P.Y.: 1,000,000)]		108.46	101.40
Franklin India FMP-Sereis 2-Plan B - Growth [Units: 1,000,000 (P.Y.: 1,000,000)]		109.24	101.68
HDFC FMP 1165D April 2017 (1) - Growth [Units: 6,542,049 (P.Y.: 6,542,049)]		749.61	697.64
HSBC FTS 130 Growth 1204 days - Growth [Units: NIL (P.Y.: 1,000,000)]		108.88	101.70
ICICI Pru FMP Series 81 1205 Days - Growth [Units: 1,500,000 (P.Y.: 1,500,000)]		172.10	159.57
Reliance Fixed Horizon Fund XXXV - Series 7 - Growth [Units: 2,000,000 (P.Y.: 2,000,000)]		218.06	203.19
UTI FTIF-Series XXVII-VI - Growth [Units: 3,000,000 (P.Y.: 3,000,000)]		331.68	310.04
Reliance Fixed Horizon Fund XXXVI-Series 6 - Growth [Units: 7,000,000 (P.Y.: 7,000,000)]		760.29	707.41
Reliance Fixed Horizon Fund XXXVI-Series 6 - Growth [Units: 3,000,000 (P.Y.: 3,000,000)]		323.21	303.02
Aditya Birla Sunlife FTP Series PV- Direct-Growth [Units: 4,000,000 ( P.Y : NIL)]		437.78	-
Aditya Birla Sunlife FTP Series PV-Growth [Units: 1,000,000 ( P.Y : NIL)]		109.25	-
DSP FMP-Series 232-36M-Growth [Units: 1,000,000 ( P.Y : NIL)]		107.98	-
DSP FMP-Series 235-36M-Growth [Units: 1,000,000 ( P.Y : NIL)]		107.27	-
ICICI Pru FMP Series 82 - 1119 Days Plan X - Growth [Units: 6,500,000 (P.Y.: NIL)]		700.91	-
ICICI Pru FMP Series 82 - 1141 Days Plan Y-Direct- Growth [Units: 3,000,000 (P.Y.: NIL)]		325.38	-
ICICI Pru FMP Series 82 - 1141 Days Plan Y - Growth [Units: 3,000,000 (P.Y.: NIL)]		325.08	-
IDFC FTP Series 152 - Growth [Units: 1,000,000 (P.Y.: NIL)]		107.93	-
Invesco India FMP Series 31 Plan D - Growth [Units: 1,000,000 (P.Y.: NIL)]		108.84	-
Kotak FMP Series 228 - Direct-Growth [Units: 1,000,000 (P.Y.: NIL)]		108.57	-
Kotak FMP Series 228 - Growth [Units: 1,000,000 (P.Y.: NIL)]		108.38	-
Tata FMP Series 55 Scheme G - Growth [Units: 1,000,000 (P.Y.: NIL)]		106.13	-
UTI FTIF-Series XXIX-VI - Growth [Units: 1,000,000 (P.Y.: NIL)]		108.41	-

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>In the units of Fixed Maturity Plan (FMP'S) of ₹ 1000/- each fully paid</b>			
DHFL Pramerica Fixed Duration Fund-Series AF-Growth [Units: 30,000 (P.Y.: 30,000)]		347.47	323.97
DHFL Pramerica Fixed Duration Fund-Series AY-Growth [Units: 20,000 (P.Y.: NIL)]		217.57	-
DHFL Pramerica Fixed Duration Fund-Series BA-Growth [Units: 10,000 (P.Y.: NIL)]		108.45	-
<b>Investment in Portfolio management services</b>			
Mehta Multifocused Fund Capital Contribution		24.32	-
Kotak India Whizdom Fund Capital Contribution		112.18	112.81
		<b>14,490.55</b>	<b>13,712.52</b>
<b>Aggregate Market / Net asset Value</b>			
- Quoted		276.15	233.92
- Unquoted		14,214.40	13,478.60
The Company had invested in aggregate ₹ 34,550,000 in Joint Venture "White Knitwear Private Limited" (WKPL). The WKPL had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of Knitwear Apparels for exports. However due to slowdown in International market, SEZ could not take off and most of the members of SEZ shelved their projects and approached to Gujarat Industrial Development Corporation (GIDC) and State and Central government for de-notification of SEZ.	2.2.1		
Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/ Distribution/Policy /13/05 dated 14.03.2013 has de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfillment of conditions stated therein. WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of land and undertaken to complete the formal procedure for the same.			
<b>OTHER FINANCIAL ASSETS</b>			
[Unsecured considered good]	2.3		
Security Deposits		204.66	186.58
Loan to Employees		54.13	53.36
Rent Deposits to Related Parties		7.83	7.83
Bank Deposits offered as Security		43.08	3.76
Interest receivables on Bank Deposits		1.45	0.17
		<b>311.15</b>	<b>251.70</b>
<b>OTHER NON CURRENT ASSETS</b>			
	2.4		
Capital Advances		22.50	5.04
Prepaid Expenses		18.05	22.96
Prepaid lease rental (Leasehold Property)		200.99	204.05
Advance Tax / Tax deducted at source (Net of Provision)		70.54	-
		<b>312.08</b>	<b>232.05</b>

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>INVENTORIES</b>	2.5		
Finished goods		4,309.66	2,651.93
Work-in-Progress		2,691.45	1,624.01
Raw material		743.39	722.98
Traded goods		411.11	127.58
Packing material & accessories		85.51	87.33
Stores, chemicals and consumables		69.13	71.18
		<b>8,310.25</b>	<b>5,285.01</b>
<b>CURRENT INVESTMENTS (REFER NOTE 1.18)</b>	2.6		
(includes current maturity of non current investment)			
<b>Investment in unquoted Mutual Funds</b>			
<b>In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up</b>			
<b>(Current Portion of Long Term Investments)</b>			
DHFL Pramerica FMP Series 45 Growth [Units: NIL (P.Y.: 2,000,000)]		-	281.74
DHFL Pramerica FMP Series 86 Growth [Units: NIL (P.Y.: 5,000,000)]		-	655.84
UTI Fixed Term Income Fund Series XXI-VII - Growth [Units: NIL (P.Y.: 5,000,000)]		-	649.12
UTI Fixed Term Income Fund Series XXI-VIII - Growth [Units: NIL (P.Y.: 6,000,000)]		-	775.44
UTI Fixed Term Income Fund Series XXI-X - Growth [Units: NIL (P.Y.: 5,000,000)]		-	643.37
ICICI Pru FMP Series 79 - 1120D Plan J - Growth [Units: 9,763,702 (P.Y.: NIL)]		1,185.59	-
Reliance Fixed Horizon Fund XXXI - Series 13 - Growth [Units: 15,179,080 (P.Y.: NIL)]		1,821.70	-
Kotak FMP Series 187 - Growth [Units: 1,000,000 (P.Y.: NIL)]		130.56	-
UTI Fixed Term Income Fund Series XXV-VII - Growth [Units: 1,600,000 (P.Y.: NIL)]		189.12	-
<b>Investment in unquoted Mutual Funds</b>			
<b>In the units of Income Funds of ₹ 10/- each fully paid</b>			
BOI Axa Corporate Credit Spectrum Fund - Growth [Units: NIL (P.Y.: 1,642,184.434)]		-	220.04
HDFC Corporate Bond Fund - Growth [Units: 3,609,580.445 (P.Y.: 3,609,580.445)]		755.69	700.54
ICICI Pru Credit Risk Fund-Regular-Growth [Units: 1,464,514.806 (P.Y.: 1,464,514.806)]		290.98	272.04
ICICI Pru Credit Risk Fund -Direct- Growth [Units: 1,442,895.749 (P.Y.: 1,442,895.749)]		303.45	280.99
IDFC Credit Risk Fund - Growth [Units: 6,030,225.274 (P.Y.: 6,030,225.274)]		699.24	654.05
IDFC Corporate Bond Fund -Direct- Growth [Units: NIL (P.Y.: 2,008,786.449)]		-	240.46
IDFC Corporate Bond Fund -Regular - Growth [Units: 2,323,070.357 (P.Y.: 2,323,070.357)]		295.78	276.17
Principal Short Term Debt Fund - Growth [Units: 2,600,012.482 (P.Y.: 2,600,012.482)]		886.63	823.77
Tata Short Term Bond Fund - Growth [Units: 481,575.842 (P.Y.: 481,575.842)]		163.83	161.49

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
BOI Axa Corporate Credit Spectrum Fund - Growth [Units: NIL (P.Y.: 1,958,572.279)]		-	261.44
DSP Low Duration Fund - Growth [Units: NIL (P.Y.: 2,011,489.629)]		-	256.33
Franklin India Low Duration Fund - Growth [Units: 1,266,804.157 (P.Y.: 1,266,804.157)]		280.84	257.13
IIFL Dynamic Bond Fund - Growth [Units: 704,061.732 (P.Y.: 704,061.732)]		107.21	100.42
L&T Short Term Opportunity Fund - Growth [Units: NIL (P.Y.: 1,517,515.16)]		-	258.05
Mirae Asset Dynamic Bond Fund - Growth [Units: NIL (P.Y.: 1,446,717.398)]		-	151.89
BNP Paribas Corporate Bond Fund - Growth [Units: 769,974.199 (P.Y.: 514,461.513)]		160.60	100.54
DHFL Pramerica Credit Risk Fund - Growth [Units: 1,981,600.813 (P.Y.: NIL)]		300.62	-
DSP Corporate Bond Fund - Growth [Units: 1,000.000 (P.Y.: NIL)]		107.61	-
<b>In the units of Equity Funds of ₹ 10/- each fully paid</b>			
Edelweiss Arbitrage Fund - Growth [Units: 7,827,072.075 (P.Y.: 7,827,072.075)]		1,101.93	1,032.97
Edelweiss Absolute Return Fund - Growth [Units: NIL (P.Y.: 1,213,592.233)]		-	275.85
Edelweiss Balance Advantage Fund - Growth [Units: 1,216,379.997 (P.Y.: NIL)]		299.72	-
		<b>9,081.10</b>	<b>9,329.68</b>
Aggregate Market / Net asset Value		<b>9,081.10</b>	<b>9,329.68</b>
<b>TRADE RECEIVABLES</b>	2.7		
a) Trade Receivables considered good - Secured		2,210.24	1,472.63
b) Trade Receivables considered good - Unsecured		16,071.38	10,942.04
Less : Provision for Doubtful Debts (based on Expected Credit Loss model)		(515.00)	(343.00)
c) Trade Receivables which has significant increase in credit risks		-	-
d) Trade Receivables - credit impaired		-	-
		<b>17,766.62</b>	<b>12,071.67</b>
<b>CASH &amp; CASH EQUIVALENT</b>	2.8		
Cash on Hand		48.75	21.32
Balances with Banks :-			
In Current Accounts		481.15	289.95
In EEFC Account (USD 101668.78) (P.Y. USD 169.54)		70.36	0.11
In Bank Deposits		5.00	334.54
In Bank Deposits with more than 12 months maturity		265.22	100.00
Liquid Mutual Funds (refer note 2.8.1)		4,450.13	5,408.37
		<b>5,320.61</b>	<b>6,154.29</b>
<b>OTHER BANK BALANCES</b>	2.9		
Earmarked balances in bank		6.72	5.62
In Unclaimed Dividend Accounts		1.25	88.83
In Bank Deposits offered as Security (Maturity of less than 12 Months)		7.97	94.45
		<b>5,328.58</b>	<b>6,248.74</b>
Details of Current Investments in Liquid Mutual Funds(Unquoted) as given below:	2.8.1		
<b>a) Face Value of ₹ 10/- each fully paid up</b>			
Franklin India Ultra Short Bond Fund - Growth [Units: NIL (P.Y.: 2,259,366.203)]		-	545.43
HDFC Banking and PSU Debt Fund - Growth [Units: 1,532,179.602 (P.Y.: 1,532,179.602)]		230.28	215.40
HDFC Liquid Fund - Growth		-	-

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
[Units: NIL (31/03/17 - 0.001)]			
ICICI Pru Corporate Bond Fund - Growth		351.11	326.59
[Units: 1,785,278.593 (P.Y.: 1,785,278.593)]			
Sundaram Banking and PSU Debt Fund		-	409.91
Units: NIL (P.Y.: 1,498,935.756)]			
Kotak Savings Fund - Growth		101.44	-
[Units: 332,002.005 (P.Y.: NIL)]			
Tata Ultra Short Term Fund - Growth		101.28	-
[Units: 997,357.004 (P.Y.: NIL)]			
<b>Total [a]</b>		<b>784.11</b>	<b>1,497.33</b>
<b>b) Face Value of ₹ 100/- each fully paid up</b>			
Aditya Birla Sunlife Savings Fund - Growth		1,206.15	1,277.60
[Units: 324,444.001 (P.Y.: 371,478.043)]			
Aditya Birla Sunlife Banking & PSU Debt Fund - Growth		228.66	212.78
[Units: 96,032.789 (P.Y.: 96,032.789)]			
ICICI Pru Savings Fund - Growth		355.71	330.02
[Units: 98,488.109 (P.Y.: 98,488.109)]			
<b>Total [b]</b>		<b>1,790.52</b>	<b>1,820.40</b>
<b>c) Face Value of ₹ 1,000/- each fully paid up</b>			
Axis Treasury Advantage Fund - Growth		970.58	900.22
[Units: 46,486.382 (P.Y.: 46,486.382)]			
Baroda Pioneer Treasury Advantage Fund - Growth		554.63	518.09
[Units: 25,056.297 (P.Y.: 25,056.297)]			
Kotak Money Market Scheme - Growth		173.72	160.52
[Units: 5,628.3282 (P.Y.: 5,628)]			
Tata Treasury Advantage Fund - Growth		75.14	256.22
[Units: 2,645.036 (P.Y.: 9,727.633)]			
Mirae Asset Saving Fund - Growth		-	255.59
[Units: NIL (P.Y.: 17,064.708)]			
Principal Low Duration Fund - Growth		101.43	-
[Units: 3,325.994 (P.Y.: NIL)]			
<b>Total [c]</b>		<b>1,875.50</b>	<b>2,090.64</b>
Aggregate Market / Net asset Value		<b>4,450.13</b>	<b>5,408.37</b>
<b>OTHER FINANCIAL ASSETS</b>	2.10		
[Unsecured, Considered Good]		26.67	22.03
Advance to Employee		15.52	23.44
Loans to Employee		86.41	54.12
Prepaid Expenses		14.54	44.68
Interest receivables on Bank Deposits		<b>143.14</b>	<b>144.27</b>
<b>OTHER CURRENT ASSETS</b>	2.11		
Export Incentive Receivable		32.83	72.57
Prepaid lease rental (Leasehold Property)		3.06	3.06
Other Receivable		34.32	5.99
Advance for gratuity		1.6	60.54
Advance to Suppliers		460.84	387.24
Advance for investment (Sistema Asia fund)		40.00	-
		<b>572.61</b>	<b>529.40</b>
<b>SHARE CAPITAL</b>	2.12		
<b>Authorized Capital</b>		<b>2,000.00</b>	<b>2,000.00</b>
20,000,000 (P.Y. 20,000,000) Equity shares of ₹ 10 each			
<b>Issued, subscribed and Paid up :</b>			
12,325,037 (P.Y. 12,325,037) Equity shares of ₹ 10 each, fully paid up		1,232.50	1,232.50
		<b>1,232.50</b>	<b>1,232.50</b>

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.	2.12.1		
Reconciliation of the shares outstanding at the beginning and at the end of the year	2.12.2		

Particulars	31st March 2019		31st March 2018	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	12,325,037	123,250,370	12,325,037	123,250,370.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,325,037	123,250,370	12,325,037	123,250,370.00

Details of the shareholders holding more than 5% shares in the Company 2.12.3

Name of Shareholder	31st March 2019		31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain(equity shares held in their capacity as trustees/beneficiaries of P.K.Jain Family Holding Trust)	6,153,000	49.92	6,153,000	49.92
Mr.Dinesh P Jain includes 102,581 (P.Y.100,401) shares jointly held with Mrs Sangeeta D. Jain	729,831	5.92	729,831	5.92
Mr.Vikas P Jain includes 94,571 (P.Y.92,336) shares jointly held with Mrs Kesar V. Jain	721,821	5.86	721,821	5.86
Mr. Hemant P Jain includes 80,665 (P.Y.78,400) shares jointly held with Mrs Lata H. Jain	691,915	5.61	691,915	5.61
Mr. Kewalchand P Jain includes 79,361(P.Y.77,161) shares jointly held with Mrs Veena K. Jain	690,611	5.60	690,611	5.60
SBI Small Cap Fund	685,470	5.56	390,469	3.17
Nalanda India Fund Limited	879,081	7.13	1,179,081	9.57

Particulars	Note	As at 31st March 2019	As at 31st March 2018
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter-se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up.)	2.12.4		
For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:	2.12.5		
(i) No shares have been allotted as fully paid-up without payment being received in cash.			
(ii) No shares have been allotted as fully paid-up by way of bonus shares.			
(iii) No shares have been bought back by the company.			

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>OTHER EQUITY</b>	2.13		
<b>Securities Premium</b>		<b>8,426.77</b>	<b>8,426.77</b>
(As per Last Balance Sheet)			
<b>General Reserve</b>			
Opening Balance		5,375.63	5,375.63
Add: Amount transferred from Balance in the Statement of Profit and Loss		-	-
		<b>5,375.63</b>	<b>5,375.63</b>
<b>Balance in Statement of Profit and Loss</b>			
Opening balance		21,430.43	18,916.17
Add: Net profit after tax transferred from Statement of Profit and Loss		8,061.31	7,409.53
		<b>29,491.74</b>	<b>26,325.70</b>
<b>Less: Appropriations</b>			
Final Dividend (pertaining to previous year)		184.88	184.88
Interim Dividend		3,944.00	3,882.39
Tax on Final Dividend		38.00	37.64
Tax on Interim Dividend		810.71	790.36
Transfer to Business Progressive Fund		500.00	-
		<b>24,014.14</b>	<b>21,430.43</b>
<b>Business Progressive Fund</b>			
Opening Balance		3,500.00	3,500.00
Add: Amount transferred from Balance in the Statement of Profit and Loss		500.00	-
Less: Amount retransferred to Balance in the Statement of Profit and Loss		-	-
		<b>4,000.00</b>	<b>3,500.00</b>
		<b>41,816.55</b>	<b>38,732.83</b>
The Board of Directors have recommended a payment of final dividend of Re.2/- per equity share of ₹ 10/- each for the financial year ended 31st March 2019. The Payment is subject to the approval of shareholders at the Annual General Meeting of the Company.	2.13.1		
The Company has created "Business Progressive Fund" by appropriating a sum of ₹ 500 (PY.Nil) lakhs out of its profits to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business, reinforce existing channels of sales etc. The amount of fund is specifically earmarked and invested in liquid mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Indian Accounting Standard (AS) -37 in normal course of business. INDAS-37 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.	2.13.2		
Accordingly the Company has opted to create Business Progressive Fund. Further addition to the aforesaid fund shall be reviewed from time to time considering business environment and conditions and the income accrued from the fund. Any accretion to the investment shall be credited to Statement of Profit and Loss.			
<b>PROVISIONS</b>	2.14		
(Long term)			
Other Long Term Provisions		6.50	6.50
Other Provision		-	-
		<b>6.50</b>	<b>6.50</b>



# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>DEFERRED TAX</b>	2.15		
<b>Deferred Tax Assets:</b>			
Provision for Assets		228.87	145.46
Others		151.82	128.40
<b>Deferred Tax Liability</b>			
Depreciation		(382.09)	(345.17)
Tax on LTCG on Mutual Fund		(543.60)	(388.68)
<b>Deferred Tax Asset/(Liabilities)</b>		<b>[547.00]</b>	<b>[460.00]</b>
Tax effect of share issue expenses eligible for the Income tax deduction, under section 35D, credited to securities premium reserve account	2.15.1		
Deferred tax asset is recognized only on those timing differences, which reverse in the post tax free period, as Company enjoys exemption under section 80-IA of Income Tax Act, 1961 in respect of revenue generated from Wind Turbine Generator.	2.15.2		
<b>OTHER NON CURRENT LIABILITIES</b>	2.16		
Deferred income on EPCG (i.e. Government Grant)		134.92	159.45
		<b>134.92</b>	<b>159.45</b>
<b>BORROWINGS</b>	2.17		
<b>Secured Loan</b>			
Cash Credit from Bank (payable on demand) (Secured by pari-passu first charge on Stock and Trade Receivables)		6,095.47	1,578.64
		<b>6,095.47</b>	<b>1,578.64</b>
<b>Unsecured Loan (payable on demand)</b>			
Working Capital Loan from Bank		3,250.52	3,251.01
		<b>9,345.99</b>	<b>4,829.65</b>
<b>TRADE PAYABLES</b>	2.18		
a) Micro and Small Enterprises			
Materials		176.38	25.39
b) Other than Micro and Small Enterprises			
Materials		2,958.24	3,004.34
Expenses		1,338.55	1,320.92
		<b>4,473.17</b>	<b>4,350.65</b>
Disclosure U/s 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)	2.18.1		
a) Principal amount remaining unpaid to micro and small enterprises (trade payable)		176.38	25.39
b) Principal amount remaining unpaid to micro and small enterprises (creditors for capital goods)		-	-
c) Principal amount paid beyond due date		-	-
d) Amount of Interest paid u/s 16 of MSMED Act		-	-
e) Amount of Interest due and remaining unpaid		-	-
f) Amount of Interest accrued and remaining unpaid		-	-
g) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the above Act.		-	-
Above information is disclosed to the extent available with the Company			

