



# JUNCTION FABRICS AND APPARELS LIMITED

(Formerly known as Junction Fabrics and Apparels Private Limited)

(CIN - L18101TZ2011PLC017586)

To

01.08.2018

BSE Limited,  
PhirozeJeejeebhoy Towers,  
Dalal Street, Mumbai – 400001.

**BSE Scrip Code: 539216**

Dear Sir,

**Sub: Submission of Annual Report for the year ended 31.03.2018 under Regulation 34 of SEBI (LODR) Regulations 2015.**

With reference to above, we are herewith enclosing the Annual Report for the year ended 31.03.2018 under Regulation 34 of SEBI (LODR) Regulations 2015.

Kindly take the same in your record.

Thanking You,

Yours Faithfully,

For Junction Fabrics and Apparels Limited

K. Lakshmi Priya  
Company Secretary  
Membership No: A36135



**JUNCTION FABRICS AND APPARELS LIMITED**

**7<sup>TH</sup> ANNUAL REPORT**

**2017-18**

<b>CONTENTS</b>	<b>PAGE NO.</b>
CORPORATE INFORMATION	1
NOTICE OF ANNUAL GENERAL MEETING	2
PROXY FORM	5
ATTENDANCE SLIP	7
DIRECTORS REPORT	8
SECRETARIAL AUDITORS REPORT	34
INDEPENDENT AUDITORS REPORT	37
BALANCE SHEET	45
STATEMENT OF PROFIT AND LOSS	57
CASH FLOW STATEMENT	61
NOTES ON FINANCIAL STATEMENT	64
ROUTE MAP	72

## **CORPORATE INFORMATION**

BOARD OF DIRECTORS	Prem Dinanath Aggarwal, Managing Director Shikha Aggarwal Prem, Whole time Director Ashmita Aggarwal, Director R Senthil Rajagopal, Independent Director S Muthuramakrishnan, Independent Director S Thirumurugan, Independent Director
COMPANY SECRETARY	Mrs. Lakshmi Priya. K
CHIEF FINANCIAL OFFICER	Mr. Periyasamy. R
REGISTERED OFFICE	No.15, Murthy's Plaza, Karia Gounder Street, Khaderpet, Tirupur – 641601, Tamil Nadu, India
FACTORY LOCATION	Shed No.40, Nethaji Apparel Park, Eettiveerampalayam, New Tirupur – 641 666 Tamil Nadu, India.
PRINCIPAL BANKERS	(1) Axis Bank, Tirupur
STATUTORY AUDITORS	M/s. Balaji and Thulasiraman Chartered Accountants, No.14, Anna Nagar Extension, KPN Colony 3 <sup>rd</sup> Street, Tirupur – 641601 Tamil Nadu, India
INTERNAL AUDITOR	Mr. Paulraj. M, Tirupur
SECRETARIAL AUDITOR	M/s. GV and Associates Company Secretary in Practice Coimbatore

**Notice is hereby given that the 7<sup>th</sup> Annual General Meeting of the Members of M/s. Junction Fabrics and Apparels Limited (CIN:L18101TZ2011PLC017586) will be held on 28<sup>th</sup> July, 2018 at 11:30 am at Hotel Swaad Mantra Restaurants at No.8, College Road, Tirupur – 2, to transact the following business:**

---

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements as at 31<sup>st</sup> March 2018 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Mrs. Ashmita Agarwal (DIN: 07332067), who retires by rotation and, being eligible, offers herself for reappointment.

**Place: Tirupur**  
**Date: 26.05.2018**

**By order of the Board**  
**-Sd-**

**PREM DINANATH AGGARWAL**  
**Managing Director**  
**(DIN: 02050297)**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
3. Member / proxy should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days of the Company during business hours up to the date of Annual General Meeting.
7. The Company has not closed the Register of Members and share transfer books.
8. Members are requested to bring their Annual Report to the Annual General Meeting. The duly filled in attendance slip must be surrendered at the counter before attending the Meeting.
9. The Ministry of Corporate Affairs has taken “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail address in respect of electronics holdings with the Depository through their concerned Depository Participants.
10. The Notice of the AGM along with the Annual Report 2017-18 along with the Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. The shareholders are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts,
12. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
13. 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
14. Non-Resident Indian Members are requested to inform Big Share Services Private Limited, immediately of:
  - Change in their residential status on return to India for permanent settlement.

- Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

15. 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.

16. Members seeking any information with regard to the Financial Statements are requested to write to the Company at least 7 days before the Meeting so as to enable the management to keep the information ready at the meeting.

17. The Notice is sent to all the members, whose name appeared in the Register of Members as on 26.05.2018

By order of the Board

Place: Tirupur  
Date: 26.05.2018

-Sd-

**PREM DINANATH AGGARWAL**  
Managing Director  
(DIN: 02050297)

**Proxy form**

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

**Junction Fabrics and Apparels Limited**  
**L18101TZ2011PLC017586**  
**No.15, Murthy's Plaza Kariagounder Street, Khaderpet, Tirupur – 641 601 Tamil Nadu**

Name of the Member

Registered office address

Email ID

Folio No. / Client ID 

--	--	--	--	--	--	--	--	--	--

DP ID 

--	--	--	--	--	--	--	--	--	--

I/ We being the member of **Junction Fabrics and Apparels Limited** holding.....shares, hereby appoint

Name: ..... E-mail ID: .....

Address: .....

.....Signature : .....

or failing him/her

Name: ..... E-mail ID: .....

Address: .....

.....Signature : .....