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>OTHER FINANCIAL LIABILITIES</b>	2.19		
<b>Other Liabilities</b>			
Security Deposits		679.57	701.83
Interest accrued but not due on borrowings		3.90	10.24
Unclaimed Dividend		6.72	5.62
		<b>690.19</b>	<b>717.69</b>
<b>OTHER CURRENT LIABILITIES</b>	2.20		
Security Deposits		1,683.87	1,779.34
Other Payables			
Capital Goods		93.17	64.64
Salary and Wages payable		579.54	561.79
Employee Benefits (refer note 2.20.1)		292.15	275.73
Statutory Liabilities		133.16	207.10
Advance from Customers		469.11	3.92
		<b>3,251.00</b>	<b>2,892.52</b>
Upon the enactment of 'The payment of Bonus (Amendment) Act 2015' the company had made additional provision for bonus amounting to ₹ 45 lakhs during the year 2015-16 pertaining to financial year 2014-15, Payment is not made pending final judgement from judicial authorities.	2.20.1		
<b>PROVISIONS</b>	2.21		
(Short Term)			
Provision for Employee Benefit		703.92	349.31
Provision for Contingencies (refer note 2.44)		726.84	423.87
Other Provisions (including Selling & Distribution Expenses etc.) (refer note 2.44)		1,642.59	1,460.19
		<b>3,073.35</b>	<b>2,233.38</b>
<b>CURRENT TAX LIABILITIES (NET)</b>	2.22		
Provision for Taxations (Net of Advance Tax)		-	71.00
		-	<b>71.00</b>

Particulars	Note	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
		Audited	Audited
<b>REVENUE FROM OPERATIONS</b>			
<b>A. Sales Income</b>	2.23		
Sales of Apparel and Lifestyle Accessories/Products		49,614.38	45,696.16
Sale of Power		1.73	0.74
Sales of Apparel and Lifestyle Accessories/Products		<b>49,616.11</b>	<b>45,696.90</b>
<b>B. Other Operating Income</b>			
Service Income		336.89	207.94
Export Incentives		167.95	230.72
Miscellaneous Operating Income		118.67	60.96
Sundry balance written back (Net)		-	14.56
		<b>623.51</b>	<b>514.18</b>
<b>Total Revenue from Operations</b>		<b>50,239.62</b>	<b>46,211.08</b>
<b>OTHER INCOME</b>	2.24		
Interest on Bank Deposits		29.06	38.96
Income from Current Investments and Liquid Mutual Funds:			
Effect of fair value measurements		473.61	75.79

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2019	31st March 2018
		Audited	Audited
<b>Income from Non Current Investments</b>			
Dividend on Equity Shares		4.10	3.15
Effect of fair value measurements		1,532.89	1,863.43
Rent Income on Investment Property		92.34	89.51
Exchange Rate Fluctuation (Net)		55.01	31.68
Profit on Sale of Property Plant & Equipment (Net)		10.86	6.53
		<b>2,197.87</b>	<b>2,109.05</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS</b>	2.25		
<b>Opening stock</b>			
Work - in- Progress		1,624.01	1,556.62
Traded Goods		131.55	153.12
Finished goods		2,647.96	2,449.57
		<b>4,403.52</b>	<b>4,159.31</b>
<b>Closing Stock</b>			
Work - in- Progress		2,691.45	1,624.01
Traded Goods		411.11	131.55
Finished goods		4,309.66	2,647.96
		<b>7,412.22</b>	<b>4,403.52</b>
Add/(Less): Variation in Excise Duty on Opening and Closing Stock of Finished goods		-	23.43
(Increase)/Decrease in Stock		<b>[3,008.71]</b>	<b>[267.64]</b>
<b>COST OF MATERIAL CONSUMED</b>	2.26		
a. Raw Material Consumed:			
Opening stock		722.98	830.72
Add: Purchases		12,618.93	12,266.81
		<b>13,341.91</b>	<b>13,097.53</b>
Less: Sale of raw material		876.80	502.67
Less: Closing stock		741.91	722.98
		<b>11,723.20</b>	<b>11,871.88</b>
b. Semi-Finished Goods		4,324.37	3,046.87
c. Packing Material, Accessories and others		2,506.28	2,320.76
d. Stores, Chemicals and Consumables		809.12	753.38
		<b>19,362.97</b>	<b>17,992.90</b>
<b>EMPLOYEE BENEFIT EXPENSES</b>	2.27		
Salary, Wages and Allowances		6,630.10	5,619.59
Contribution to Provident and other Funds		452.90	431.97
Bonus and Ex-gratia [refer note 2.20.1]		132.87	132.32
Gratuity [refer note 2.40(a)]		110.93	131.42
Leave Benefits [refer note 2.40(b)]		109.43	102.11
Staff Welfare		75.30	89.82
		<b>7,511.53</b>	<b>6,507.23</b>
<b>FINANCE COSTS</b>	2.28		
Bank Charges		26.04	17.32
Finance Charges		53.63	39.02
Interest on Working Capital Loan		609.69	441.96
		<b>689.36</b>	<b>498.30</b>

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2019	31st March 2018
		Audited	Audited
<b>MANUFACTURING AND OPERATING EXPENSES</b>	2.29		
Embroidery Expenses		326.23	366.28
Electricity Expenses (net of credit received from windmill of ₹ 66.10 lakhs (P.Y. 65.55 lakhs)		167.20	158.87
Factory Rent		42.87	23.62
General Factory Expenses		25.99	31.08
Processing Charges		3,520.16	3,202.16
Lease premium charged		3.06	3.06
Fuel Expenses		480.75	426.34
Water Charges		85.15	73.92
Waste Disposal Charges		62.42	60.46
Repairs & Maintenance		175.36	176.08
Wind Turbine Expenses		15.17	13.38
		<b>4,904.36</b>	<b>4,535.25</b>
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>	2.30		
Rent, Rates and Taxes (Including provision for contingency) (refer note 2.44)		207.48	180.10
Communication Expenses		93.95	92.27
Insurance Premium(net of recoveries)		1.82	1.15
Legal and Professional Fees		1,140.20	1,026.19
Printing and Stationery		48.22	49.05
Donations		29.87	146.86
Corporate social responsibility (refer note 2.48)		190.15	211.00
Vehicle Expenses		183.05	156.49
Auditors Remuneration (refer note 2.33)		27.33	34.21
Conveyance & Travelling Expenses		55.78	44.91
Electricity Expenses		121.04	108.11
Repairs & Maintenance		374.11	385.89
Directors Sitting Fees		26.40	24.80
General Office Expenses		611.73	573.92
Provision for Doubtful debts		172.00	33.00
		<b>3,283.12</b>	<b>3,067.95</b>
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>	2.31		
Advertisement and Publicity Expenses		1,173.05	1,596.85
Sales Promotion Expenses		1,733.82	383.54
Octroi, clearing and forwarding charges on Sales		315.40	249.97
Tour and Travelling Expenses (Net of recoveries)		497.76	357.19
Commission on Sales		219.27	178.85
Provision for Contingencies		150.92	-
		<b>4,090.22</b>	<b>2,766.40</b>
<b>AGGREGATE EXPENSES</b>	2.32		
Rent Including Common Area Maintenance Charges		176.45	145.09
Rates & Taxes (net of amount written back and including contingencies)			
<b>Total Rent, Rates &amp; Taxes</b>		<b>176.45</b>	<b>145.09</b>
Electricity Expenses(net of credit received from windmill)		288.24	266.97
Repair & Maintenance (Building)		516.80	505.92
Repair & Maintenance (Machinery)		47.84	69.43
Insurance Premium(net of recoveries)		48.96	69.91
General Expenses		637.71	605.00

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2019	31st March 2018
		Audited	Audited
<b>AUDITORS REMUNERATION</b>	2.33		
As Auditors		27.00	33.63
For Reimbursement of Expenses		0.33	0.58
<b>Total</b>		<b>27.33</b>	<b>34.21</b>
<b>C.I.F.VALUE OF IMPORTS</b>	2.34		
Capital goods		10.01	227.56
Components and Spare parts		25.29	27.32
Apparel & Life style Accessories/Product		550.78	156.71
<b>Total</b>		<b>586.08</b>	<b>411.59</b>
<b>EXPENDITURE IN FOREIGN CURRENCIES</b>	2.35		
Traveling Expenses		29.15	11.75
Legal Expenses		-	14.10
Bank Charges		2.71	5.71
Professional & Technical Services		1.27	0.80
		<b>33.13</b>	<b>32.36</b>
The amounts mentioned above are net of Tax Deducted at source, if any.			
<b>EARNINGS IN FOREIGN CURRENCIES</b>	2.36		
Export of goods (F.O.B. value)		1,512.58	2,327.25
<b>Total</b>		<b>1,512.58</b>	<b>2,327.25</b>
<b>INDIGENOUS AND IMPORTED CONSUMPTION</b>	2.37		
Indigenous [ 97.16% (P.Y. 99.13%) of total consumption]		18,812.19	17,836.19
Imported (2.84% (P.Y. (0.87%) of total consumption]		550.78	156.71
<b>Total</b>		<b>19,362.97</b>	<b>17,992.90</b>

## DETAILS OF MATERIAL CONSUMED 2.38

Particulars	Measure	31st March 2019		31st March 2018	
		Qty	₹ in lakhs.	Qty	₹ in lakhs.
<b>Material</b>					
Woven Fabric	Mtrs	7,470,534	11,723	7,155,962	11,872
Knitted Fabric	Kgs				
Semi-finished Garments	Pcs	1,158,709	4,324	798,239	3,047
Packing material	**	**	1,028	**	1,038
Accessories	**	**	1,478	**	1,283
Stores, chemicals and consumables	**	**	809	**	753
<b>Total</b>			<b>19,362.97</b>		<b>17,992.90</b>

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

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

## QUANTITATIVE AND OTHER DETAILS 2.39

### PARTICULARS OF FINISHED PRODUCTS

Particulars	Opening Stock		Production		Sales/Captive Consumption		Closing Stock	
	Qty	₹ in lakhs.	Qty	₹ in lakhs.	Qty	₹ in lakhs.	Qty	₹ in lakhs.
	Apparel	559,266	2,652	5,506,725	-	5,082,503	47,100	983,488
	(416,889)	(2,450)	(4,763,316)	-	(4,620,939)	(45,696)	(559,266)	(2,652)
Power Generation	-	-	1,081,167	-	1,081,167	66	-	-
	-	-	(1,013,757)	-	(1,013,757)	(66)	-	-

### PARTICULARS OF TRADING ACTIVITIES

Particulars	Opening Stock		Production		Sales		Closing Stock	
	Qty	₹ in lakhs.	Qty	₹ in lakhs.	Qty	₹ in lakhs.	Qty	₹ in lakhs.
	Trading of Lifestyle	127,013	128	3,460,450	2,862	3,317,912	2,514	269,551
Accessories/ Products	(152,970)	(153)	(1,222,124)	(1,623)	(1,248,081)	(2,141)	(127,013)	(128)

Note:

- Figures in brackets indicate previous year's figures
- Sales includes sample distributed free of cost
- Closing stock is after adjusting shortages on physical verification of inventories

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

## 2.40 EMPLOYEE BENEFITS:

### a) Disclosure in respect of gratuity liability

Reconciliation of Defined Benefit Obligation (DBO) :	As at 31st March, 2019	As at 31st March, 2018
<b>Present value of DBO at start of the year</b>	656.94	563.63
Interest Cost	49.93	40.58
Current Service Cost	114.57	111.39
Past Service Cost	-	26.57
Benefit Paid	(76.75)	(35.29)
<b>Re-measurements:</b>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changes in financial assumptions	13.65	(8.80)
c. Actuarial Loss/(Gain) from experience over the past period	(7.11)	(41.14)
<b>Present value of DBO at end of the year</b>	<b>751.23</b>	<b>656.94</b>

Reconciliation of Fair Value of Plan Assets :	As at 31st March, 2019	As at 31st March, 2018
<b>Fair Value of Plan Assets at the beginning of the year</b>	<b>717.47</b>	<b>674.59</b>
Interest Income on Plan Assets	53.57	47.12
Contributions by Employer	71.59	31.05
Benefit Paid	(76.75)	(35.29)
<b>Re-measurements:</b>		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	5.24
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	-	(5.24)
c. Re-measurements on Plan Assets Gain/ (Loss)	(13.09)	-
<b>Fair Value of Plan Assets at the end of the year</b>	<b>752.79</b>	<b>717.47</b>
Actual Return on Plan Assets	40.48	47.12

Amount recognized in the Balance Sheet :	As at 31st March, 2019	As at 31st March, 2018
Present value of DBO at the end of the year	751.23	656.94
Fair Value of Plan Assets at the end of the year	752.79	717.47
<b>Net Asset / (Liability) in the Balance Sheet</b>	<b>1.56</b>	<b>60.54</b>

Gratuity recognized in the Statement of Profit and Loss	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current Service Cost	114.57	111.39
Past Service Cost	-	26.57
Net Interest on net defined benefit liability/ (asset)	(3.64)	(6.54)
<b>Expense Recognized in Statement of Profit and Loss</b>	<b>110.93</b>	<b>131.42</b>

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Principal Assumption used in determining Gratuity liability	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Discount Rate	7.40% pa	7.60% pa
Interest rate for net interest on net DBO	7.60% pa	7.20% pa
Withdrawal Rate	Upto age 35 years: 10% pa	Upto age 35 years: 10% pa
	Above age 35 years: 5% pa	Above age 35 years: 5% pa
Salary Escalation	7.50% pa	7.50% pa
Mortality Table	IALM 2012-14 Ult	IALM 2006-08 Ult
Expected average remaining working life	9 Years	10 Years
Retirement Age	58 years	58 years

Movement in Other Comprehensive Income	As at 31st March, 2019	As at 31st March, 2018
<b>Balance at start of year (loss)/gain</b>	<b>15.19</b>	<b>[34.75]</b>
<b>Re-measurements on DBO</b>		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	(13.65)	8.80
c. Actuarial (Loss)/Gain from experience over the past period	7.11	41.14
<b>Re-measurements on Plan Assets</b>		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	5.24
b. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	-	(5.24)
c. Re-measurements on Plan Assets Gain/ (Loss)	(13.09)	-
<b>Balance at end of year (loss)/gain</b>	<b>[4.44]</b>	<b>15.19</b>

Movement in Surplus/ (Deficit)	As at 31st March, 2019	As at 31st March, 2018
<b>Surplus/ (Deficit) at start of year</b>	<b>60.53</b>	<b>110.96</b>
<b>Movement during the year</b>		
Current Service Cost	(114.57)	(111.39)
Past Service Cost	-	26.57
Net Interest on net DBO	3.64	6.54
Actuarial gain/ (loss)	(19.63)	49.94
Contributions	71.59	31.05
<b>Surplus/ (Deficit) at end of year</b>	<b>1.56</b>	<b>60.54</b>

Other disclosures	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligation	751.23	656.94	563.63	453.05	382.14
Plan assets	752.79	717.47	674.59	518.37	356.03
Surplus/(deficit)	1.56	60.54	110.96	65.32	(26.11)
Experience adjustments on plan liabilities - loss/ (gain)	7.11	(41.14)	(17.89)	4.25	79.77
Experience adjustments on plan Assets - (loss)/ gain*		(5.24)	(13.68)	-	-

\* Information is disclosed to the extent available

Figures for the period prior to 01st April, 2016 are as per previous GAAP.



# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Sensitivity Analysis	As at 31st March 2019		As at 31st March 2018	
	Increases 1%	Decreases 1%	Increases 1%	Decreases 1%
	Change in DBO (Amount)		Change in DBO (Amount)	
Salary Growth Rate	73.83	(67.26)	63.73	(55.44)
Discount Rate	(66.74)	74.64	(54.91)	64.31
Withdrawal Rate	(3.48)	3.60	(2.40)	2.40

## Maturity profile

The average expected remaining lifetime of the plan members is 9 years (31st March, 2018: 10 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

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

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with Life Insurance Corporation of India. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected rate of return on plan assets comprising of Insurance Policy with LIC of India is based on the historical results of returns given by LIC of India.

The Company expects to contribute ₹ 100.00 lakhs (P.Y. ₹ 50.00 lakhs) to gratuity trust for contribution to LIC of India in financial year 2019-20.

## b) Disclosure in respect of leave entitlement liability:

Leave entitlement is short term benefit which is recognized as an expense at the un-discounted amount in the year in which the related service is rendered and disclosed under other current liabilities.

## c) Death in service benefit:

The Company has taken group term policy from an insurance Company to cover its obligation for death in service benefit given to eligible employees. The insurance premium of ₹ 24.65 lakhs (P.Y. ₹ 20.59 lakhs) is recognized in Statement of Profit and Loss.

d) The Company contributes towards Employees Provident Fund, Employees State Insurance, National Pension Scheme and Labour Welfare Fund. The aggregate amount contributed and charged to Statement of Profit and Loss is ₹ 452.90 lakhs (P.Y. ₹ 430.64 lakhs).

e) The Hon'ble Supreme Court of India ("SC") by its order dated February 28, 2019, in the case of Surya Roshani Limited & others V/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the review petition and directions from the EPFO, the Company is in process of assessing the impact, if any, for due compliance.

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## 2.41 RELATED PARTY DISCLOSURE:

Disclosures as per Ind AS 24 – ‘Related Party Disclosures’ are given below:

a) **Related Parties where i) control exists and ii) where significant influence exists (with whom transaction have taken place during the year).**

### Joint Ventures:

White Knitwear Private Limited

### Enterprises where Key Management Personnel (KMP) and their relatives have significant influence:

Enlighten Lifestyle Limited

Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust

Lord Gautam Charitable Foundation

Kewal Kiran Finance Private Limited

### Key Management Personnel:

Kewalchand P. Jain Chairman & Managing Director

Hemant P. Jain Whole-time Director

Dinesh P. Jain Whole-time Director

Vikas P. Jain Whole-time Director

Prakash A. Mody Independent Director

Nimish G. Pandya Independent Director

Yogesh A. Thar Independent Director

Drushti R. Desai Independent Director

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

Shantaben P. Jain (Mother of Key Management Personnel)

Veena K. Jain (Wife of Kewalchand P. Jain.)

Lata H. Jain (Wife of Hemant P. Jain)

Sangeeta D. Jain (Wife of Dinesh P. Jain)

Kesar V. Jain (Wife of Vikas P. Jain)

Pankaj K. Jain (Son of Kewalchand P. Jain)

Hitendra H. Jain (Son of Hemant P. Jain)

Yash V. Jain (Son of Vikas P. Jain)

Jai D. Jain (Son of Dinesh P. Jain)

Kewalchand P. Jain (HUF)

Hemant P. Jain (HUF)

Dinesh P. Jain (HUF)

Vikas P. Jain (HUF)

P.K. Jain Family Holding Trust

Pandya & Co. [Controlled by Mr. Nimish G. Pandya]

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

### Employee Funds:

Kewal Kiran Clothing Limited – Employee Group Gratuity Scheme.

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

Nature of Transaction	Enterprises Where KMP & their relatives have significant influence.	Joint Venture	Relatives/ Other Concerns of Key Management Personnel	Key Management Personnel	Employee Funds
Rent Expenses	-	-	9.18	29.89	-
	(-)	(-)	(9.18)	(29.89)	(-)
Managerial Remuneration	-	-	-	318.00	-
	(-)	(-)	(-)	(318.00)	(-)
Salary	-	-	54.63	-	-
	(-)	(-)	(50.16)	(-)	(-)
Sitting Fees Paid	-	-	-	26.40	-
	(-)	(-)	(-)	(24.80)	(-)
Dividend Paid	1.44	-	2,114.86	949.45	-
	(0.86)	(-)	(2,080.97)	(934.44)	(-)
CSR (Donation)	181.00	-	-	-	-
	(97.00)	(-)	(-)	(-)	(-)
Contribution to Gratuity Fund	-	-	-	-	71.59
	(-)	(-)	(-)	(-)	(31.14)
Legal & Professional Services received	-	-	2.87	-	-
	(-)	(-)	(5.50)	(-)	(-)

Outstanding Balances	As at 31st March, 2019	As at 31st March, 2018
<b>Trade and Salary Payable</b>		
Relatives/ Other Concerns of Key Management Personnel	7.50	8.37
Key Management Personnel	244.89	109.79
<b>Trade Receivable &amp; Advances</b>		
Employee Funds	1.56	60.54
Relatives/ Other Concerns of Key Management Personnel	-	-
<b>Deposit Receivable</b>		
Relatives/ Other Concerns of Key Management Personnel	4.59	4.59
Key Management Personnel	3.24	3.24
<b>Investments</b>		
Joint Venture	345.50	345.50

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

Nature of Transaction	Nature of relationship	Name of the related party	Amount
Rent Expenses	Key Management Personnel	Kewalchand P. Jain	9.98
			(9.98)
		Hemant P. Jain	8.60
			(8.60)
		Dinesh P. Jain	5.66
			(5.66)
		Vikas P. Jain	5.66
	(5.66)		
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain	9.18
			(9.18)

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Nature of Transaction	Nature of relationship	Name of the related party	Amount
Managerial Remuneration (Salary)	Key Management Personnel	Kewalchand P. Jain	79.50
			(79.50)
		Hemant P. Jain	79.50
			(79.50)
		Dinesh P. Jain	79.50
			(79.50)
		Vikas P. Jain	79.50
			(79.50)
Salary	Relatives/ Other Concerns of Key Management Personnel	Pankaj K. Jain	27.24
			(27.07)
		Hitendra H. Jain	23.35
			(23.09)
Dividend Paid	Enterprises Where KMP & their relatives have significant influence	Kewal Kiran Finance Private Limited	1.44
			(0.86)
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain (Trustee/Beneficiary of P. K. Jain Family Holding Trust)	2,061.26
			(2,030.49)
		Kewalchand P. Jain	231.35
			(227.76)
	Key Management Personnel	Hemant P. Jain	231.79
			(228.05)
		Dinesh P. Jain	244.49
			(240.56)
		Vikas P. Jain	241.81
			(238.06)
Contribution to Gratuity Fund	Employee Funds	Employee Fund	71.59
			(31.14)
Corporate Social Responsibility (Donation)	Enterprises where KMP & their relatives have significant influence	Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	181.00
			(97.00)
Legal & Professional Services received	Relatives/ Other Concerns of Key Management Personnel	Pandya & Co.	1.70
			(5.5)
		Bansi S. Mehta & Co.	1.17
			(-)

## Compensation to KMP of the Company

Nature of Benefits#	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Short-term employee benefits (including Sitting Fees)	344.20	342.80
Post-employment gratuity and medical	-	-
Other long term benefits	-	-
Share-based payment transactions	-	-
Termination Benefits	-	-
<b>Total</b>	<b>344.20</b>	<b>342.80</b>

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

Following are the Key Managerial Personnel (KMPs) and their relative in accordance with the provisions of the Companies Act, 2013:

- Bhavin Sheth Chief Financial Officer
- Abhijit Warange Company Secretary

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

Nature of Transaction	Name of the KMP/Relative	Amount
Managerial Remuneration (Salary)	Bhavin Sheth	61.03
		(52.70)
	Abhijit Warange	35.30
		(35.51)
<b>Outstanding balance as on 31st March 2019</b>		
Salary Payable	Bhavin Sheth	6.68
		(5.11)
	Abhijit Warange	3.84
		(3.88)

Note:

- Figures in brackets represents corresponding amount of previous year.
- Above transactions exclude reimbursement of expenses
- In case of KMP under the Companies Act, 2013, managerial remuneration excludes gratuity provision as it is determined on actuarial basis for the Company as a whole.

## 2.42 OPERATING LEASE ARRANGEMENTS:

Disclosure as per Ind AS- 17 - "Operating Lease" are given below:

### a) As lessee:

Rental expenses of ₹ 151.19 lakhs (P.Y. ₹ 117.31 lakhs) under operating leases have been recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 10.62 lakhs (P.Y. ₹ 16.53 lakhs) based on revenue sharing model.

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Due not later than one year	147.05	96.39
Due later than one year but not later than five years	378.15	152.58
More than 5 years	468.41	-
<b>Total</b>	<b>993.61</b>	<b>248.97</b>

### The above figures include:

- The agreements are executed for the periods of 33 to 108 months with a non-cancellable period at the beginning of the agreement ranging from 12 to 36 months and having a clause for extension of lease period.
- Lease rentals based on estimated date of commencement of lease in cases where the agreements / MOU's have been entered into but the date of commencement of lease is dependent on the date of construction/renovation of premises and based on the commitment for delivery by lessors.
- The above-mentioned lease rentals include a lease the period of which is dependent on the occurrence of an event, the date of which is not ascertainable beyond five years. Hence, the lease rentals are considered up to a period of five years only.
- Lease rentals do not include common area maintenance charges and tax payable, if any.

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- v. The above details of lease rental obligation exclude the amounts payable by franchisee in accordance with the arrangement with them (a) not later than 1 year ₹ 20.70 lakhs (P.Y. ₹ 21.15 lakhs) (b) between 1 to 5 year ₹ 74.87 lakhs (P.Y. ₹ 88.49 lakhs) (c) more than 5 years Nil (P.Y. ₹ 3.97 lakhs).

## b) As Lessor:

The Company has given certain part of its property on operating lease. These lease arrangements are for a period of 9 years and cancellable solely at discretion of the lessees. Rental income from leasing of property of ₹ 92.33 lakhs (P.Y. ₹ 89.51 lakhs) is recognized in the Statement of Profit and Loss. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

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

## 2.43 DISCLOSURE REGARDING DERIVATIVE INSTRUMENT AND UNHEDGED FOREIGN CURRENCY EXPOSURE:

There are no open derivatives / forward exchange contracts as at year end. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	31st March 2019		31st March 2018	
		Amt. in Foreign Currency	Amount	Amt. in Foreign Currency	Amount
Trade Receivables	USD	5,41,775	374.91	5,90,482.15	384.05
Payable towards Capital Goods	USD	-	-	5,350	30.51
	EURO	-	-	20,776.50	-
Advance from Customer	USD	2,479.80	1.72	2,095.31	1.36
Advance to Supplier	USD	82,451.28	57.06	1,11,055	72.23
Balance in EEFC account	USD	1,01,668.78	70.35	169.54	0.11
Foreign currency in hand	Multiple	-	0.83	-	3.15

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

## 2.44 PROVISIONS:

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

Particulars	Provision for Contingencies				Other Provisions (Selling & Distributions Expenses including dealer incentives and discounts)		Provision for margin on sales return	
	Provision for Claims/ Schemes etc		Other Contingencies*		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	403.72	328.29	34.94	34.94	1,308.12	1,248.82	152.08	95.50
Addition	515.73	319.08	150.92	-	505.15	1245.12	18.34	56.57
Utilization	171.12	243.65	-	-	1245.12	1185.82	-	-
Reversals	203.24	-	4.00	-	-	-	170.42	-
<b>Closing Balance</b>	<b>545.09</b>	403.72	<b>181.86</b>	34.94	<b>568.15</b>	1308.12	-	152.08

\* It comprises of rates & taxes.

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

The timing of the outflow is dependent on various aspects / fulfillment of conditions and occurrence of events. Such provisions are made based on the past experience and assessment of rates and taxes. However, it is most likely that outflow is expected to be within a period of one year from the date of Balance Sheet.

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## 2.45 CONTINGENT LIABILITIES:

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

In respect of Assessment year 2005-2006, there was tax demand of ₹ 68.94 lakhs (₹ 68.94 lakhs) which had been adjusted by the tax authorities against refund due to the Company in respect of other years. During F.Y. 2015-16, the Company had received favourable Order passed by the ITAT, Mumbai against which the Income Tax Department has filed the appeal before the Bombay High Court and is under pre-admission stage.

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

- b) The Company has purchased capital assets under EPCG license against which the Company has a balance export obligation of ₹ 1,224.80 lakhs (P.Y. 1,130.28 lakhs). Contingent liability, to the extent of duty saved in respect of EPCG is ₹ 204.13 lakhs (P.Y. 188.38 lakhs). The balance export obligation to be fulfilled as per license is upto year 2021-2023.

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

- c) Bank guarantees issued by the Company of ₹ 35.46 lakhs (P.Y. ₹ 94.91 lakhs)
- d) The company's contingent liability and capital/other commitment in relation to joint venture ₹ Nil and ₹ Nil.
- e) The Company has process in place to ascertain the impact of pending litigation.

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

## 2.46 ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON-

- a) **Capital Commitment-** Capital Account and not provided for Nil (net of advances) (P.Y. Nil).
- b) **Other commitments-**
- Advertisement contracts aggregating to ₹ 75.00 lakhs (Net of advances) (P.Y Nil).
  - Purchase of Garments/Consumables- ₹ 259.88 lakhs (P.Y. ₹ 15.94 lakhs)
  - Capital Contribution Commitment for investment in Sistema Asia Fund ₹ 110 lakhs (P.Y. Nil).

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

## 2.47 INCOME TAXES (IND AS 12):

Reconciliation of Effective Tax Rate:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Applicable tax rate (%)	34.944%	34.608%
Profit before tax	11,936.23	10,855.26
Current tax expenses on Profit before tax as per applicable tax rate	4,171.00	3,756.79
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income</b>		
Effect of Income exempt from tax	(486.17)	(190.01)
Effect of Tax paid at a lower rate	(46.21)	(36.20)
Effect of Previous year adjustments	10.75	-
Effect of other items	255.17	(0.58)
<b>Total income tax expense/(credit)</b>	<b>3,904.54</b>	<b>3,530.00</b>

The effective tax rate is 32.71% (F.Y. 2017-18, 32.52%).

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## 2.48 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, the company has spent on Corporate Social Responsibility as per its CSR policy.

a) Gross amount required to be spent by the company during the year is ₹ 190.15 lakhs (P.Y. ₹ 193.33 lakhs)

b) Amount spent during the year on:

Sr. No.	Particulars	In Cash (Amount)	Yet to be paid (Amount)	Total (Amount)
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	190.15	-	190.15
		<b>(247.00)</b>	-	<b>(247.00)</b>

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

Note: 2 Cash flow from operating activities includes CSR amounting to ₹ 190.15 lakhs (P.Y. ₹ 247.00 lakhs)

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

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

### Amount outstanding as at year end

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loans given	-	-
Guarantee given	-	-
Investments made*	28,021.78	28,450.56

\*Also Refer note no. 2.2, 2.6 and 2.8

## 2.50 FAIR VALUE MEASUREMENT:

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

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

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

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

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



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- A. Quantitative disclosures fair value measurement hierarchy for financial assets as at 31st March, 2019, 31st March, 2018

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
<b>As at March 31, 2019:-</b>				
<b>Financial Assets at amortised cost:</b>				
Trade receivables	-	-	17,760.60	17,760.60
Investments (non-current)	-	-	345.50	345.50
Cash and bank balances	-	-	878.45	878.45
Other financial assets	-	-	454.29	454.29
<b>Assets measured at fair value</b>				
<b>Fair value through Other Comprehensive Income</b>				
Investment in Equity shares, quoted	276.15	-	-	276.15
<b>Fair value through Profit and Loss</b>				
Investment in units of Mutual Funds	-	27,400.13	-	27,400.13
<b>As at March 31, 2018:-</b>				
<b>Financial Assets at amortised cost:</b>				
Trade receivables	-	-	12,067.75	12,067.75
Investments (non-current)	-	-	345.50	345.50
Cash and bank balances	-	-	840.37	840.37
Other financial assets	-	-	395.98	395.98
<b>Assets measured at fair value</b>				
<b>Fair value through Other Comprehensive Income</b>				
Investment in Equity shares, quoted	233.92	-	-	233.92
<b>Fair value through Profit and Loss</b>				
Investment in units of Mutual Funds	-	27,871.14	-	27,871.14

- B. Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31st March, 2019, 31st March, 2018

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
<b>As at March 31, 2019:-</b>				
<b>Financial Liabilities at amortised cost:</b>				
Cash Credits/Working Capital Borrowing	-	-	9,345.99	9,345.99
Trade payables	-	-	4,473.18	4,473.18
Other financial liabilities	-	-	690.19	690.19
<b>As at March 31, 2018:-</b>				
<b>Financial Liabilities at amortised cost:</b>				
Cash Credits/Working Capital Borrowing	-	-	4,829.65	4,829.65
Trade payables	-	-	4,350.65	4,350.65
Other financial liabilities	-	-	717.69	717.69

## 2.51 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

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

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

## a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: (i) interest rate risk and (ii) currency risk. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The sensitivity analyses in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2019 and 31st March, 2018.

### (i) Interest rate risk

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

#### Interest rate sensitivity-

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

Basis Points	As at 31st March 2019		As at 31st March 2018	
	5% increase	5% decrease	5% increase	5% decrease
Effect on profit before tax (Amount)	[30.48]	30.48	(21.68)	21.68

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company's trade receivables in foreign currency as at 31st March, 2019 is ₹ 374.91 lakhs (P.Y. ₹ 384.05 lakhs).

#### Foreign currency sensitivity

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

Basis Points	As at 31st March 2019		As at 31st March 2018	
	2% increase	2% decrease	2% increase	2% decrease
Effect on profit before tax (Amount)	7.50	[7.50]	7.68	[7.68]

## b) Credit risk

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

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

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

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

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

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

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

Ageing	As at 31st March, 2019	As at 31st March, 2018
0-180 days	13,441.31	7,259.52
181 days to 365 days	3,645.37	3,382.71
beyond 365 days	1,194.94	1,768.52
<b>Total</b>	<b>18,281.62</b>	<b>12,410.75</b>

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

Provisions	As at 31st March, 2019	As at 31st March, 2018
Opening Provision	343.00	310.00
Add:- Additional provision made	172.00	33.00
Less:- Provision utilised against bad debts	-	-
Closing provisions	515.00	343.00

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

## c) Liquidity risk

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

As on 31st March, 2019, the Company had working capital of ₹ 20,368.58 lakhs (P.Y. ₹ 18,513.87 lakhs) including cash and cash equivalents of ₹ 5,320.61 lakhs (P.Y. ₹ 6,154.29 lakhs) and current investments of ₹ 9,081.10 lakhs (P.Y. ₹ 9,329.67 lakhs)

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

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

As at 31st March, 2019	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	9,345.99	-	-	9,345.99
Trade payables	4,473.18	-	-	4,473.18
Other financial liabilities	690.19	-	-	690.19
Payable related to Capital goods	93.17	-	-	93.17
<b>Total</b>	<b>14,602.53</b>	<b>-</b>	<b>-</b>	<b>14,602.53</b>

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

## 2.52 CAPITAL MANAGEMENT

### (a) Risk Management

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

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

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

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net Debt	(5,055.72)	(10,654)
Total Equity	43,049.05	39,965
Net Debt to Equity Ratio (%)	(11.74)	(26.66)

# STANDALONE NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

## (b) Distributions made and proposed:

Equity Shares	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended 31st March, 2018 ₹ 1.50 (31st March, 2017 - ₹ 1.50) per fully paid share	184.88	184.88
Dividend distribution tax on final dividend	38.00	37.64
Interim Dividend for the year ended 31st March, 2019 ₹ 32.00 (31st March, 2018 - ₹ 31.50) per fully paid share	3,944	3,882.39
Dividend distribution tax on interim dividend	810.70	790.36
<b>Proposed dividends on Equity shares:</b>		
Final dividend for the year ended on 31st March, 2019 ₹ 2.00 (31st March, 2018- ₹ 1.50) per fully paid share	246.51	184.88
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. The same is not recognised at the end of the reporting period.		

**2.53** Ind AS 116 'Leases' was notified on 30th March 2019 and it replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of analyzing the impact of Ind AS 116 on its Financial Statements.

**2.54** Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

**2.55** Previous year figures are regrouped or rearranged wherever considered necessary.

### As per our Audit Report of even date attached

**For Khimji kunverji & Co**  
Chartered Accountants  
Registration No.: 105146W

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

Place: Mumbai  
Date: 4th May, 2019

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

**Kewalchand P Jain**  
Chairman & Managing  
Director  
Din No :00029730

**Bhavin Sheth**  
Chief Financial Officer

**Hemant P Jain**  
Whole time Director  
Din No :00029822

**Abhijit Warange**  
Company Secretary

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Kewal Kiran Clothing Limited**

Report on the Audit of the Consolidated Ind AS  
Financial Statements

## OPINION

1. We have audited the accompanying Consolidated Ind AS financial statements ('CFS') of **Kewal Kiran Clothing Limited** ('the Holding Company') and a Joint Venture (The holding company and a Joint Venture collectively referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid CFS give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated financial position of the Group as at March 31, 2019, and their consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

## BASIS FOR OPINION

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

## KEY AUDIT MATTERS

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for

the year under audit. We have determined that there are no key audit matters to be communicated in our report.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

4. The Holding company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures related Information, excluding the standalone as well as consolidated Ind AS financial statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'

## RESPONSIBILITY OF MANAGEMENT FOR CONSOLIDATED IND AS FINANCIAL STATEMENTS

5. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these CFS that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 CFS that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

6. Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

7. As required by section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the CFS.
  - In our opinion, proper books of account as required by law relating to the preparation of the CFS have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditor.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the CFS.
  - In our opinion, the aforesaid CFS comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019, taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditor of the Joint Venture incorporated in India, none of the directors of the Group are disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure 2.
- In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with provisions of Section 197 of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on Standalone Financial Statements and other financial information of the Joint Venture as noted in paragraph 8 of 'Other Matters' paragraph, we report as under:
  - The Company has disclosed the impact of pending litigations on the financials position in its CFS.;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

### **OTHER MATTER**

8. We did not audit the Financials Statements of the Joint Venture included in the CFS whose Group share of net Loss is ₹ 2.86 Lakhs for the year ended March 31, 2019. These Financial Statements have been audited by another auditor whose report has been furnished to us by the Management of the Company. In our opinion on the CFS, in so far as it relates to the amounts and disclosures included pertaining to the joint venture, is based solely on the report of another auditor. Our opinion is not modified on this matter.

**For Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

**Hasmukh B Dedhia**  
Partner (F - 033494)  
Place: Mumbai  
Date: 4th May 2019

## ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEWAL KIRAN CLOTHING LIMITED

[referred to in para 6 titled "Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements"]

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEWAL KIRAN CLOTHING LIMITED

[referred to in paragraph 7(f) under 'Report on Other Legal and Regulatory Requirements']

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements ('CFS') of the Company as of and for the year ended March 31, 2019, we report on internal financial controls over financial reporting of Kewal Kiran Clothing Limited (hereinafter referred to as "the Holding Company"), and a Joint Venture (the Holding Company and a Joint Venture together referred to as "the Group"), incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its Joint Venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered



Accountants of India ['ICAI']. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ["the Act"]

### **AUDITORS' RESPONSIBILITY**

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

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

We believe that the audit evidence we have obtained and in terms of other auditor report referred to in paragraph of the Other Matters below, the audit evidence obtained by them, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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
- (c) 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 consolidated 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, to the best of our information and according to the explanations given to us and based on auditor's report of the Joint Venture, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note.

### **OTHER MATTERS**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the sole Joint Venture, is based on the report of the auditors of joint venture.

**For Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

**Hasmukh B Dedhia**  
Partner (F - 033494)  
Place: Mumbai  
Date: 4th May 2019

# CONSOLIDATED BALANCE SHEET

as at 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(Amount ₹ in lakhs)

Particulars	Note	As at	As at
		31st March 2019	31st March 2018
		Audited	Audited
<b>ASSETS</b>			
<b>1] Non-Current Assets</b>			
a) Property, Plant and Equipment	2.1	7,693.91	6,755.62
b) Capital Work in Progress	2.1	224.16	908.51
c) Investment Property	2.1.1	142.84	151.59
d) Other Intangible Assets		194.18	50.06
e) Intangible Assets under Development		-	15.35
f) Financial Assets			
i) Investments	2.2	14,441.41	13,666.24
ii) Loans		-	-
iii) Other Financial Assets	2.3	311.15	251.70
g) Deferred Tax Assets(Net)		-	-
h) Other Non-Current Assets	2.4	312.09	232.05
		<b>23,319.74</b>	<b>22,031.12</b>
<b>2] Current Assets</b>			
a) Inventories	2.5	8,310.25	5,285.01
b) Financial Assets			
i) Investments	2.6	9,081.10	9,329.68
ii) Trade Receivables	2.7	17,766.62	12,071.67
iii) Cash & Cash Equivalents	2.8	5,320.61	6,154.29
iv) Bank balances other than iii above	2.9	7.97	94.45
v) Loans		-	-
vi) Other Financial Assets	2.10	143.14	144.27
c) Current Tax Assets (Net)		-	-
d) Other Current Assets	2.11	572.61	529.40
		<b>41,202.30</b>	<b>33,608.77</b>
		<b>64,522.04</b>	<b>55,639.89</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	2.12	1,232.50	1,232.50
b) Other Equity	2.13	41,767.40	38,686.55
		<b>42,999.90</b>	<b>39,919.05</b>
<b>Liabilities</b>			
<b>1] Non-Current Liabilities</b>			
a) Financial Liabilities		-	-
b) Provisions	2.14	6.50	6.50
c) Deferred Tax Liability	2.15	547.00	460.00
d) Other non - current liabilities	2.16	134.92	159.45
		<b>688.42</b>	<b>625.95</b>
<b>2] Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	2.17	9,345.99	4,829.65
ii) Trade Payables			
- Due to Micro and Small Enterprises	2.18	176.38	25.39
- Due to Others		4,296.79	4,325.26
iii) Other financial liabilities	2.19	690.19	717.69
b) Other Current Liabilities	2.20	3,251.12	2,892.52
c) Provisions	2.21	3,073.35	2,233.38
d) Current Tax Liabilities (Net)	2.22	-	71.00
		<b>20,833.72</b>	<b>15,094.89</b>
		<b>64,522.04</b>	<b>55,639.89</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

Significant accounting policies and notes on accounts

1 & 2

The notes referred to above form integral part of Financial Statements

As per our Audit Report of even date

For and on behalf of

Khimji kunverji & Co

Chartered Accountants

Registration No.: 105146W

Hasmukh Dedhia

Partner

Membership No. : 33494

Place: Mumbai

Date: 4th May, 2019

For and on behalf of the Board of Directors

of Kewal Kiran Clothing Ltd

Kewalchand P Jain

Chairman & Managing Director

Din No : 00029730

Bhavini Sheth

Chief Financial Officer

Hemant P Jain

Whole time Director

Din No : 00029822

Abhijit Warange

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

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Financial Statements

Particulars	Note	(Amount ₹ in lakhs)	
		For the Year Ended 31st March 2019 Audited	For the Year Ended 31st March 2018 Audited
<b>INCOME</b>			
Revenue from Operations	2.23	50,239.62	46,211.08
Other Income	2.24	2,197.87	2,109.05
		<b>52,437.49</b>	<b>48,320.13</b>
<b>EXPENDITURE</b>			
Changes in inventories of Finished goods, Stock in trade and Work in progress	2.25	(3,008.71)	(267.64)
Cost of Material Consumed	2.26	19,362.97	17,992.90
Purchase of Trading Items: Lifestyle Accessories/ Products		2,862.26	1,622.86
Excise Duty on Sales		-	164.28
Employee Benefit Expenses	2.27	7,511.53	6,507.23
Finance Cost	2.28	689.36	498.30
Depreciation/ Amortization	2.1	806.15	577.35
Manufacturing and Operating Expenses	2.29	4,904.36	4,535.25
Administrative and Other Expenses	2.30	3,283.12	3,067.95
Selling and Distribution Expenses	2.31	4,090.22	2,766.40
		<b>40,501.27</b>	<b>37,464.88</b>
<b>Profit before exceptional items, share of profit/(loss) of investment using equity method and tax</b>		<b>11,936.22</b>	<b>10,855.25</b>
Share of profit/(loss) of joint venture using equity method		(2.86)	(6.60)
<b>Profit before exceptional items and tax</b>		<b>11,933.36</b>	<b>10,848.65</b>
Exceptional items		-	-
<b>Net Profit Before Tax</b>		<b>11,933.36</b>	<b>10,848.65</b>
<b>Tax Expense</b>			
Current Tax		3,806.79	3,182.72
Deferred Tax		87.00	347.28
(Excess)/Short Provision for Taxes of Earlier Years		10.75	-
<b>Net Profit for the Period</b>		<b>8,028.82</b>	<b>7,318.66</b>
<b>Other Comprehensive Income (OCI)</b>			
<i>Items that will not be reclassified to Profit and Loss</i>			
Effect [(gain) / loss] of measuring equity instruments at fair value through OCI		(42.24)	(51.62)
Remeasurement (gain) / loss on net defined benefit liability		19.41	(49.94)
Income tax relating to items that will not be reclassified to profit and loss		(6.79)	17.28
<b>Total Comprehensive Income for the year</b>		<b>8,058.44</b>	<b>7,402.94</b>
Earnings per Share - Basic and Diluted (Face Value of ₹ 10 each fully paid up)		<b>65.14</b>	<b>59.38</b>
<b>Weighted Average Number of Shares used in computing Earnings per Share -Basic and Diluted</b>		<b>12,325,037</b>	<b>12,325,037</b>

Significant accounting policies and notes on accounts

1 & 2

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

**As per our Audit Report of even date**

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

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

Place: Mumbai  
Date: 4th May, 2019

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

**Kewalchand P Jain**  
Chairman & Managing Director  
Din No : 00029730

**Bhavin Sheth**  
Chief Financial Officer

**Hemant P Jain**  
Whole time Director  
Din No : 00029822

**Abhijit Warange**  
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(Amount ₹ in lakhs)

Particulars	For the Year Ended	For the Year Ended
	31st March 2019	31st March 2018
	Audited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Taxes as per Statement of Profit and Loss</b>	<b>11,933.23</b>	10,848.65
Adjustments for:		
Depreciation/ Amortization	797.39	568.59
(Gain)/Loss on Sale / discard of Property plant & equipment (Tangible Assets) (Net)	(10.86)	(6.53)
Share of Profit/(loss) of Joint venture	2.86	6.60
Proportionate Lease premium charged	3.06	3.06
Depreciation on Investment Property	8.76	8.76
Effect of fair value measurement of investments	(2,006.50)	(1,939.22)
Sundry Balance (written back)/written off (Net)	(8.96)	(14.57)
Finance costs	609.69	441.96
Dividend Income	(4.10)	(3.15)
Provision/(Reversal of provision) for Doubtful Debts, Advances, Deposits and Investments	129.76	(18.62)
Provision/(Reversal of provision) for Contingent Rent/JV	-	(1.08)
Provision/(Reversal of provision) for Contingencies	150.92	-
Provision/ (Reversal of Provision) of Exchange Rate Fluctuation (Net)	1.06	(5.33)
Interest Income	(29.06)	(38.96)
	<b>(355.98)</b>	(998.49)
	<b>11,577.39</b>	9,850.16
<b>Changes in Current &amp; Non-current Assets and Liabilities</b>		
Trade Receivable and Other Assets	(5,905.66)	(3,188.95)
Inventories	(3,025.25)	(158.81)
Trade Payables, Liabilities and Provisions	1,100.88	2,103.54
	<b>(7,830.03)</b>	(1,244.22)
<b>Net Cash Inflow from Operating Activities</b>	<b>3,747.36</b>	8,605.94
Less: Income Tax paid (Net of Refund)	(3,801.60)	(3,046.94)
<b>Net Cash Inflow/(outflow) from Operating Activities</b>	<b>(54.24)</b>	5,559.00
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant & Equipment (including Capital Advances)	(1,241.04)	(949.81)
Sale of Property Plant & Equipment	82.88	51.55
Purchase of Investments	(3,451.33)	(5,983.41)
Redemption of Investments (net of taxes)	4,783.43	5,448.79
Bank Deposit offered as Security	(40.57)	(66.33)
Maturity of Bank Deposit offered as Security	88.85	83.12
Dividend Income	4.10	3.15
Interest received on Bank Deposits	57.92	19.08
Less : Income Tax Paid (refer note 1 below)	(5.79)	(10.11)
<b>Net Cash inflow /[(Outflow) from Investing Activities</b>	<b>278.45</b>	(1,403.97)

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

Particulars	[Amount ₹ in lakhs]	
	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
	Audited	Audited
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Working Capital Demand Loan (Net)	4,516.34	779.00
Interest and Finance Charges	(616.03)	(441.00)
Payment of Dividend (Including Dividend Tax)	(4,958.17)	(4,895.00)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(1,057.86)</b>	<b>(4,556.77)</b>
Net Increase/ (Decrease) in Cash & Cash Equivalents	(833.65)	(401.74)
<b>CASH AND CASH EQUIVALENTS - OPENING [refer note 2.8]</b>	<b>6,154.29</b>	<b>6,556.03</b>
	<b>5,320.64</b>	<b>6,154.29</b>
Effect of Exchange(Gain)/Loss on Cash and Cash Equivalents	0.03	-
<b>CASH AND CASH EQUIVALENTS - CLOSING [refer note 2.8]</b>	<b>5,320.61</b>	<b>6,154.29</b>

Significant accounting policies and notes on accounts 162

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

- The Aggregate Income Tax paid during the year is ₹ 3,952.39 lakhs (P.Y. ₹ 3103.67 lakhs).
- The amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments as on 31st March 2019 is ₹ 1654.01 lakhs (P.Y. ₹ 6170.35 lakhs).

**As per our Audit Report of even date**

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

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

Place: Mumbai  
Date: 4th May, 2019

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

**Kewalchand P Jain**  
Chairman & Managing  
Director  
Din No :00029730

**Bhavin Sheth**  
Chief Financial Officer

**Hemant P Jain**  
Whole time Director  
Din No :00029822

**Abhijit Warange**  
Company Secretary

# STATEMENT OF CONSOLIDATED CHANGE IN EQUITY

for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

## A) EQUITY SHARE CAPITAL

(Amount ₹ in lakhs)

	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the reporting year	1232.50	1232.50
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	<b>1,232.50</b>	<b>1,232.50</b>

## B) OTHER EQUITY

(Amount ₹ in lakhs)

	General Reserve	Retained Earning	Securities premium	Business Progressive fund (refer note below)*	Equity Instruments through OCI	Total
Balance as at 31st March 2018	<b>5,375.62</b>	<b>21,332.38</b>	<b>8,426.77</b>	<b>3,500.00</b>	<b>51.77</b>	<b>38,686.55</b>
Profit for the year	-	8,028.82	-	-	-	8,028.82
Items of OCI for the year, net of tax						-
Remeasurement of net defined benefit liability	-	(12.62)	-	-	-	(12.62)
Effect of measuring equity instruments at fair value through OCI	-	-	-	-	42.24	42.24
Total Comprehensive income from the year (2018-19) (I)	-	8,016.20	-	-	42.24	8,058.45
Transfer	-	(500.00)	-	500.00	-	-
Dividends	-	(4,128.88)	-	-	-	(4,128.88)
Tax on dividends	-	(848.71)	-	-	-	(848.71)
Total (II)	-	(5,477.58)	-	500.00	-	(4,977.58)
<b>Balance as at 31st March 2019 (III) = I+II</b>	<b>5,375.62</b>	<b>23,871.01</b>	<b>8,426.77</b>	<b>4,000.00</b>	<b>94.01</b>	<b>41,767.41</b>

## BUSINESS PROGRESSIVE FUND

\* The Company has created "Business Progressive Fund" out of its profits to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business, reinforce existing channels of sales etc. The amount of fund is specifically earmarked and invested in liquid mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Indian Accounting Standard (AS) -37 in normal course of business. INDAS-37 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.

Accordingly the Company has opted to create Business Progressive Fund. Further addition to the aforesaid fund shall be reviewed from time to time considering business environment and conditions and the income accrued from the fund. Any accretion to the investment shall be credited to Statement of Profit and Loss.

### As per our Audit Report of even date

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

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

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

**Kewalchand P Jain**  
Chairman & Managing  
Director  
Din No :00029730

**Hemant P Jain**  
Whole time Director  
Din No :00029822

Place: Mumbai  
Date: 4th May, 2019

**Bhavini Sheth**  
Chief Financial Officer

**Abhijit Warange**  
Company Secretary

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

## 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

### A. Corporate Information

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

### B. Statement of Compliance and Basis of Preparation and Consolidation

#### (i) Compliance with Ind AS

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

#### (ii) Basis of Preparation and presentation

##### Basis of Preparation:

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

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

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

##### Functional and Presentation Currency:

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

#### (iii) Principles of Consolidation and equity accounting

##### Joint Venture:

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

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

##### Equity Method

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

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## C. Summary of Significant Accounting Policies

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

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

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

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

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

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

All other liabilities are classified as non-current.

### 1.2 Property, Plant and Equipment (PPE):

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

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

### 1.3 Expenditure during construction period:

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

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

- b) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from



# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

## 1.4 Depreciation:

- a) Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Act except certain class of assets specified in table (i) below, based on internal assessment estimated by the management of The Group, where the useful life is lower than as mentioned in said Schedule II.

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

Assets	Estimated useful life depreciated on SLM basis
Furniture & fittings at retail stores	5 years
Second hand factory / office building (RCC frame structure)	30 years
Second hand factory / office building (other than RCC frame structure)	5 years
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase

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

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

- c) In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case

may be, upto the date on which such asset has been sold or discarded.

- d) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- e) Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the useful life mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Parent Company does not have right of renewal), the same is amortized over the lease period of land.

## 1.5 Investment properties

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

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

## 1.6 Intangible Assets and Amortisation:

- a) Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.
- b) Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.
- c) Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

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

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

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

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

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

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

## 1.8 Impairment of Non-Financial Assets:

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

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

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

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

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

## 1.9 Inventories:

The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost comprises of costs of purchase, duties and taxes [other than those subsequently recoverable], conversion cost and other costs incurred in bringing the inventories to their present location and condition. Since the Parent Company is in fashion industry with diverse designs/styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable).

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.

## 1.10 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings and exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

## 1.11 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past

events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Group.

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

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

## 1.12 Revenue Recognition:

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

- a) Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and is measured at the fair value of consideration received or receivable taking net off the amount of goods and services tax (GST), sales tax, rebates, trade discounts and sales returns.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income on investment is accounted for in the period/year in which the right to receive the same is established.
- d) Service income is recognized upon rendering of services. Service income is recorded net of service tax/GST.
- e) Licensing revenue is recognized on accrual basis in accordance with the terms of the relevant agreements. Licensing income is recorded net of sales tax and service tax/GST
- f) Power generation income is recognized on the basis of electrical units generated and sold in excess of captive consumption and recognized at prescribed rate as per agreement of sale of electricity by the Parent Company. Further, value of electricity generated and captively consumed is netted off from the electricity expenses.

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

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

## 1.13 Operating Lease:

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with the lessor are classified as operating lease.

Rental expenses on assets obtained under operating lease arrangements are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases.

## 1.14 Employees' Benefits:

### a) Short term employee benefits-

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

### b) Post-employment benefits

#### i) Defined contribution plan

The defined contribution plan is post-employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme, Employee Pension Scheme, National Pension Scheme

and Labour Welfare Fund. The Group's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

#### ii) Defined benefit plan

The Group's obligation towards gratuity liability is funded to an approved gratuity fund, which fully covers the said liability under Cash Accumulation Policy of Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. Re-measurement gains or losses arising from experience adjustments changes in actuarial assumptions is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss in the subsequent period.

As per the Parent Company's policy, employees who have completed specified years of service are eligible for death benefit plan wherein defined amount would be paid to the survivors of the employee on the death of the employee while in service with the Parent Company. To fulfill the Parent Company's obligation for the above mentioned plan, the Parent Company has taken group term policy from an insurance company. The annual premium for insurance cover is recognized in Statement of Profit and Loss.

## 1.15 Income Taxes:

- a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities

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- premium or retained earnings or other reserves, the corresponding tax effect is also adjusted against the securities premium or retained earnings or other reserves, as the case may be, as per the announcement of Institute of Chartered Accountant of India.
- b) Current Tax is measured on the basis of estimated taxable income for the current accounting period in with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.
- c) Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

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

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

## 1.16 Earnings per Share:

Basic earnings per share (EPS) are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split if any.

For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 1.17 Foreign Currency Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items carried at fair value are translated at the rates prevailing at the date when the fair value was determined. Foreign currency non-monetary items measured in terms of historical cost are translated using the exchange rate as at the date of initial transactions.
- c) Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost on those foreign currency borrowings.

## 1.18 Financial Instruments:

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

### Measurement

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

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## **Classification and Subsequent Measurement: Financial Assets**

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

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

### **Amortised Cost:**

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

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

### **Fair Value through OCI (FVOCI):**

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

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

### **Fair Value through Profit or Loss (FVTPL):**

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

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

### **Equity instruments:**

The Group subsequently measures its specific equity investments other than investments in joint venture at fair value. Where the Group's management has elected to present fair value

gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

### **Impairment of financial assets**

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

### **Derecognition of financial assets:**

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

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

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

#### **Subsequent measurement: Financial Liabilities**

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

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

#### **Derecognition of Financial Liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the

terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Consolidated Statement of Profit and Loss.

#### **1.19 Cash Flow Statement Cash and Cash Equivalents:**

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

#### **1.20 Dividend distribution:**

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

#### **1.21 Segment Reporting:**

Operating segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. These operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM").

#### **D. Critical accounting judgements and key sources of estimation uncertainty (Parent Company):**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts

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of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Critical judgements and estimates in applying accounting policies:

## 1] Property, Plant and Equipment:

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

## 2] Estimation of Defined benefit obligation:

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

rate of return on assets and mortality rates. The same is disclosed in Note 2.32

## 3] Sales Returns:

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

## 4] Fair value measurement of Financial Instruments: Refer Note 2.40

## 5] Impairment

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



# CONSOLIDATED NOTES

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## 2.1: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
		As at 01/04/2018	Additions	Deductions/ Discarded	As at 01/04/2018	Depreciation	Deductions/ Discarded	As at 31/3/2019	As at 31/3/2019
<b>Property Plant &amp; Equipment [Tangible Assets]</b>									
1	Free Hold Land	1,697.36	-	-	-	-	-	-	1,697.36
2	Building	2,729.08	1,133.14	-	219.01	136.61	-	355.61	3,508.61
3	Furnitures & Fixtures	98.27	8.48	13.24	23.51	14.43	2.23	35.70	55.81
4	Plant and Machinery	2,577.24	325.50	87.07	491.93	351.05	31.90	811.08	2,004.59
5	Computer	167.70	24.46	5.07	92.55	49.60	3.88	138.27	48.82
6	Office Equipments	245.51	67.72	0.35	74.00	38.01	0.17	111.84	201.04
7	Vehicles	189.17	73.12	14.45	54.70	32.43	9.97	77.16	179.69
	<b>Total of Property Plant &amp; equipment [A]</b>	<b>7,711.33</b>	<b>1,632.42</b>	<b>120.17</b>	<b>955.70</b>	<b>622.12</b>	<b>48.16</b>	<b>1,529.66</b>	<b>7,693.91</b>
<b>Intangible Assets (other than internally generated)</b>									
1	Software (Acquired)	112.46	19.38	-	62.40	25.69	-	88.09	43.75
2	Trademark	-	300.00	-	-	149.57	-	149.57	150.43
	<b>Total of Intangible Assets [B]</b>	<b>112.46</b>	<b>319.38</b>	<b>-</b>	<b>62.40</b>	<b>175.27</b>	<b>-</b>	<b>237.67</b>	<b>194.18</b>
<b>Capital Work in Progress [CWIP]</b>									
1	Plant and Machinery	57.02	94.20	137.98	13.24	-	-	-	13.24
2	Building	851.49	236.14	876.71	210.92	-	-	-	210.92
	<b>Total CWIP</b>	<b>908.51</b>	<b>330.34</b>	<b>1,014.69</b>	<b>224.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224.16</b>
<b>Intangible Assets under development</b>									
1	Software (Acquired)	15.35	-	15.35	-	-	-	-	-
	<b>Total CWIP [C]</b>	<b>923.86</b>	<b>330.34</b>	<b>1,030.04</b>	<b>224.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224.16</b>
<b>INVESTMENT PROPERTIES [2.1.1]</b>									
1	Building	255.91	-	-	104.32	8.76	-	113.08	142.84
	<b>Total Investment properties [D]</b>	<b>255.91</b>	<b>-</b>	<b>-</b>	<b>104.32</b>	<b>8.76</b>	<b>-</b>	<b>113.08</b>	<b>142.84</b>
	<b>Grand total [A+B+C+D]</b>	<b>9,003.56</b>	<b>2,282.14</b>	<b>1,150.21</b>	<b>1,122.42</b>	<b>806.15</b>	<b>48.16</b>	<b>1,880.41</b>	<b>8,255.09</b>

# CONSOLIDATED NOTES

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## 2.1.1 INVESTMENT PROPERTY

Particulars	As at	
	31st March 2019	31st March 2018
Rental income derived from Investment property	92.33	89.51
Direct operating expenses (Including repair and maintenance)	-	2.58
Income arising from Investment properties before depreciation	92.33	86.93
Depreciation	8.76	8.76
Income from Investment properties (Net)	83.57	78.17

- 2.1.2 Building includes the value of 14,000 (P.Y.14,000) share of ₹ 100 each in Synthofine Estate CHS Ltd and value of 10 (P.Y.10) share of ₹ 50 each in Gautam Chemical Industrial Premises CHS Ltd.
- 2.1.3 Building includes building constructed on lease hold land having Gross block of ₹ 226.65 lakhs (P.Y. ₹ 226.65 lakhs)
- 2.1.4 In the year 2014-15, the company has acquired freehold land with integrated structures for a composite value whose conveyance is registered and municipal records updated. The value of the structure is determined based on estimated depreciated value of structures and the balance is considered as the value of the land. In respect of the land, the company has undivided share in land. Also an insignificant portion of land is unlawfully occupied by an illegal occupant and the said occupant had raised some illegal structures which were demolished by the Municipal Corporation. The said illegal occupant has filed a suit in the Hon'ble High Court for his alleged claim in respect of the portion of the land illegally occupied by him. The company has refuted the alleged claim of the illegal occupant and is defending the suit. The Company has filed an Eviction suit against the illegal occupant in the Hon'ble Small Causes Court. Both the said matters are sub-judiced. There is insignificant impact of these litigations on the financial position of the company.
- 2.1.5 Amount capitalised under building block includes ₹ 876.71 (P.Y. Nil) being the amount of capital expenditure incurred on self-constructed assets. Further such amount included under CWIP is aggregating to ₹ 210.92 lakhs (P.Y. ₹ 851.49 lakhs).

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## 2.1: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (CONTD.)

Sr. No.	Description of the Block of Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
		As at 01/04/2017	Additions	Deduc-tions/ Discarded	As at 31/3/2018	As at 01/04/2017	Deprecia-tion	Deduc-tions/ Discarded	As at 31/3/2018	As at 31/03/2017
<b>Property Plant &amp; Equipment (Tangible Assets)</b>										
1	Free Hold Land	1,603.42	93.93	-	1,697.35	-	-	-	1,697.35	1,603.42
2	Building	2,729.08	-	-	2,729.08	113.88	105.13	219.01	2,510.07	2,615.20
3	Furnitures & Fixtures	62.57	33.70	-	96.27	15.26	8.24	23.50	72.77	47.31
4	Plant and Machinery	1,870.81	758.16	51.72	2,577.25	209.75	290.35	491.95	2,085.30	1,661.06
5	Computer	139.96	36.82	9.08	167.70	42.41	57.77	7.63	92.55	75.15
6	Office Equipments	99.05	146.46	-	245.51	26.38	47.62	-	74.00	171.51
7	Vehicles	177.87	20.30	-	198.17	25.37	29.33	-	54.70	143.47
	<b>Total of Property Plant &amp; equipment (A)</b>	<b>6,682.76</b>	<b>1,089.37</b>	<b>60.80</b>	<b>7,711.33</b>	<b>433.04</b>	<b>538.45</b>	<b>15.78</b>	<b>6,755.62</b>	<b>6,249.72</b>
<b>Intangible Assets (other than internally generated)</b>										
1	Software (Acquired)	77.39	35.08	-	112.46	35.85	26.55	-	62.40	50.06
2	Membership Rights	7.20	-	-	7.20	3.60	3.60	-	7.20	-
	<b>Total of Intangible Assets (B)</b>	<b>84.59</b>	<b>35.08</b>	<b>-</b>	<b>119.66</b>	<b>39.45</b>	<b>30.15</b>	<b>-</b>	<b>69.60</b>	<b>45.14</b>
<b>Capital Work in Progress (CWIP)</b>										
1	Plant and Machinery	233.35	244.54	420.87	57.02	-	-	-	57.02	233.35
2	Building	491.15	360.34	-	851.49	-	-	-	851.49	491.15
	<b>Total CWIP</b>	<b>724.50</b>	<b>604.88</b>	<b>420.87</b>	<b>908.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>908.51</b>	<b>724.50</b>
<b>Intangible Assets under development</b>										
1	Software (Acquired)	2.86	12.49	-	15.35	-	-	-	15.35	2.86
	<b>Total CWIP (C)</b>	<b>727.36</b>	<b>617.37</b>	<b>420.87</b>	<b>923.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>923.86</b>	<b>727.36</b>
<b>Investment Properties (2.1.1)</b>										
1	Building	255.91	-	-	255.91	95.56	8.76	104.32	151.59	160.35
	<b>Total Investment properties (D)</b>	<b>255.91</b>	<b>-</b>	<b>-</b>	<b>255.91</b>	<b>95.56</b>	<b>8.76</b>	<b>104.32</b>	<b>151.59</b>	<b>160.35</b>
	<b>Grand total (A+B+C+D)</b>	<b>7,750.62</b>	<b>1,741.82</b>	<b>481.67</b>	<b>9,010.76</b>	<b>568.05</b>	<b>577.35</b>	<b>15.78</b>	<b>7,881.13</b>	<b>7,182.57</b>

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Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>INVESTMENTS</b>	2.2		
<b>Long Term Investments</b>			
<b>a) Trade Investments (Unquoted)</b>			
Investment in Joint Venture White Knitwear Private Limited			
<b>In Equity Shares</b>			
330,000 (P.Y. 330,000) Shares of face value ₹ 10 each, fully paid up.		33.00	33.00
<b>In Preference Shares</b>			
3,125,000 (P.Y. 3,125,000) 9% Cumulative Redeemable Preference Shares of face value of ₹ 10 each fully paid up.		312.50	312.50
Add/(loss): Share of Profit/(loss) for earlier years		(46.28)	(39.68)
Add/(loss): Share of Profit/(loss) for the year		(2.86)	(6.60)
<b>Total trade Investment (using equity method)</b>		<b>296.36</b>	<b>299.22</b>
<b>b) Other than Trade Investments (Quoted)</b>			
<b>In Equity Shares</b>			
4,512 (P.Y. 4,512) Reliance Power Limited Shares of face value ₹ 10 each fully paid up.		0.51	1.63
7,500 (P.Y. 7,500) HCL Technologies Ltd Shares of face value ₹ 2 each fully paid up.		81.60	72.71
25,000 (P.Y. 25,000) Tech Mahindra Ltd Shares of face value ₹ 5 each fully paid up.		194.05	159.58
<b>In Fixed Maturity Plan</b>			
<b>Investment in unquoted Mutual Funds</b>			
<b>In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up</b>			
Aditya Birla Sunlife FTP Series OF Growth [Units: 9,510,574 ( P.Y : 9,510,574)]		1,087.36	1,035.25
DSP FMP-Series 209-37M-Growth [Units: 3,000,000 (P.Y.: 3,000,000)]		342.93	319.55
HDFC FMP 1199D Jan 2017(1) - Growth [Units: 10,000,000 (P.Y.: 10,000,000)]		1,174.95	1,093.19
HDFC FMP 1178D Feb 2017(1) - Growth [Units: 3,252,951 (P.Y.: 3,252,951)]		383.93	356.79
ICICI Pru FMP Series 79 - 1120D Plan J - Growth [Units: NIL (P.Y.: 9,763,702)]		-	1,101.11
ICICI Pru FMP Series 80 - 1170D Plan I - Growth [Units: 5,253,506 (P.Y.: 5,253,506)]		620.03	575.87
Kotak FMP Series 187 - Growth [Units: NIL (P.Y.: 1,000,000)]		-	120.56
Kotak FMP Series 202 - Growth [Units: 5,000,000 (P.Y.: 5,000,000)]		575.40	534.75
Reliance Fixed Horizon Fund XXXI - Series 13 - Growth [Units: NIL (P.Y.: 15,179,080)]		-	1,692.85
Reliance Fixed Horizon Fund XXXII - Series 2 - Growth [Units: 1,600,000 (P.Y.: 1,600,000)]		192.36	178.91
Reliance Fixed Horizon Fund XXXII - Series 2 - Regular-Growth [Units: 1,000,000 (P.Y.: 1,000,000)]		118.85	110.64
Reliance Fixed Horizon Fund XXXII - Series 5 - Growth [Units: 2,000,000 (P.Y.: 2,000,000)]		234.61	217.73
Reliance Fixed Horizon Fund XXXIII - Series 2 - Growth [Units: 2,000,000 (P.Y.: 2,000,000)]		236.73	219.83

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(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
Reliance Fixed Horizon Fund XXXIII - Series 5 - Growth [Units: 6,006,447.403 (P.Y.: 6,006,447.403)]		708.72	657.33
UTI Fixed Term Income Fund Series XXV-VII - Growth [Units: NIL (P.Y.: 1,600,000)]		-	175.88
UTI Fixed Term Income Fund Series XXV-XII - Growth [Units: 2,000,000 (P.Y.: 2,000,000)]		234.06	218.17
UTI Fixed Term Income Fund Series XXVI-I - Growth [Units: 3,019,459.258 (P.Y.: 3,019,459.258)]		349.79	325.86
UTI Fixed Term Income Fund Series XXVI-II - Growth [Units: 10,000,000 (P.Y.: 10,000,000)]		1,155.75	1,076.41
Franklin India FMP-Sereis 2-Plan A - Growth [Units: 1,000,000 (P.Y.: 1,000,000)]		108.46	101.40
Franklin India FMP-Sereis 2-Plan B - Growth [Units: 1,000,000 (P.Y.: 1,000,000)]		109.24	101.68
HDFC FMP 1165D April 2017 (1) - Growth [Units: 6,542,049 (P.Y.: 6,542,049)]		749.61	697.64
HSBC FTS 130 Growth 1204 days - Growth [Units: NIL (P.Y.: 1,000,000)]		108.88	101.70
ICICI Pru FMP Series 81 1205 Days - Growth [Units: 1,500,000 (P.Y.: 1,500,000)]		172.10	159.57
Reliance Fixed Horizon Fund XXXV - Series 7 - Growth [Units: 2,000,000 (P.Y.: 2,000,000)]		218.06	203.19
UTI FTIF-Series XXVII-VI - Growth [Units: 3,000,000 (P.Y.: 3,000,000)]		331.68	310.04
Reliance Fixed Horizon Fund XXXVI-Series 6 - Growth [Units: 7,000,000 (P.Y.: 7,000,000)]		760.29	707.41
Reliance Fixed Horizon Fund XXXVI-Series 6 - Growth [Units: 3,000,000 (P.Y.: 3,000,000)]		323.21	303.02
Aditya Birla Sunlife FTP Series PV- Direct-Growth [Units: 4,000,000 ( P.Y : NIL)]		437.78	-
Aditya Birla Sunlife FTP Series PV-Growth [Units: 1,000,000 ( P.Y : NIL)]		109.25	-
DSP FMP-Series 232-36M-Growth [Units: 1,000,000 ( P.Y : NIL)]		107.98	-
DSP FMP-Series 235-36M-Growth [Units: 1,000,000 ( P.Y : NIL)]		107.27	-
ICICI Pru FMP Series 82 - 1119 Days Plan X - Growth [Units: 6,500,000 (P.Y.: NIL)]		700.91	-
ICICI Pru FMP Series 82 - 1141 Days Plan Y-Direct- Growth [Units: 3,000,000 (P.Y.: NIL)]		325.38	-
ICICI Pru FMP Series 82 - 1141 Days Plan Y - Growth [Units: 3,000,000 (P.Y.: NIL)]		325.08	-
IDFC FTP Series 152 - Growth [Units: 1,000,000 (P.Y.: NIL)]		107.93	-
Invesco India FMP Series 31 Plan D - Growth [Units: 1,000,000 (P.Y.: NIL)]		108.84	-
Kotak FMP Series 228 - Direct-Growth [Units: 1,000,000 (P.Y.: NIL)]		108.57	-

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
Kotak FMP Series 228 - Growth [Units: 1,000,000 (PY.: NIL)]		108.38	-
Tata FMP Series 55 Scheme G - Growth [Units: 1,000,000 (PY.: NIL)]		106.13	-
UTI FTIF-Series XXIX-VI - Growth [Units: 1,000,000 (PY.: NIL)]		108.41	-
<b>In the units of Fixed Maturity Plan (FMP'S) of ₹ 1000/- each fully paid</b>			
DHFL Pramerica Fixed Duration Fund-Series AF-Growth [Units: 30,000 (PY.: 30,000)]		347.47	323.97
DHFL Pramerica Fixed Duration Fund-Series AY-Growth [Units: 20,000 (PY.: NIL)]		217.57	-
DHFL Pramerica Fixed Duration Fund-Series BA-Growth [Units: 10,000 (PY.: NIL)]		108.45	-
<b>Investment in Portfolio management services</b>			
Mehta Multifocused Fund Capital Contribution		24.32	-
Kotak India Whizdom Fund Capital Contribution		112.18	112.81
		<b>14,441.41</b>	<b>13,666.24</b>
<b>Aggregate Market / Net asset Value</b>			
- Quoted		276.15	233.92
- Unquoted		14,214.40	13,478.60
The Company had invested in aggregate ₹ 34,550,000 in Joint Venture "White Knitwear Private Limited" (WKPL). The WKPL had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of Knitwear Apparels for exports. However due to slowdown in International market, SEZ could not take off and most of the members of SEZ shelved their projects and approached to Gujarat Industrial Development Corporation (GIDC) and State and Central government for de-notification of SEZ.	2.2.1		
Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/Distribution/Policy/13/05 dated 14.03.2013 has de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfillment of conditions stated therein. WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of land and undertaken to complete the formal procedure for the same.			
<b>OTHER FINANCIAL ASSETS</b>	2.3		
(Unsecured considered good)			
Security Deposits		204.66	186.58
Loan to Employees		54.13	53.36
Rent Deposits to Related Parties		7.83	7.83
Bank Deposits offered as Security		43.08	3.76
Interest receivables on Bank Deposits		1.45	0.17
		<b>311.15</b>	<b>251.70</b>

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>OTHER NON CURRENT ASSETS</b>	2.4		
Capital Advances		22.51	5.04
Prepaid Expenses		18.05	22.96
Prepaid lease rental (Leasehold Property)		200.99	204.05
Advance Tax / Tax deducted at source (Net of Provision)		70.54	-
		<b>312.09</b>	<b>232.05</b>
<b>INVENTORIES</b>	2.5		
Finished goods		4,309.66	2,651.93
Work-in-Progress		2,691.45	1,624.01
Raw material		743.39	722.98
Traded goods		411.11	127.58
Packing material & accessories		85.51	87.33
Stores, chemicals and consumables		69.13	71.18
		<b>8,310.25</b>	<b>5,285.01</b>
<b>CURRENT INVESTMENTS (REFER NOTE 1.18)</b>	2.6		
(includes current maturity of non current investment)			
<b>Investment in unquoted Mutual Funds</b>			
<b>In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up</b>			
<b>(Current Portion of Long Term Investments)</b>			
DHFL Pramerica FMP Series 45 Growth		-	281.74
[Units: NIL (P.Y.: 2,000,000)]			
DHFL Pramerica FMP Series 86 Growth		-	655.84
[Units: NIL (P.Y.: 5,000,000)]			
UTI Fixed Term Income Fund Series XXI-VII - Growth		-	649.12
[Units: NIL (P.Y.: 5,000,000)]			
UTI Fixed Term Income Fund Series XXI-VIII - Growth		-	775.44
[Units: NIL (P.Y.: 6,000,000)]			
UTI Fixed Term Income Fund Series XXI-X - Growth		-	643.37
[Units: NIL (P.Y.: 5,000,000)]			
ICICI Pru FMP Series 79 - 1120D Plan J - Growth		1,185.59	-
[Units: 9,763,702 (P.Y.: NIL)]			
Reliance Fixed Horizon Fund XXXI - Series 13 - Growth		1,821.70	-
[Units: 15,179,080 (P.Y.: NIL)]			
Kotak FMP Series 187 - Growth		130.56	-
[Units: 1,000,000 (P.Y.: NIL)]			
UTI Fixed Term Income Fund Series XXV-VII - Growth		189.12	-
[Units: 1,600,000 (P.Y.: NIL)]			
<b>Investment in unquoted Mutual Funds</b>			
<b>In the units of Income Funds of ₹ 10/- each fully paid</b>			
BOI Axa Corporate Credit Spectrum Fund - Growth		-	220.04
[Units: NIL (P.Y.: 1,642,184.434)]			
HDFC Corporate Bond Fund - Growth		755.69	700.54
[Units: 3,609,580.445 (P.Y.: 3,609,580.445)]			
ICICI Pru Credit Risk Fund-Regular-Growth		290.98	272.04
[Units: 1,464,514.806 (P.Y.: 1,464,514.806)]			
ICICI Pru Credit Risk Fund -Direct- Growth		303.45	280.99
[Units: 1,442,895.749 (P.Y.: 1,442,895.749)]			
IDFC Credit Risk Fund - Growth		699.24	654.05
[Units: 6,030,225.274 (P.Y.: 6,030,225.274)]			
IDFC Corporate Bond Fund -Direct- Growth		-	240.46
[Units: NIL (P.Y.: 2,008,786.449)]			

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
IDFC Corporate Bond Fund - Regular - Growth [Units: 2,323,070.357 (P.Y.: 2,323,070.357)]		295.78	276.17
Principal Short Term Debt Fund - Growth [Units: 2,600,012.482 (P.Y.: 2,600,012.482)]		886.63	823.77
Tata Short Term Bond Fund - Growth [Units: 481,575.842 (P.Y.: 481,575.842)]		163.83	161.49
BOI Axa Corporate Credit Spectrum Fund - Growth [Units: NIL (P.Y.: 1,958,572.279)]		-	261.44
DSP Low Duration Fund - Growth [Units: NIL (P.Y.: 2,011,489.629)]		-	256.33
Franklin India Low Duration Fund - Growth [Units: 1,266,804.157 (P.Y.: 1,266,804.157)]		280.84	257.13
IIFL Dynamic Bond Fund - Growth [Units: 704,061.732 (P.Y.: 704,061.732)]		107.21	100.42
L&T Short Term Opportunity Fund - Growth [Units: NIL (P.Y.: 1,517,515.16)]		-	258.05
Mirae Asset Dynamic Bond Fund - Growth [Units: NIL (P.Y.: 1,446,717.398)]		-	151.89
BNP Paribas Corporate Bond Fund - Growth [Units: 769,974.199 (P.Y.: 514,461.513)]		160.60	100.54
DHFL Pramerica Credit Risk Fund - Growth [Units: 1,981,600.813 (P.Y.: NIL)]		300.62	-
DSP Corporate Bond Fund - Growth [Units: 1,000.000 (P.Y.: NIL)]		107.61	-
<b>In the units of Equity Funds of ₹ 10/- each fully paid</b>			
Edelweiss Arbitrage Fund - Growth [Units: 7,827,072.075 (P.Y.: 7,827,072.075)]		1,101.93	1,032.97
Edelweiss Absolute Return Fund - Growth [Units: NIL (P.Y.: 1,213,592.233)]		-	275.85
Edelweiss Balance Advantage Fund - Growth [Units: 1,216,379.997 (P.Y.: NIL)]		299.72	-
		<b>9,081.10</b>	<b>9,329.68</b>
Aggregate Market / Net asset Value		<b>9,081.10</b>	<b>9,329.68</b>
<b>TRADE RECEIVABLES</b>	2.7		
a) Trade Receivables considered good - Secured		2,210.24	1,472.63
b) Trade Receivables considered good - Unsecured		16,071.38	10,942.04
Less : Provision for Doubtful Debts (based on Expected Credit Loss model)		(515.00)	(343.00)
c) Trade Receivables which has significant increase in credit risks		-	-
d) Trade Receivables - credit impaired		-	-
		<b>17,766.62</b>	<b>12,071.67</b>
<b>CASH &amp; CASH EQUIVALENT</b>	2.8		
Cash on Hand		48.75	21.32
Balances with Banks :-			
In Current Accounts		481.15	289.95
In EEFC Account (USD 101668.78) (P.Y. USD 169.54)		70.36	0.11
In Bank Deposits		5.00	334.54
In Bank Deposits with more than 12 months maturity		265.22	100.00
Liquid Mutual Funds (refer note 2.8.1)		4,450.13	5,408.37
		<b>5,320.61</b>	<b>6,154.29</b>



# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>OTHER BANK BALANCES</b>	2.9		
Earmarked balances in bank			
In Unclaimed Dividend Accounts		6.72	5.62
In Bank Deposits offered as Security (Maturity of less than 12 Months)		1.25	88.83
		<b>7.97</b>	<b>94.45</b>
		<b>5,328.58</b>	<b>6,248.74</b>
<b>Details of Current Investments in Liquid Mutual Funds(Unquoted) as given below:</b>	2.8.1		
<b>a) Face Value of ₹ 10/- each fully paid up</b>			
Franklin India Ultra Short Bond Fund - Growth [Units: NIL (P.Y.: 2,259,366.203)]		-	545.43
HDFC Banking and PSU Debt Fund - Growth [Units: 1,532,179.602 (P.Y.: 1,532,179.602)]		230.28	215.40
HDFC Liquid Fund - Growth [Units: NIL (31/03/17 - 0.001)]		-	-
ICICI Pru Corporate Bond Fund - Growth [Units: 1,785,278.593 (P.Y.: 1,785,278.593)]		351.11	326.59
Sundaram Banking and PSU Debt Fund [Units: NIL (P.Y.: 1,498,935.756)]		-	409.91
Kotak Savings Fund - Growth [Units: 332,002.005 (P.Y.: NIL)]		101.44	-
Tata Ultra Short Term Fund - Growth [Units: 997,357.004 (P.Y.: NIL)]		101.28	-
<b>Total (a)</b>		<b>784.11</b>	<b>1,497.33</b>
<b>b) Face Value of ₹ 100/- each fully paid up</b>			
Aditya Birla Sunlife Savings Fund - Growth [Units: 324,444.001 (P.Y.: 371,478.043)]		1,206.15	1,277.60
Aditya Birla Sunlife Banking & PSU Debt Fund - Growth [Units: 96,032.789 (P.Y.: 96,032.789)]		228.66	212.78
ICICI Pru Savings Fund - Growth [Units: 98,488.109 (P.Y.: 98,488.109)]		355.71	330.02
<b>Total (b)</b>		<b>1,790.52</b>	<b>1,820.40</b>
<b>c) Face Value of ₹ 1,000/- each fully paid up</b>			
Axis Treasury Advantage Fund - Growth [Units: 46,486.382 (P.Y.: 46,486.382)]		970.58	900.22
Baroda Pioneer Treasury Advantage Fund - Growth [Units: 25,056.297 (P.Y.: 25,056.297)]		554.63	518.09
Kotak Money Market Scheme - Growth [Units: 5,628.3282 (P.Y.: 5,628)]		173.72	160.52
Tata Treasury Advantage Fund - Growth [Units: 2,645.036 (P.Y.: 9,727.633)]		75.14	256.22
Mirae Asset Saving Fund - Growth [Units: NIL (P.Y.: 17,064.708)]		-	255.59
Principal Low Duration Fund - Growth [Units: 3,325.994 (P.Y.: NIL)]		101.43	-
<b>Total (c)</b>		<b>1,875.50</b>	<b>2,090.64</b>
<b>Aggregate Market / Net asset Value</b>		<b>4,450.13</b>	<b>5,408.37</b>

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>OTHER FINANCIAL ASSETS</b>	2.10		
(Unsecured, Considered Good)			
Advance to Employee		26.67	22.03
Loans to Employee		15.52	23.44
Prepaid Expenses		86.41	54.12
Interest receivables on Bank Deposits		14.54	44.68
		<b>143.14</b>	<b>144.27</b>
<b>OTHER CURRENT ASSETS</b>	2.11		
Export Incentive Receivable		32.83	72.57
Prepaid lease rental (Leasehold Property)		3.06	3.06
Other Receivable		34.32	5.99
Advance for gratuity		1.6	60.54
Advance to Suppliers		460.84	387.24
Advance for investment (Sistema Asia fund)		40.00	-
		<b>572.61</b>	<b>529.40</b>
<b>SHARE CAPITAL</b>	2.12		
<b>Authorized Capital</b>		<b>2,000.00</b>	<b>2,000.00</b>
20,000,000 (P.Y. 20,000,000) Equity shares of ₹ 10 each			
<b>Issued, subscribed and Paid up :</b>			
12,325,037 (P.Y. 12,325,037) Equity shares of ₹ 10 each, fully paid up		1,232.50	1,232.50
		<b>1,232.50</b>	<b>1,232.50</b>
The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.	2.12.1		
Reconciliation of the shares outstanding at the beginning and at the end of the year	2.12.2		

Particulars	31st March 2019		31st March 2018	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	12,325,037	123,250,370	12,325,037	123,250,370
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,325,037	123,250,370	12,325,037	123,250,370

Details of the shareholders holding more than 5% shares in the Company 2.12.3

Name of Shareholder	31st March 2019		31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain[equity shares held in their capacity as trustees/beneficiaries of P.K.Jain Family Holding Trust]	6,153,000	49.92	6,153,000	49.92
Mr.Dinesh P Jain includes 102,581 (P.Y.100,401) shares jointly held with Mrs Sangeeta D. Jain	729,831	5.92	729,831	5.92
Mr.Vikas P Jain includes 94,571 (P.Y.92,336) shares jointly held with Mrs Kesar V. Jain	721,821	5.86	721,821	5.86
Mr. Hemant P Jain includes 80,665 (P.Y.78,400) shares jointly held with Mrs Lata H. Jain	691,915	5.61	691,915	5.61
Mr. Kewalchand P Jain includes 79,361(P.Y.77,161) shares jointly held with Mrs Veena K. Jain	690,611	5.60	690,611	5.60
SBI Small Cap Fund	685,470	5.56	390,469	3.17
Nalanda India Fund Limited	879,081	7.13	1,179,081	9.57

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter-se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up.)	2.12.4		
For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:	2.12.5		
(i) No shares have been allotted as fully paid-up without payment being received in cash.			
(ii) No shares have been allotted as fully paid-up by way of bonus shares.			
(iii) No shares have been bought back by the company.			
<b>OTHER EQUITY</b>	2.13		
<b>Securities Premium</b>		<b>8,426.77</b>	<b>8,426.77</b>
[As per Last Balance Sheet]			
<b>General Reserve</b>			
Opening Balance		5,375.63	5,375.63
Add: Amount transferred from Balance in the Statement of Profit and Loss		-	-
		<b>5,375.63</b>	<b>5,375.63</b>
<b>Balance in Statement of Profit and Loss</b>			
Opening balance		21,384.15	18,876.49
Add: Net profit after tax transferred from Statement of Profit and Loss		8,058.44	7,402.94
		<b>29,442.59</b>	<b>26,279.43</b>
<b>Less: Appropriations</b>			
Final Dividend (pertaining to previous year)		184.88	184.88
Interim Dividend		3,944.00	3,882.39
Tax on Final Dividend		38.00	37.64
Tax on Interim Dividend		810.71	790.36
Transfer to Business Progressive Fund		500.00	-
		<b>23,965.00</b>	<b>21,384.15</b>
<b>Business Progressive Fund</b>			
Opening Balance		3,500.00	3,500.00
Add: Amount transferred from Balance in the Statement of Profit and Loss		500.00	-
Less: Amount retransferred to Balance in the Statement of Profit and Loss		-	-
		<b>4,000.00</b>	<b>3,500.00</b>
		<b>41,767.40</b>	<b>38,686.55</b>
The Board of Directors have recommended a payment of final dividend of Re.2/- per equity share of ₹ 10/- each for the financial year ended 31st March 2019. The Payment is subject to the approval of shareholders at the Annual General Meeting of the Company.	2.13.1		
The Company has created "Business Progressive Fund" by appropriating a sum of ₹ 500 (P.Y.Nil) lakhs out of its profits to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business, reinforce existing channels of sales etc. The amount of fund is specifically earmarked and invested in liquid mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Indian Accounting Standard (AS) -37 in normal course of business. INDAS-37 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.	2.13.2		
Accordingly the Company has opted to create Business Progressive Fund. Further addition to the aforesaid fund shall be reviewed from time to time considering business environment and conditions and the income accrued from the fund. Any accretion to the investment shall be credited to Statement of Profit and Loss.			

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>PROVISIONS</b>	2.14		
<b>(Long term)</b>			
Other Long Term Provisions		6.50	6.50
Other Provision		-	-
		<b>6.50</b>	<b>6.50</b>
<b>DEFERRED TAX</b>	2.15		
<b>Deferred Tax Assets:</b>			
Provision for Assets		226.87	145.46
Others		151.82	128.40
<b>Deferred Tax Liability</b>			
Depreciation		(382.09)	(345.17)
Tax on LTCG on Mutual Fund		(543.60)	(388.68)
<b>Deferred Tax Asset/(Liabilities)</b>		<b>(547.00)</b>	<b>(460.00)</b>
Tax effect of share issue expenses eligible for the Income tax deduction, under section 35D, credited to securities premium reserve account	2.15.1		
Deferred tax asset is recognized only on those timing differences, which reverse in the post tax free period, as Company enjoys exemption under section 80-IA of Income Tax Act, 1961 in respect of revenue generated from Wind Turbine Generator.	2.15.2		
<b>OTHER NON CURRENT LIABILITIES</b>	2.16		
Deferred income on EPCG (i.e. Government Grant)		134.92	159.45
		<b>134.92</b>	<b>159.45</b>
<b>BORROWINGS</b>	2.17		
<b>Secured Loan</b>			
Cash Credit from Bank (payable on demand) (Secured by pari-passu first charge on Stock and Trade Receivables)		6,095.47	1,578.64
		<b>6,095.47</b>	<b>1,578.64</b>
<b>Unsecured Loan (payable on demand)</b>			
Working Capital Loan from Bank Financial Institute		3,250.52	3,251.01
		-	-
		<b>9,345.99</b>	<b>4,829.65</b>
<b>TRADE PAYABLES</b>	2.18		
a) Micro and Small Enterprises			
Materials		176.38	25.39
b) Other than Micro and Small Enterprises			
Materials		2,958.24	3,004.34
Expenses		1,338.55	1,320.92
		<b>4,473.17</b>	<b>4,350.65</b>
<b>Disclosure U/s 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)</b>	2.18.1		
a) Principal amount remaining unpaid to micro and small enterprises (trade payable)		176.38	25.39
b) Principal amount remaining unpaid to micro and small enterprises (creditors for capital goods)		-	-
c) Principal amount paid beyond due date		-	-
d) Amount of Interest paid u/s 16 of MSMED Act		-	-
e) Amount of Interest due and remaining unpaid		-	-
f) Amount of Interest accrued and remaining unpaid		-	-

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
g) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the above Act.		-	-
Above information is disclosed to the extent available with the Company			
<b>OTHER FINANCIAL LIABILITIES</b>	2.19		
Other Liabilities			
Security Deposits		679.57	701.83
Interest accrued but not due on borrowings		3.90	10.24
Unclaimed Dividend		6.72	5.62
		<b>690.19</b>	<b>717.69</b>
<b>OTHER CURRENT LIABILITIES</b>	2.20		
Security Deposits		1,683.87	1,779.34
Other Payables			
Capital Goods		93.17	64.64
Salary and Wages payable		578.54	561.79
Employee Benefits (refer note 2.20.1)		292.15	275.73
Statutory Liabilities		133.16	207.10
Advance from Customers		469.12	3.92
		<b>3,251.02</b>	<b>2,892.52</b>
Upon the enactment of 'The payment of Bonus (Amendment) Act 2015' the company had made additional provision for bonus amounting to ₹ 45 lakhs during the year 2015-16 pertaining to financial year 2014-15, Payment is not made pending final judgement from judicial authorities.	2.20.1		
<b>PROVISIONS</b>	2.21		
[Short Term]			
Provision for Employee Benefit		703.92	349.31
Provision for Contingencies (refer note 2.44)		726.84	423.87
Other Provisions (including Selling & Distribution Expenses etc.) (refer note 2.44)		1,642.59	1,460.19
		<b>3,073.35</b>	<b>2,233.38</b>
<b>CURRENT TAX LIABILITIES (NET)</b>	2.22		
Provision for Taxations (Net of Advance Tax)		-	71.00
		-	<b>71.00</b>

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2019	31st March 2018
		Audited	Audited
<b>REVENUE FROM OPERATIONS</b>			
<b>A. Sales Income</b>	2.23		
Sales of Apparel and Lifestyle Accessories/Products		49,614.38	45,696.16
Sale of Power		1.73	0.74
Sales of Apparel and Lifestyle Accessories/Products		<b>49,616.11</b>	<b>45,696.90</b>
<b>B. Other Operating Income</b>			
Service Income		336.89	207.94
Export Incentives		167.95	230.72
Miscellaneous Operating Income		118.67	60.96
Sundry balance written back (Net)		-	14.56
		<b>623.51</b>	<b>514.18</b>
<b>Total Revenue from Operations</b>		<b>50,239.62</b>	<b>46,211.08</b>
<b>OTHER INCOME</b>	2.24		
Interest on Bank Deposits		29.06	38.96
Income from Current Investments and Liquid Mutual Funds:			
Effect of fair value measurements		473.61	75.79
Income from Non Current Investments			
Dividend on Equity Shares		4.10	3.15
Effect of fair value measurements		1,532.89	1,863.43
Rent Income on Investment Property		92.34	89.51
Exchange Rate Fluctuation (Net)		55.01	31.68
Profit on Sale of Property Plant & Equipment (Net)		10.86	6.53
		<b>2,197.87</b>	<b>2,109.05</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS</b>	2.25		
<b>Opening stock</b>			
Work - in- Progress		1,624.01	1,556.62
Traded Goods		131.55	153.12
Finished goods		2,647.96	2,449.57
		<b>4,403.52</b>	<b>4,159.31</b>
<b>Closing Stock</b>			
Work - in- Progress		2,691.45	1,624.01
Traded Goods		411.11	131.55
Finished goods		4,309.66	2,647.96
		<b>7,412.22</b>	<b>4,403.52</b>
Add/(Less): Variation in Excise Duty on Opening and Closing Stock of Finished goods		-	23.43
(Increase)/Decrease in Stock		<b>[3,008.71]</b>	<b>[267.64]</b>
<b>COST OF MATERIAL CONSUMED</b>	2.26		
a. Raw Material Consumed:			
Opening stock		722.98	830.72
Add: Purchases		12,618.93	12,266.81
		<b>13,341.91</b>	<b>13,097.53</b>
Less: Sale of raw material		876.80	502.67
Less: Closing stock		741.91	722.98
		<b>11,723.20</b>	<b>11,871.88</b>
b. Semi-Finished Goods		4,324.37	3,046.87
c. Packing Material, Accessories and others		2,506.28	2,320.76
d. Stores, Chemicals and Consumables		809.12	753.38
		<b>19,362.97</b>	<b>17,992.90</b>
<b>EMPLOYEE BENEFIT EXPENSES</b>	2.27		
Salary, Wages and Allowances		6,630.10	5,619.59
Contribution to Provident and other Funds		452.90	431.97
Bonus and Ex-gratia (refer note 2.20.1)		132.87	132.32

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the Year Ended	For the Year Ended
		31st March 2019	31st March 2018
		Audited	Audited
Gratuity [refer note 2.32(a)]		110.93	131.42
Leave Benefits [refer note 2.32(b)]		109.43	102.11
Staff Welfare		75.30	89.82
		<b>7,511.53</b>	<b>6,507.23</b>
<b>FINANCE COSTS</b>	2.28		
Bank Charges		26.04	17.32
Finance Charges		53.63	39.02
Interest on Working Capital Loan		609.69	441.96
		<b>689.36</b>	<b>498.30</b>
<b>MANUFACTURING AND OPERATING EXPENSES</b>	2.29		
Embroidery Expenses		326.23	366.28
Electricity Expenses [net of credit received from windmill of ₹ 66.10 lakhs (P.Y. 65.55 lakhs)]		167.20	158.87
Factory Rent		42.87	23.62
General Factory Expenses		25.99	31.08
Processing Charges		3,520.16	3,202.16
Lease premium charged		3.06	3.06
Fuel Expenses		480.75	426.34
Water Charges		85.15	73.92
Waste Disposal Charges		62.42	60.46
Repairs & Maintenance		175.36	176.08
Wind Turbine Expenses		15.17	13.38
		<b>4,904.36</b>	<b>4,535.25</b>
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>	2.30		
Rent, Rates and Taxes [Including provision for contingency] [refer note 2.36]		207.48	180.10
Communication Expenses		93.95	92.27
Insurance Premium [net of recoveries]		1.82	1.15
Legal and Professional Fees		1,140.20	1,026.19
Printing and Stationery		48.22	49.05
Donations		29.87	146.86
Corporate social responsibility		190.15	211.00
Vehicle Expenses		183.05	156.49
Auditors Remuneration		27.33	34.21
Conveyance & Travelling Expenses		55.78	44.91
Electricity Expenses		121.04	108.11
Repairs & Maintenance		374.11	385.90
Directors Sitting Fees		26.40	24.80
General Office Expenses		611.73	573.93
Provision for Doubtful debts		172.00	33.00
		<b>3,283.12</b>	<b>3,067.95</b>
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>	2.31		
Advertisement and Publicity Expenses		1,173.05	1,596.85
Sales Promotion Expenses		1,733.82	383.54
Octroi, clearing and forwarding charges on Sales		315.40	249.97
Tour and Travelling Expenses [Net of recoveries]		497.76	357.19
Commission on Sales		219.27	178.85
Provision for Contingencies		150.92	-
		<b>4,090.22</b>	<b>2,766.40</b>

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

## 2.32 EMPLOYEE BENEFITS:

### a) Disclosure in respect of gratuity liability

Reconciliation of Defined Benefit Obligation (DBO) :	As at 31st March, 2019	As at 31st March, 2018
<b>Present value of DBO at start of the year</b>	<b>656.94</b>	<b>563.63</b>
Interest Cost	49.93	40.58
Current Service Cost	114.57	111.39
Past Service Cost	-	26.57
Benefit Paid	(76.75)	(35.29)
<b>Re-measurements:</b>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changes in financial assumptions	13.65	(8.80)
c. Actuarial Loss/(Gain) from experience over the past period	(7.11)	(41.14)
<b>Present value of DBO at end of the year</b>	<b>751.23</b>	<b>656.94</b>

Reconciliation of Fair Value of Plan Assets :	As at 31st March, 2019	As at 31st March, 2018
<b>Fair Value of Plan Assets at the beginning of the year</b>	<b>717.47</b>	<b>674.59</b>
Interest Income on Plan Assets	53.57	47.12
Contributions by Employer	71.59	31.05
Benefit Paid	(76.75)	(35.29)
<b>Re-measurements:</b>		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	5.24
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	-	(5.24)
c. Re-measurements on Plan Assets Gain/ (Loss)	(13.09)	-
<b>Fair Value of Plan Assets at the end of the year</b>	<b>752.79</b>	<b>717.47</b>
Actual Return on Plan Assets	40.48	47.12

Amount recognized in the Balance Sheet :	As at 31st March, 2019	As at 31st March, 2018
Present value of DBO at the end of the year	751.23	656.94
Fair Value of Plan Assets at the end of the year	752.79	717.47
<b>Net Asset / (Liability) in the Balance Sheet</b>	<b>(1.56)</b>	<b>60.54</b>

Gratuity recognized in the Statement of Profit and Loss	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current Service Cost	114.57	111.39
Past Service Cost	-	26.57
Net Interest on net defined benefit liability/ (asset)	(3.64)	(6.54)
<b>Expense Recognized in Statement of Profit and Loss</b>	<b>110.93</b>	<b>131.42</b>



# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Principal Assumption used in determining Gratuity liability	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Discount Rate	7.40% pa	7.60% pa
Interest rate for net interest on net DBO	7.60% pa	7.20% pa
Withdrawal Rate	Upto age 35 years: 10% pa	Upto age 35 years: 10% pa
	Above age 35 years: 5% pa	Above age 35 years: 5% pa
Salary Escalation	7.50% pa	7.50% pa
Mortality Table	IALM 2012-14 Ult	IALM 2006-08 Ult
Expected average remaining working life	9 Years	10 Years
Retirement Age	58 years	58 years

Movement in Other Comprehensive Income	As at 31st March, 2019	As at 31st March, 2018
<b>Balance at start of year (loss)/gain</b>	15.19	[34.75]
<b>Re-measurements on DBO</b>		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	[13.65]	8.80
c. Actuarial (Loss)/Gain from experience over the past period	7.11	41.14
<b>Re-measurements on Plan Assets</b>		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	5.24
b. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	-	[5.24]
c. Changes in the effect of limiting a net defined benefit asset to the asset ceiling	[13.09]	-
<b>Balance at end of year (loss)/gain</b>	<b>[4.44]</b>	<b>15.19</b>

Movement in Surplus/ (Deficit)	As at 31st March, 2019	As at 31st March, 2018
<b>Surplus/ (Deficit) at start of year</b>	<b>60.53</b>	<b>110.96</b>
<b>Movement during the year</b>		
Current Service Cost	[114.57]	[111.39]
Past Service Cost	-	26.57
Net Interest on net DBO	3.64	6.54
Actuarial gain/ (loss)	[19.63]	49.94
Contributions	71.59	31.05
<b>Surplus/ (Deficit) at end of year</b>	<b>1.56</b>	<b>60.54</b>

Other disclosures	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Defined benefit obligation	751.23	656.94	563.63	453.05	382.14
Plan assets	752.79	717.47	674.59	518.37	356.03
Surplus/(deficit)	1.56	60.54	110.96	65.32	[26.11]
Experience adjustments on plan liabilities - loss/ (gain)	7.11	[41.14]	[17.89]	4.25	79.77
Experience adjustments on plan Assets - (loss)/ gain*	-	[5.24]	[13.68]	-	-

\* Information is disclosed to the extent available

Figures for the period prior to 01st April, 2016 are as per previous GAAP.

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Sensitivity Analysis	As at 31st March 2019		As at 31st March 2018	
	Increases 1%	Decreases 1%	Increases 1%	Decreases 1%
	Change in DBO (Amount)		Change in DBO (Amount)	
Salary Growth Rate	73.83	(67.26)	63.73	(55.44)
Discount Rate	(66.74)	74.64	(54.91)	64.31
Withdrawal Rate	(3.48)	3.60	(2.40)	2.40

## Maturity profile

The average expected remaining lifetime of the plan members is 9 years (31st March, 2018: 10 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

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

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with Life Insurance Corporation of India. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected rate of return on plan assets comprising of Insurance Policy with LIC of India is based on the historical results of returns given by LIC of India.

The Parent Company expects to contribute ₹ 100.00 lakhs (P.Y. ₹ 50.00 lakhs) to gratuity trust for contribution to LIC of India in financial year 2019-20.

- b) Disclosure in respect of leave entitlement liability:**  
Leave entitlement is short term benefit which is recognized as an expense at the un-discounted amount in the year in which the related service is rendered and disclosed under other current liabilities.
- c) Death in service benefit:**  
The Parent Company has taken group term policy from an insurance Company to cover its obligation for death in service benefit given to eligible employees. The insurance premium of ₹ 24.65 lakhs (P.Y. ₹ 20.59 lakhs) is recognized in Statement of Profit and Loss.
- d)** The Parent Company contributes towards Employees Provident Fund, Employees State Insurance, National Pension Scheme and Labour Welfare Fund. The aggregate amount contributed and charged to Statement of Profit and Loss is ₹ 452.90 lakhs (P.Y. ₹ 430.64 lakhs).
- e)** The Hon'ble Supreme Court of India ("SC") by its order dated February 28, 2019, in the case of Surya Roshani Limited & others V/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the review petition and directions from the EPFO, the Company is in process of assessing the impact, if any, for due compliance

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

## 2.33 RELATED PARTY DISCLOSURE (PARENT COMPANY):

Disclosures as per Ind AS 24 – ‘Related Party Disclosures’ are given below:

a) **Related Parties where i) control exists and ii) where significant influence exists [with whom transaction have taken place during the year].**

### Joint Ventures:

White Knitwear Private Limited

### Enterprises where Key Management Personnel (KMP) and their relatives have significant influence:

Enlighten Lifestyle Limited

Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust

Lord Gautam Charitable Foundation

Kewal Kiran Finance Private Limited

### Key Management Personnel:

Kewalchand P. Jain Chairman & Managing Director

Hemant P. Jain Whole-time Director

Dinesh P. Jain Whole-time Director

Vikas P. Jain Whole-time Director

Prakash A. Mody Independent Director

Nimish G. Pandya Independent Director

Yogesh A. Thar Independent Director

Drushti R. Desai Independent Director

### Relatives / Other concerns of Key Management Personnel [In cases where transactions are there]:

Shantaben P. Jain (Mother of Key Management Personnel)

Veena K. Jain (Wife of Kewalchand P. Jain.)

Lata H. Jain (Wife of Hemant P. Jain)

Sangeeta D. Jain (Wife of Dinesh P. Jain)

Kesar V. Jain (Wife of Vikas P. Jain)

Pankaj K. Jain (Son of Kewalchand P. Jain)

Hitendra H. Jain (Son of Hemant P. Jain)

Yash V. Jain (Son of Vikas P. Jain)

Jai D. Jain (Son of Dinesh P. Jain)

Kewalchand P. Jain (HUF)

Hemant P. Jain (HUF)

Dinesh P. Jain (HUF)

Vikas P. Jain (HUF)

P.K. Jain Family Holding Trust

Pandya & Co. [Controlled by Mr. Nimish G. Pandya]

Bansi S. Mehta & Co. [Partnership Firm- Mr. Yogesh A. Thar (Partner)]

### Employee Funds:

Kewal Kiran Clothing Limited – Employee Group Gratuity Scheme.

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

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

Nature of Transaction	Enterprises Where KMP & their relatives have significant influence.	Joint Venture	Relatives/ Other Concerns of Key Management Personnel	Key Management Personnel	Employee Funds
Rent Expenses	-	-	9.18	29.89	-
	(-)	(-)	(9.18)	(29.89)	(-)
Managerial Remuneration	-	-	-	318.00	-
	(-)	(-)	(-)	(318.00)	(-)
Salary	-	-	54.63	-	-
	(-)	(-)	(50.16)	(-)	(-)
Sitting Fees Paid	-	-	-	26.40	-
	(-)	(-)	(-)	(24.80)	(-)
Dividend Paid	1.44	-	2,114.86	949.45	-
	(0.86)	(-)	(2,080.97)	(934.44)	(-)
CSR (Donation)	181.00	-	-	-	-
	(97.00)	(-)	(-)	(-)	(-)
Contribution to Gratuity Fund	-	-	-	-	71.59
	(-)	(-)	(-)	(-)	(31.14)
Legal & Professional Services received	-	-	2.87	-	-
	(-)	(-)	(5.50)	(-)	(-)

Outstanding Balances	As at 31st March, 2019	As at 31st March, 2018
<b>Trade and Salary Payable</b>		
Relatives/ Other Concerns of Key Management Personnel	7.50	8.37
Key Management Personnel	244.89	109.79
<b>Trade Receivable &amp; Advances</b>		
Employee Funds	1.56	60.54
Relatives/ Other Concerns of Key Management Personnel	-	-
<b>Deposit Receivable</b>		
Relatives/ Other Concerns of Key Management Personnel	4.59	4.59
Key Management Personnel	3.24	3.24
<b>Investments</b>		
Joint Venture	345.50	345.50

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

Nature of Transaction	Nature of relationship	Name of the related party	Amount
Rent Expenses	Key Management Personnel	Kewalchand P. Jain	9.98
			(9.98)
		Hemant P. Jain	8.60
			(8.60)
		Dinesh P. Jain	5.66
			(5.66)
		Vikas P. Jain	5.66
	(5.66)		
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain	9.18
			(9.18)

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

Nature of Transaction	Nature of relationship	Name of the related party	Amount
Managerial Remuneration (Salary)	Key Management Personnel	Kewalchand P. Jain	79.50
			(79.50)
		Hemant P. Jain	79.50
			(79.50)
		Dinesh P. Jain	79.50
			(79.50)
		Vikas P. Jain	79.50
			(79.50)
Salary	Relatives/ Other Concerns of Key Management Personnel	Pankaj K. Jain	27.24
			(27.07)
		Hitendra H. Jain	23.35
			(23.09)
Dividend Paid	Enterprises Where KMP & their relatives have significant influence	Kewal Kiran Finance Private Limited	1.44
			(0.86)
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain (Trustee/Beneficiary of P. K. Jain Family Holding Trust)	2,061.26
			(2,030.49)
		Kewalchand P. Jain	231.35
			(227.76)
	Key Management Personnel	Hemant P. Jain	231.79
			(228.05)
		Dinesh P. Jain	244.49
			(240.56)
		Vikas P. Jain	241.81
			(238.06)
Contribution to Gratuity Fund	Employee Funds	Employee Fund	71.59
			(31.14)
Corporate Social Responsibility (Donation)	Enterprises where KMP & their relatives have significant influence	Smt. Jatnobai Karamchandji	181.00
		Ratanparia Chouhan Charitable Trust	(97.00)
		Pandya & Co.	1.70
			(5.5)
Legal & Professional Services received	Relatives/ Other Concerns of Key Management Personnel	Bansi S. Mehta & Co.	1.17
			(-)

## Compensation to KMP of the Company

Nature of Benefits#	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Short-term employee benefits (including Sitting Fees)	344.20	342.80
Post-employment gratuity and medical	-	-
Other long term benefits	-	-
Share-based payment transactions	-	-
Termination Benefits	-	-
<b>Total</b>	<b>344.20</b>	<b>342.80</b>

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

Following are the Key Managerial Personnel (KMPs) and their relative in accordance with the provisions of the Companies Act, 2013:

- Bhavin Sheth Chief Financial Officer
- Abhijit Warange Company Secretary

# CONSOLIDATED NOTES

on Accounts for the year ended 31st March 2019

Corporate Identification Number: L18101MH1992PLC065136

(₹ in lakhs except as otherwise stated)

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

Nature of Transaction	Name of the KMP/Relative	Amount
	Bhavin Sheth	61.03
Managerial Remuneration (Salary)		(52.70)
	Abhijit Warange	35.30
		(35.51)
<b>Outstanding balance as on 31st March 2019</b>		
	Bhavin Sheth	6.68
Salary Payable		(5.11)
	Abhijit Warange	3.84
		(3.88)

Note:

- Figures in brackets represents corresponding amount of previous year.
- Above transactions exclude reimbursement of expenses
- In case of KMP under the Companies Act, 2013, managerial remuneration excludes gratuity provision as it is determined on actuarial basis for the Parent Company as a whole.

## 2.34 OPERATING LEASE ARRANGEMENTS (PARENT COMPANY): :

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

### a) As lessee:

Rental expenses of ₹ 151.19 lakhs (P.Y. ₹ 117.31 lakhs) under operating leases have been recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 10.62 lakhs (P.Y. ₹ 16.53 lakhs) based on revenue sharing model.

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Due not later than one year	147.05	96.39
Due later than one year but not later than five years	378.15	152.58
More than 5 years	468.41	-
<b>Total</b>	<b>993.61</b>	<b>248.97</b>

### The above figures include:

- The agreements are executed for the periods of 33 to 108 months with a non-cancellable period at the beginning of the agreement ranging from 12 to 36 months and having a clause for extension of lease period.
- Lease rentals based on estimated date of commencement of lease in cases where the agreements / MOU's have been entered into but the date of commencement of lease is dependent on the date of construction/renovation of premises and based on the commitment for delivery by lessors.
- The above-mentioned lease rentals include a lease the period of which is dependent on the occurrence of an event, the date of which is not ascertainable beyond five years. Hence, the lease rentals are considered up to a period of five years only.
- Lease rentals do not include common area maintenance charges and tax payable, if any.

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- v. The above details of lease rental obligation exclude the amounts payable by franchisee in accordance with the arrangement with them (a) not later than 1 year ₹ 20.70 lakhs (P.Y. ₹ 21.15 lakhs) (b) between 1 to 5 year ₹ 74.87 lakhs (P.Y. ₹ 88.49 lakhs) (c) more than 5 years Nil (P.Y. ₹ 3.97 lakhs).

## b) As Lessor:

The Parent Company has given certain part of its property on operating lease. These lease arrangements are for a period of 9 years and cancellable solely at discretion of the lessees. Rental income from leasing of property of ₹ 92.33 lakhs (P.Y. ₹ 89.51 lakhs) is recognized in the Statement of Profit and Loss. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

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

## 2.35 DISCLOSURE REGARDING DERIVATIVE INSTRUMENT AND UNHEDGED FOREIGN CURRENCY EXPOSURE (PARENT COMPANY):

There are no open derivatives / forward exchange contracts as at year end. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	31st March 2019		31st March 2018	
		Amt. in Foreign Currency	Amount	Amt. in Foreign Currency	Amount
Trade Receivables	USD	5,41,775	374.91	5,90,482.15	384.05
Payable towards Capital Goods	USD	-	-	5,350	30.51
	EURO	-	-	20,776.50	-
Advance for Capital Goods	EURO	2,479.80	1.72	-	-
Advance from Customer	USD	82,451.28	57.06	2,095.31	1.36
Advance to Supplier	USD	1,01,668.78	70.35	1,11,055	72.23
Balance in EEFC account	USD	-	0.83	169.54	0.11
Foreign currency in hand	Multiple	5,51,775	374.91	-	3.15

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

## 2.36 PROVISIONS (PARENT COMPANY):

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

Particulars	Provision for Contingencies				Other Provisions (Selling & Distributions Expenses including dealer incentives and discounts)		Provision for margin on sales return	
	Provision for Claims/ Schemes etc		Other Contingencies*		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018				
Opening Balance	403.72	328.29	34.94	34.94	1,308.12	1,248.82	152.08	95.50
Addition	515.73	319.08	150.92	-	505.15	1245.12	18.34	56.57
Utilization	171.12	243.65	-	-	1245.12	1185.82	-	-
Reversals	203.24	-	4.00	-	-	-	170.42	-
<b>Closing Balance</b>	<b>545.09</b>	<b>403.72</b>	<b>181.86</b>	<b>34.94</b>	<b>568.15</b>	<b>1308.12</b>	<b>-</b>	<b>152.08</b>

\* It comprises of rates & taxes.

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

The timing of the outflow is dependent on various aspects / fulfillment of conditions and occurrence of events. Such provisions are made based on the past experience and assessment of rates and taxes. However, it is most likely that outflow is expected to be within a period of one year from the date of Balance Sheet.

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## 2.37 CONTINGENT LIABILITIES:

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

In respect of Assessment year 2005-2006, there was tax demand of ₹ 68.94 lakhs (₹ 68.94 lakhs) which had been adjusted by the tax authorities against refund due to the Parent Company in respect of other years. During F.Y. 2015-16, the Parent Company had received favourable Order passed by the ITAT, Mumbai against which the Income Tax Department has filed the appeal before the Bombay High Court and is under pre-admission stage.

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

- b) The Parent Company has purchased capital assets under EPCG license against which the Parent Company has a balance export obligation of ₹ 1,224.80 lakhs (P.Y. 1,130.28 lakhs). Contingent liability, to the extent of duty saved in respect of EPCG is ₹ 204.13 lakhs (P.Y. 188.38 lakhs). The balance export obligation to be fulfilled as per license is upto year 2021-2023.

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

- c) Bank guarantees issued by the Parent Company of ₹ 35.46 lakhs (P.Y. ₹ 94.91 lakhs)
- d) The Parent Company's contingent liability and capital/other commitment in relation to joint venture ₹ Nil and ₹ Nil.
- e) The Group has process in place to ascertain the impact of pending litigation.

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

## 2.38 ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON-

- a) **Capital Commitment-** Capital Account and not provided for Nil (net of advances) (P.Y. Nil).

- b) **Other commitments-**

1. Advertisement contracts aggregating to ₹ 75.00 lakhs (Net of advances) (P.Y. Nil).
2. Purchase of Garments/Consumables- ₹ 259.88 lakhs (P.Y. ₹ 15.94 lakhs)
3. Capital Contribution Commitment for investment in Sistema Asia Fund ₹ 110 lakhs (P.Y. Nil).

Also Refer Note 2.34 in respect of minimum lease rental payment under non-cancellable operating lease.

## 2.39 INCOME TAXES (IND AS 12):

Reconciliation of Effective Tax Rate:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Applicable tax rate (%)	34.944%	34.608%
Profit before tax	11,933.36	10,848.66
Current tax expenses on Profit before tax as per applicable tax rate	4,170.00	3,754.50
<b>Tax effect of the amounts which are not deductible/[taxable] in calculating taxable income</b>		
Effect of Income exempt from tax	(486.17)	[190.01]
Effect of Tax paid at a lower rate	(46.21)	[36.20]
Effect of Previous year adjustments	10.75	-
Effect of other items	255.17	1.71
<b>Total income tax expense/(credit)</b>	<b>3,904.54</b>	<b>3,530.00</b>

The effective tax rate is 32.72% (F.Y. 2017-18, 32.54%).

\*Also Refer note no. 2.2, 2.6 and 2.8



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## 2.40 FAIR VALUE MEASUREMENT:

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

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

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

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

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

A. Quantitative disclosures fair value measurement hierarchy for financial assets as at 31st March, 2019, 31st March, 2018

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
<b>As at March 31, 2019:-</b>				
<b>Financial Assets at amortised cost:</b>				
Trade receivables	-	-	17,760.60	17,760.60
Investments (non-current)	-	-	296.36	296.36
Cash and bank balances	-	-	878.45	878.45
Other financial assets	-	-	454.29	454.29
<b>Assets measured at fair value</b>				
<b>Fair value through Other Comprehensive Income</b>				
Investment in Equity shares, quoted	276.15	-	-	276.15
<b>Fair value through Profit and Loss</b>				
Investment in units of Mutual Funds	-	27,400.13	-	27,400.13
<b>As at March 31, 2018:-</b>				
<b>Financial Assets at amortised cost:</b>				
Trade receivables	-	-	12,067.75	12,067.75
Investments (non-current)	-	-	299.22	299.22
Cash and bank balances	-	-	840.37	840.37
Other financial assets	-	-	395.98	395.98
<b>Assets measured at fair value</b>				
<b>Fair value through Other Comprehensive Income</b>				
Investment in Equity shares, quoted	233.92	-	-	233.92
<b>Fair value through Profit and Loss</b>				
Investment in units of Mutual Funds	-	27,871.14	-	27,871.14

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- B. Quantitative disclosures fair value measurement hierarchy for financial liabilities as at 31st March, 2019, 31st March, 2018

Particulars	Fair value measurement using			Total (Amount)
	(Level 1) Amount	(Level 2) Amount	(Level 3) Amount	
<b>As at March 31, 2019:-</b>				
<b>Financial Liabilities at amortised cost:</b>				
Cash Credits/Working Capital Borrowing	-	-	9,345.99	9,345.99
Trade payables	-	-	4,473.18	4,473.18
Other financial liabilities	-	-	690.19	690.19
<b>As at March 31, 2018:-</b>				
<b>Financial Liabilities at amortised cost:</b>				
Cash Credits/Working Capital Borrowing	-	-	4,829.65	4,829.65
Trade payables	-	-	4,350.65	4,350.65
Other financial liabilities	-	-	717.69	717.69

## 2.41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

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

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

### a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: (i) interest rate risk and (ii) currency risk. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The sensitivity analyses in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2019 and 31st March, 2018.

#### (i) Interest rate risk

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

#### Interest rate sensitivity-

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

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Basis Points	As at 31st March 2019		As at 31st March 2018	
	5% increase	5% decrease	5% increase	5% decrease
Effect on profit before tax (Amount)	(30.48)	30.48	(21.68)	21.68

## (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group's trade receivables in foreign currency as at 31st March, 2019 is ₹ 374.91 lakhs (PY. ₹ 384.05 lakhs).

### Foreign currency sensitivity

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

Basis Points	As at 31st March 2019		As at 31st March 2018	
	2% increase	2% decrease	2% increase	2% decrease
Effect on profit before tax (Amount)	7.50	(7.50)	7.68	(7.68)

## b) Credit risk

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

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

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

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

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

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

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

Ageing	As at 31st March, 2019	As at 31st March, 2018
0-180 days	13,441.31	7,259.52
181 days to 365 days	3,645.37	3,382.71
beyond 365 days	1,194.94	1,768.52
<b>Total</b>	<b>18,281.62</b>	<b>12,410.75</b>

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

Provisions	As at 31st March, 2019	As at 31st March, 2018
Opening Provision	343.00	310.00
Add:- Additional provision made	172.00	33.00
Less:- Provision utilised against bad debts	-	-
Closing provisions	515.00	343.00

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

## c) Liquidity risk

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

As on 31st March, 2019, the Group had working capital of ₹ 20,368.58 lakhs (P.Y. ₹ 18,513.87 lakhs) including cash and cash equivalents of ₹ 5,320.61 lakhs (P.Y. ₹ 6,154.29lakhs) and current investments of ₹ 9,081.10 lakhs (P.Y. ₹ 9,329.67 lakhs)

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

As at 31st March, 2019	Less than 1 year (Amount)	1 to 5 years (Amount)	More than 5 Years (Amount)	Total (Amount)
Borrowings	9,345.99	-	-	9,345.99
Trade payables	4,473.18	-	-	4,473.18
Other financial liabilities	690.19	-	-	690.19
Payable related to Capital goods	93.17	-	-	93.17
<b>Total</b>	<b>14,602.53</b>	<b>-</b>	<b>-</b>	<b>14,602.53</b>

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

## 2.42 CAPITAL MANAGEMENT

### [a] Risk Management

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

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

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

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net Debt	(5,055.72)	(10,654)
Total Equity	42,999.90	39,919
Net Debt to Equity Ratio (%)	(11.76)	(26.69)

## (b) Distributions made and proposed ( Parent Company):

Equity Shares	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended 31st March, 2018 ₹ 1.50 (31st March, 2017 - ₹ 1.50) per fully paid share	184.88	184.88
Dividend distribution tax on final dividend	38.00	37.64
Interim Dividend for the year ended 31st March, 2019 ₹ 32.00 (31st March, 2018 - ₹ 31.50) per fully paid share	3,944.00	3,882.39
Dividend distribution tax on interim dividend	810.70	790.36
<b>Proposed dividends on Equity shares:</b>		
Final dividend for the year ended on 31st March, 2019 ₹ 2.00 (31st March, 2018- ₹ 1.50) per fully paid share This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. The same is not recognised at the end of the reporting period.	246.51	184.88

## 2.43 INTEREST IN OTHER ENTITIES:

### A. List of the company (Jointly Venture Company) included in the consolidation is mentioned below:

Joint Venture	Country of Incorporation	Activities	Proportion of ownership interest	
			As at 31st March, 2019	As at 31st March, 2018
White Knitwear Private Limited	India	Refer Note 2.43(B)	33.33%	33.33%

### B. Summarized Financial Information

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(A) Non-Current Assets</b>	4.91	4.91
<b>(B) Current Assets</b>		
i) Cash and Cash Equivalent	2.74	2.26
ii) Others	228.57	227.98
<b>Total Current Assets</b>	<b>231.31</b>	<b>230.24</b>
<b>Total Assets (A + B)</b>	<b>236.22</b>	<b>235.15</b>
<b>(A) Non-Current Liabilities</b>		
i) Financial Liabilities	-	-
ii) Non-Financial Liabilities	256.24	233.25
<b>Total Non-Current Liabilities</b>	<b>256.24</b>	<b>233.25</b>

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Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>[B] Current Liabilities</b>		
i) Financial Liabilities	0.30	0.30
ii) Non-Financial Liabilities	0.04	0.34
<b>Total Current Liabilities</b>	<b>0.34</b>	<b>0.64</b>
<b>Total Liabilities [A + B]</b>	<b>256.58</b>	<b>233.89</b>
<b>Net Assets</b>	<b>(20.35)</b>	<b>1.26</b>

## Summarized Performance

Provisions	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue	3.26	3.18
Profit and Loss before Tax	(21.61)	(25.35)
Tax Expense	-	-
Profit and Loss after Tax	(21.61)	(25.35)
Other Comprehensive Income	-	-
Total Comprehensive Income	(21.61)	(25.35)
Depreciation and Amortization	-	-
Interest Income	-	-
Interest Expense	22.99	22.57

For contingency and commitment of Joint Venture, refer Note No. 2.37(d)

Reconciliation of Net Assets considered for consolidated financial statement to net asset as per Joint Venture financial statements

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Net Assets as per Entity's Financial Statements</b>	<b>(20.35)</b>	<b>1.26</b>
Add/(Less): Consolidation Adjustments		
(i) Fair Value of Investment	-	-
(ii) Dividend distributed	-	-
(iii) Others	316.71	297.96
<b>Net Assets as per Consolidated Financial Statements</b>	<b>296.36</b>	<b>299.22</b>

Reconciliation of Profit and Loss/OCI considered for consolidated financial statement to net asset as per Joint Venture financial statements

Provisions	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Profit/(Loss) as per Entity's Financial Statements</b>	<b>(21.61)</b>	<b>(25.35)</b>
Add/(Less): Consolidation Adjustments		
(i) Dividend distributed	-	-
(ii) Others	18.75	18.75
<b>Profit/(Loss) as per Consolidated Financial Statements</b>	<b>(2.86)</b>	<b>(6.60)</b>
<b>OCI as per Entity's Financial Statements</b>	<b>-</b>	<b>-</b>
Add/(Less): Consolidation Adjustments		
(i) Fair Valuation	-	-
(ii) Others	-	-
<b>OCI as per Consolidated Financial Statements</b>	<b>-</b>	<b>-</b>

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## Movement of Investment in Joint Ventures using Equity Method

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Interest as at 1st April</b>	<b>299.22</b>	<b>305.82</b>
Add: Share of Profit for the Period	(2.86)	(6.60)
Add: Share of OCI for the Period	-	-
<b>Interest as at 31st March</b>	<b>296.36</b>	<b>299.22</b>

The Joint Venture had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of Knitwear Apparels for exports. However, due to slowdown in international market, SEZ could not operationalize as majority of SEZ members have put-on-hold their operations in SEZ and approached to Gujarat Industrial Development Corporation (GIDC) and State and Central government for de-notification of SEZ.

Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/Distribution/Policy /13/05 dated 14.03.2013 had de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfilment of conditions stated therein.

Based on GIDC circular on de-notification, WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of land and undertaken to complete the formal procedure for the same, however, Central Government approval is awaited.

Post de-notification joint venture partners shall dispose of the Company/land and building and realize the proceeds to return it to joint venture partners.

**2.44** Ind AS 116 'Leases' was notified on 30th March 2019 and it replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of analyzing the impact of Ind AS 116 on its Financial Statements.

**2.45** Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

**2.46** Previous year figures are regrouped or rearranged wherever considered necessary.

### As per our Audit Report of even date attached

**For Khimji kunverji & Co**  
Chartered Accountants  
Registration No.: 105146W

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

Place: Mumbai  
Date: 4th May, 2019

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

**Kewalchand P Jain**  
Chairman & Managing  
Director  
Din No :00029730

**Bhavin Sheth**  
Chief Financial Officer

**Hemant P Jain**  
Whole time Director  
Din No :00029822

**Abhijit Warange**  
Company Secretary

# FORM AOC - 1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries** - Not applicable

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<b>Name of Joint Venture</b>	White Knitwears Private Limited(WKPL)
<b>1. Latest audited Balance Sheet Date</b>	31/03/2019
<b>2. Shares of Joint Venture held by the company on the year end</b>	
No.	3,30,000
Amount of Investment in Joint Venture	33,00,000
Extend of Holding%	33.33%
<b>3. Description of how there is significant influence</b>	Due to holding of 33.33% equity shares in WKPL
<b>4. Reason why the Joint Venture is not consolidated</b>	Not Applicable
<b>5. Net worth attributable to shareholding as per latest audited Balance Sheet</b>	(2,28,68,907)
<b>6. Profit/[Loss] for the year</b>	
i. Considered in Consolidation	(2,86,375)
ii. Not Considered in Consolidation	(61,97,700)

- Names of associates or joint ventures which are yet to commence operations - Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year - Not Applicable

**As per our Audit Report of even date attached**

**For Khimji kunverji & Co**  
Chartered Accountants  
Registration No.: 105146W

**Hasmukh Dedhia**  
Partner  
Membership No. : 33494

Place: Mumbai  
Date: 4th May, 2019

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

**Kewalchand P Jain**  
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**Abhijit Warange**  
Company Secretary









**Integrati**

THE  
SPIRIT  
CALLED  
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**TRANCE**



**KKC**  
KEWAL KIRAN CLOTHING LIMITED

[www.kewalkiran.com](http://www.kewalkiran.com)

## KEWAL KIRAN CLOTHING LIMITED

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

**Tel:** +91 22 26814400 **Fax:** +91 22 26814410

**Website:** www.kewalkiran.com

**CIN:** L18101MH1992PLC065136

**Email:** grievanceredressal@kewalkiran.com

### NOTICE OF 28th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th Annual General Meeting of Kewal Kiran Clothing Limited will be held on Wednesday, September 18, 2019, at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg [Behind Prince of Wales Museum], Fort, Mumbai - 400 001 at 12 Noon to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2019 including the Audited Balance Sheet as on March 31, 2019 and the Statement of Profit and Loss Account for the financial year ended March 31, 2019 together with the report of the Directors and Auditors thereon.
2. To confirm the four interim dividends of ₹ 7/-, ₹ 10/-, ₹ 10/- and ₹ 5/- respectively and to declare the final dividend on the equity share for the year ended March 31, 2019.
3. To appoint a Director in place of Mr. Vikas P. Jain (DIN: 00029901) who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

4. To re-appoint Mr. Kewalchand P. Jain as Chairman and Managing Director and in this regard, to consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and other applicable provision of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the members be and is hereby accorded to re-appoint Mr. Kewalchand P. Jain (DIN: 00029730) whose existing term of office as Managing Director expires on March 31, 2020, as the Managing Director of the company for a further period of 5(five) years w.e.f April 1, 2020 to March 31, 2025, on the terms and conditions including remuneration as set out in the Statement annexed to this Notice, with liberty to the Board of Directors [hereinafter referred to as

‘the Board’ which term shall be deemed to include any Committee of the Board] to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Kewalchand P. Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof;

- I. Total monthly remuneration of ₹ 6,25,000/- (Basic ₹ 1,87,500/- & Allowance ₹ 4,37,500/-)

The Company’s contribution to provident fund as per the rules of the Company and to the extent not taxable under the income tax law shall not be included for the purpose of computation of the overall ceiling of remuneration

- II. Perquisites:

- a. Gratuity at a rate not exceeding half month’s salary for each completed year of services, payable at the end of the tenure or retirement or resignation;
- b. Encashment of leave, bonus and allowances as per the Company policy and/or rules;
- c. Medical insurance premium as per Company policy and/or rules;
- d. Use of Company car along with driver for official and personal purposes, two telephones at residence and two mobile phones;
- e. Any other allowances, perquisites, benefits and facilities as may be approved by the Board of Directors from time to time;

The valuation of perquisite shall be as per the Income Tax Rules and wherever no method of valuation is prescribed therein, the same shall be valued at the cost to the Company.

- III. Reimbursement of expenses incurred in respect of his official duties including traveling and entertainment expenses.

#### Responsibilities:

Mr. Jain will be responsible for the day to day management of the affairs of the Company under the supervision and control of the Board of Directors of the Company. He shall report all matters to the Board

## Notice

and shall function under the superintendence and control of the Board.

FURTHER RESOLVED THAT the remuneration payable to Mr. Jain during Mr. Jain's term of office as Managing Director together with the remuneration payable to the Whole-Time Directors of the Company viz. Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain shall not in any financial year exceed 10% of the net profits of the Company for that respective financial year calculated in the manner stated in Section 197 and 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof;

FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during Mr. Jain's term of office as Managing Director the above remuneration and perquisites be paid as minimum remuneration, subject to the overall limits specified in Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time;

LASTLY RESOLVED THAT the Board and Mr. Abhijit Warange, Vice President - Legal and Company Secretary be and are hereby jointly and/or severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

**Abhijit B. Warange**

Vice President - Legal & Company Secretary

Regd. Office:

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

Date: July 24, 2019

Place: Mumbai

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** In order to be valid, proxies duly stamped, should be lodged with the Company at its registered office not later than forty eight hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 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 representatives to attend and vote on their behalf at the meeting.
- Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the general meeting is annexed hereto.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 12, 2019 to Wednesday, September 18, 2019 (both days inclusive).
- The dividend on Equity Shares, if declared at the Annual General Meeting will be payable on or after September 23, 2019 to those members of the Company whose names appear:
  - As Beneficial Owners as at the end of business hours on September 11, 2019 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of the shares held in electronic form and
  - As members on the Register of Members of the Company as at September 18, 2019 after giving effect to valid transfers in respect of transfer request lodged with the Company on or before the close of business hours on September 11, 2019.
- The Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the National Electronic Clearing Services (NECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation the Company proposes to implement the NECS facility. Members are requested to provide the Company with NECS mandate for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to coordinate with the bankers only on receipt of the necessary information. The main information required therein is the type of account, name of the bank, MICR, IFS Code and the account number. It should be signed by all the holders, as per the specimen signature recorded with the Company/ Depository Participant.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ R&T Agent.
- SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

9. Under Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had during the year, accordingly, transferred to IEPF, the unpaid and unclaimed dividend amounts pertaining to 2nd Interim Dividend 2010-11 of ₹ 20,017/-, Final Dividend 2010-11 of ₹ 10,276/- and 1st Interim Dividend 2011-12 of ₹ 21,203/-. Subsequent to the end of the financial year 2018-19 till the date of this report the company transferred the 2nd Interim Dividend 2011-12 of ₹ 27,907 /- to the IEPF. Dividend declared by the Company thereafter, is still lying in the respective unpaid dividend accounts of the Company. Members, who have not encashed these dividend(s), are requested to immediately Contact the Company or the Registrar and Transfer Agent – M/s Link Intime India Pvt. Ltd.
- The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website [www.kewalkiran.com](http://www.kewalkiran.com). Unclaimed Final Dividend 2011-12 is due for transfer in September 2019, 1st Interim Dividend 2012-13 is due for transfer in December 2019, 2nd Interim Dividend 2012-13 is due for transfer in March 2020 and 3rd Interim Dividend 2012-13 is due for transfer in June 2020.
10. Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.
- All the shareholders who have not claimed/ encashed their dividends in the last seven consecutive years from 2012 are requested to claim the same from the Company. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the said rules. The Shareholders whose shares and unclaimed dividend have been transferred to IEPF may claim the same by making an application to IEPF Authority in form 5 [available on [www.iepf.gov.in](http://www.iepf.gov.in)] along with requisite fees.
- The details of such shares and shareholders whose shares are transferred to IEPF are uploaded on the "Investor " section of the website of the Company viz. [www.kewalkiran.com](http://www.kewalkiran.com)
11. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Company's Registrar & Transfer Agent's, Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.
12. Members holding shares in physical segment are requested to notify change in their address/status, if any, immediately to the Company's Registrar & Transfer Agent's, M/s Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.
13. The Company has designated an exclusive e-mail id called [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com) for redressal of shareholder complaints /grievances. In case you have any queries/complaints or grievances then please write to us at [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com)
14. Members who would like to ask any questions on the accounts are requested to send their questions at the Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
15. Members are requested to bring their copies of the Annual Report to the Annual General Meeting. Members may also note that the Notice of the 28th Annual General Meeting and Annual Report will be available on the Company's website, [www.kewalkiran.com](http://www.kewalkiran.com) for download and the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours (10.00 am to 1.00 pm) on all working days except Sundays upto and including the date of the Annual General Meeting of the Company.
16. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
17. Electronic copy of Annual Report for the year 2018-19 is being sent to all members whose email IDs are registered with the Company/Depository Participant(s) and have given their positive consent to receive the same through electronic means.
18. Electronic copy of the notice of the 28th Annual General Meeting of the company inter alia indicating the process and manner of e-voting with attendance slip and proxy form are being sent to all the members whose email IDs are registered with the company/ Depository Participant and have given their positive consent to receive the same through electronic means.
19. Even after registering for e-communication members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the company's investor e-mail id [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com)

## Notice

20. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication, including Annual Report, Notices, Circulars, etc., from the Company electronically.

21. Voting through Electronic means:

a. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies [Management and Administration] Rules, 2014, Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meeting (SS-2) as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 28th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

b. The facility for voting, either through electronic voting system or through ballot shall be made available at the venue of the 28th AGM. The members attending the meeting, who have not already casted their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already casted their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

c. The Company has appointed Mr. Ummedmal P. Jain, Practicing Company Secretary (CP no. 2235) of M/s. U. P. Jain & Co. as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

d. The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Sunday, September 15, 2019 at 9.00 a.m and ends on Tuesday, September 17, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e Wednesday, September 11, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for e-voting thereafter.

(ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

1. For CDSL: 16 digits beneficiary ID,

2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

3. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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

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



- [x] For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - [xi] Click on the EVSN for KEWAL KIRAN CLOTHING LIMITED on which you choose to vote.
  - [xii] On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - [xiii] Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - [xiv] After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - [xv] Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - [xvi] You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
  - [xvii] If Demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
  - [xviii] Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - [xix] Note for Non - Individual Shareholders and Custodians:
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - [xx] In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- e. The voting rights of Shareholders shall be in proportion to their share of the paid up capital of the Company as on the cut-off date Wednesday, September 11, 2019.
  - f. The Scrutinizer shall after scrutinizing the votes cast at the AGM (Poll) and through remote e-voting not later than 48 (forty-eight) hours from the conclusion of the AGM, make a consolidated Scrutinizer’s Report and submit it to the Chairman or any Director authorized by the Board. The results declared along with the consolidated Scrutinizer’s Report shall be placed on the website of the Company and of CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company’s shares are listed.
  - g. Subject to the receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. September 18, 2019.
22. Details as required in sub-regulation [3] of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”) and Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

## Notice

Profile of Director retiring by rotation and offering for re-appointment

**Mr. Vikas P. Jain (DIN 00029901):**

Born in 1970 Mr. Vikas P. Jain joined the business in 1992, after completing his graduation in commerce. Mr. Jain is also one of the Promoters of the company and was first appointed as a Director of the company on October 2, 1997. Mr. Jain heads the operations and distribution functions of the company. He is responsible for marketing of Lawman and Intigrity brands. He also looks after the retail business of the company. He is instrumental in launching "ADDICTION" the retail arm of the company for lifestyle accessories products. Mr. Jain travels extensively and scouts for new technologies in garment manufacturing. He is a trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust.

In the performance evaluation conducted for the financial year 2018-19 the performance of Mr. Jain was evaluated to be satisfactory in the effective and efficient discharge of his role and responsibilities as a director of the company. The Board and its Committees have benefited from his relevant specialisation and expertise. Mr. Jain is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has offered himself for reappointment as a Director whose period of office is liable to determination by retirement of Director by rotation.

Mr. Jain holds 7,37,821 shares which includes 16,000 shares as a Karta of Vikas P. Jain (H.U.F) and 94,571 shares held j/w Mrs. Kesar V. Jain in the company as on the date of this notice. Mr. Vikas P. Jain, Mr. Kewalchand P. Jain, Mr. Hemant P. Jain and Mr. Dinesh P. Jain are brothers. In the financial year under review 5 meeting of the Board of Directors were held and Mr. Vikas P. Jain has attended all the 5 Board Meetings.

The details of other directorships of Mr. Vikas P. Jain are as follows:-

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Ltd.	Director
Kewal Kiran Realtors and Infrastructures Pvt. Ltd.	Director
Kewal Kiran Media and Communication Ltd.	Director
Kewal Kiran Finance Pvt. Ltd.	Director
Lord Gautam Charitable Foundation	Director

Mr. Jain does not hold any Committee Chairmanship/ membership as on the date of the notice.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”)

### ITEM NO. 4

*Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard SS-2, a brief profile of Mr. Kewalchand P. Jain, (DIN: 00029730) who is proposed to be re-appointed as Managing Director of the Company for 5 years w.e.f April 1, 2020 to March 31, 2025*

Mr. Kewalchand P. Jain (age 57 years) is the Chairman and Managing Director of your Company. Circumstances compelled Mr. Jain to forgo his formal education and join business at an early age. Mr. Jain is also one of the Promoters of your company and was first appointed as a Director of your company on January 30, 1992. A keen student of finance and a hands-on manager Mr. Jain has an overall experience of more than 35 years. Mr. Jain spearheads the finance function and is responsible for the overall management of the Company's affairs.

In the performance evaluation conducted for the financial year 2018-19 the performance of Mr. Jain was evaluated to be satisfactory in the effective and efficient discharge of his role and responsibilities as a director of the Company. The Board and its Committees have benefited from his relevant specialisation and expertise. The Board has, based on the performance evaluation and on the recommendation of Nomination and Remuneration Committee and subject to the approval of the members in the ensuing annual general meeting, approved the re-appointment of Mr. Jain as Managing Director of your Company for a further period of five years, post completion of his present term on March 31, 2020.

Mr. Jain is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Managing Director of your Company. He satisfies all the conditions pertaining to the appointment as a Managing Director as set out in Section 196(3) and Part-I of Schedule V of the Companies Act, 2013.

Mr. Jain holds 7,06,611 shares which includes 16,000 equity shares in his capacity of Karta of Kewalchand P. Jain H.U.F and 79,361 shares held j/w Mrs. Veena K. Jain.

Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain are brothers. In the financial year under review 5 meeting of the Board of Directors were held and Mr. Kewalchand P. Jain has attended 4 Board Meetings.

The major terms and conditions of Mr. Jain's re-appointment including details of proposed remuneration as recommended by the Nomination and Remuneration Committee in its meeting held on May 4, 2019 for the ensuing term of 5 years w.e.f April 1, 2020 to March 31, 2025 is as per the resolution at item no. 4 of the Notice convening this meeting read with this explanatory

statement. The last drawn remuneration by Mr. Jain was ₹ 79,89,600/- per annum (including perquisites).

The details of directorships of Mr. Kewalchand P. Jain in other Companies as on the date of this notice are as follows:

NAME OF THE COMPANY	BOARD POSITION HELD
Enlighten Lifestyle Limited	Chairman
Kewal Kiran Management Consultancy Limited	Chairman
Kewal Kiran Realtors and Infrastructures Private Limited	Chairman
Kewal Kiran Media and Communication Limited	Chairman
Kewal Kiran Finance Private Limited	Chairman
White Knitwears Private Limited	Director
Lord Gautam Charitable Foundation	Chairman
Porwal Jain Foundation	Director

Mr. Kewalchand Jain is a member of Stakeholders Relationship and Shareholder/ Investors Grievance Committee of Kewal Kiran Clothing Limited.

Pursuant to sub-regulation 6 of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if:

- the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The aggregate annual remuneration drawn by all the Executive Directors of your Company may exceed 5 per cent of the net profits.

Your Directors have recommended the Special Resolution for approval of members.

Except Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain, no other Directors/ Key Managerial Personnel of the Company are in any way concerned/interested in the said resolution.

By order of the Board of Directors

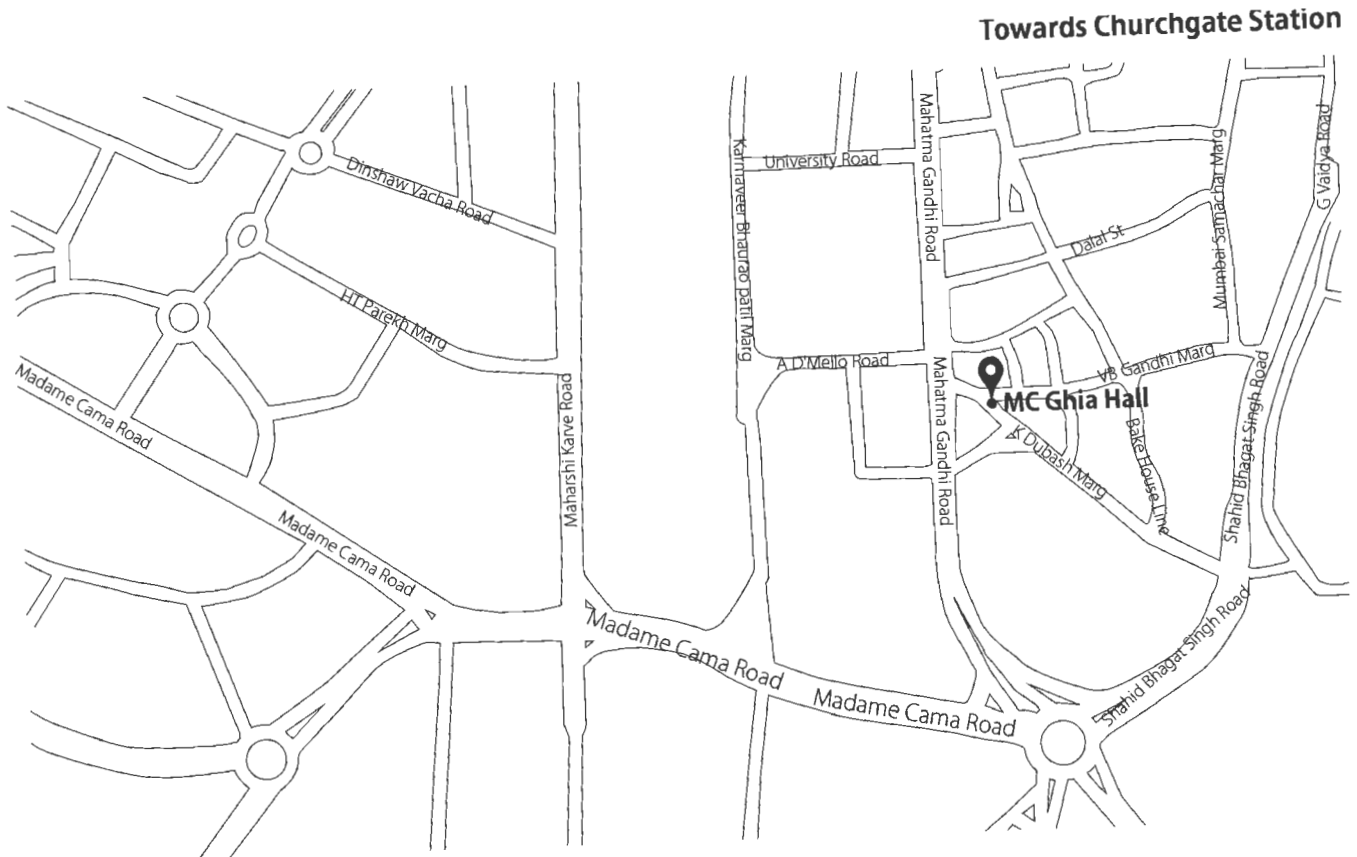
**Abhijit B. Warange**

Vice President - Legal & Company Secretary

Regd. Office:  
Kewal Kiran Estate  
460/7, I. B. Patel Road,  
Goregaon (E), Mumbai - 400 063

Date: July 24, 2019  
Place: Mumbai

## ROUTE MAP OF AGM VENUE



**KEWAL KIRAN CLOTHING LIMITED**

**Registered Office:** Kewal Kiran Estate, 460/7, I. B. Patel Road, Goregaon (East), Mumbai: 400 063

**Corporate Identity Number:** L18101MH1992PLC065136

**Tel:** 91-22-26814400 **Fax:** 91-22-26814410

**Website:** www.kewalkiran.com; **email:** grievanceredressal@kewalkiran.com

**ATTENDANCE SLIP**

Folio No. .... No. of shares held .....

# D.P. Id .....

# Client Id .....

Email ID .....

Name and Address of the shareholder/proxy: .....

I certify that I am a registered shareholder/ proxy of the registered shareholder of the Company.

I hereby record my presence at the 28th Annual General Meeting of the company on Wednesday, September 18, 2019 at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince Of Wales Museum), Fort, Mumbai: 400 001 at 12.00 Noon

.....  
Signature of the attending member/proxy

# Applicable for shareholders holding shares in electronic form.

Note:

1. Please sign this attendance slip and hand it over at the verification Counter at the entrance of the meeting hall.
2. No gifts/company products shall be given at the meeting.
3. This attendance is valid only in case shares are held on the date of meeting.
4. Only shareholder of the Company and/or their proxy will be allowed to attend the meeting.





## KEWAL KIRAN CLOTHING LIMITED

**Registered Office:** Kewal Kiran Estate, 460/7, I. B. Patel Road, Goregaon (East), Mumbai: 400 063

**Corporate Identity Number:** L18101MH1992PLC065136

**Tel:** 91-22-26814400 **Fax:** 91-22-26814410

**Website:** www.kewalkiran.com; **email:** grievanceredressal@kewalkiran.com

### Form No. MGT-11

### PROXY FORM

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

Name of the member (s): .....

Registered address: .....

Email Id: .....

Folio / DP ID -Client ID : .....

I/We being the member(s) of Kewal Kiran Clothing Ltd. holding ..... Equity Shares hereby appoint:

(1) Name: ..... Email ID- .....

Address .....

Signature ..... or failing him

(2) Name: ..... Email ID- .....

Address .....

Signature ..... or failing him

(3) Name: ..... Email ID- .....

Address .....

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 to be held on Wednesday, September 18, 2019 at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Fort, Mumbai: 400 001 at 12.00 Noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
<b>ORDINARY BUSINESS</b>			
1	Adoption of Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2019 including the Audited Balance Sheet as on March 31, 2019 and the Statement of Profit and Loss Account for the financial year ended March 31, 2019 together with the report of the Directors and Auditors thereon.		
2	Confirmation of four interim dividends of ₹ 7/-, ₹ 10/-, ₹ 10/- and ₹ 5/- respectively and Declaration of final dividend on the equity share for the year ended March 31, 2019.		
3	Re-appointment of Mr. Vikas P. Jain (DIN: 00029901) who retires by rotation		
<b>SPECIAL BUSINESS</b>			
4	Appointment of Mr. Kewalchand P. Jain (DIN 00029730) as the Managing Director of the Company for a period of 5(five) years w.e.f April 1, 2020 to March 31, 2025.		

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

Signature of share holder .....

Signature of proxy holder (s) .....

Affix  
Revenue  
Stamp

#### Notes:

1. This Proxy Form in order to be effective should be duly completed and deposited at the Company's Registered Office at least 48 hours before the commencement of meeting.
2. A Proxy need not be member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. It is optional to put a 'X' in the appropriate column against resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote (on poll) at the meeting in the manner as he/ she thinks appropriate.