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 7<sup>th</sup> Annual General Meeting of members of the Company, to be held on Saturday, the 28<sup>th</sup> of July, 2018 at the Hotel Swaad Mantra Restaurants, No.8, College Road, Tirupur – 641 602 at 11:30 a.m, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resol ution No	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Financial statements for the financial year 2017-18			
2	Appointment of Mrs. Ashmita Aggarwal(DIN No. 07332067) as a director liable to retire by rotation			

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

.....

Signature of Shareholder

.....

Signature of Proxy holder(s)

Note:1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. Its optional to indicate your preference. If you leave the 'for, 'against' or 'abstain' column blank any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate

**ATTENDANCE SLIP**

**JUNCTION FABRICS AND APPARELS LIMITED**  
**CIN NO: L18101TZ2011PLC017586**

**No.15, Murthy's Plaza Kariagounder Street, Khaderpet, Tirupur – 641601, Tamil Nadu, India**  
**Tel: 0421-2231896, Email ID: [info@junctionfabrics.com](mailto:info@junctionfabrics.com), Website: [www.junctionfabrics.in](http://www.junctionfabrics.in)**

**7<sup>th</sup> ANNUAL GENERAL MEETING – 28<sup>TH</sup> JULY, 2018 AT 11:30 A.M**

Registered Folio No/ DP No/Client ID No.

--	--	--	--	--	--	--	--	--	--

No of Shares Held:

--	--	--	--	--	--

I certify that I am a member/proxy/authorized representative for the members of the Company.

I hereby record my presence at the 7<sup>th</sup> Annual General Meeting of the Company at Hotel Swaad Mantra Restaurants on Saturday, the 28<sup>th</sup> of July, 2018 at 11:30 am

.....  
Name of the member/proxy  
(IN BLOCK LETTERS)

.....  
Signature of the member/proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the AGM

## DIRECTORS REPORT

To

The Members,

Your Directors have pleasure in presenting the 7<sup>th</sup> Annual Report of your Company together with the Audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL RESULTS:

<b>(Amount in Rupees)</b>		
<b>Particulars</b>	<b>Current Year 2017-18</b>	<b>Previous Year 2016-17</b>
Income from Operations	78,94,24,607	63,94,47,781
Gross Receipts (including other Income)	78,97,99,607	63,95,19,253
Total Expenditure before Interest and Depreciation	76,59,05,170	61,81,00,966
Less: Interest and Financial Charges	91,27,989	1,06,27,235
Less: Depreciation and Amortization	19,45,328	14,97,682
Profit/(Loss) before taxation for the year	1,28,21,120	92,93,370
Less: Current tax Expenses	47,39,859	31,26,767
Less: Deferred Tax Liability/Asset	(2,69,895)	1,28,506
Excess/(Shortfall) Prov. For Tax in P.Y.	(95,660)	(4,59,164)
Profit/(Loss) after taxation for the year	82,55,496	55,78,933

### 2. PERFORMANCE OF THE COMPANY:

During the year under review, the Company has earned sales income of Rs.78,94,24,607/- (Previous year Rs. 63,94,47,781/-) and other income Rs.3,75,000/- (Previous year 71,472/-). After providing depreciation, finance charges and tax the Company has earned Net profit Rs.82,55,496/- (Previous year company earned Net profit Rs. 55,78,933/-).

### 3. DIVIDEND:

In order to conserve the reserves for further expansion of business the directors do not recommend any dividend.

### 4. TRANSFER TO RESERVES:

The Company has not transferred any amount to reserves during the year under review.

**5. BUSINESS REVIEW:**

The company is making efforts to improve the business and your Directors are optimistic of better performance during the year.

**6. CHANGE IN REGISTERED OFFICE ADDRESS:**

The company has changed its registered office within the local limits to No.15, Murthy's Plaza, Karia gounder street, Khaderpet, Tirupur – 641 602 w.e.f. 18<sup>th</sup> September, 2017 for administrative convenience.

**7. SHARE CAPITAL:**

The paid up share capital of the company stood at Rs. 2,69,22,700 . During the year under review, the company has not altered the share capital.

**8. DIRECTORS:**

As per the provision of the Companies Act, 2013, Mrs. Ashmita Agarwal (DIN: 07332067), retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends the appointment of Mrs. Ashmita Agarwal as Director of the Company.

**9. STATUTORY AUDITORS:**

In terms of Proviso to Section 139 (1) of the Companies Act 2013, M/s. Balaji & Thulasiraman, Chartered Accountants (Firm Registration Number: 007262S), Tirupur has been appointed as Statutory Auditors of the Company for a term of five years from 2014-19 by means of ordinary resolution passed by the Members at their 3<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> September 2014.

**10. DEPOSIT:**

Your directors have provided loan/advance to the company to the tune of Rs. 1,45,13,627.00/- within the meaning of the Rule 2(1)(viii) of the Companies Act, 2013 as on date. Your directors have provided a declaration that the amount being funded is not out of funds borrowed or by accepting loans or deposits from others.

Your company has not accepted any deposits as defined under Companies (Acceptance of Deposits) Rules, 2014

**11. EXTRACT OF THE ANNUAL RETURN:**

An extract of the Annual Return as of 31<sup>st</sup> March, 2018 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 in Form MGT 9 is furnished as **Annexure A** to this report.

## **12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year, 5 (five) Board Meetings and 2 (Two) Audit Committee and 2 (Two) Nomination and Remuneration Committee meetings were held as per the details provided below:

S.No	Date of Board Meetings	Date of Audit Committee Meetings	Date of Nomination and Remuneration Committee Meetings
1	25.05.2017	25.05.2017	25.05.2017
2	18.09.2017	28.10.2017	28.10.2017
3	28.10.2017	-	-
4	20.12.2017	-	-
5	22.02.2018	-	-

## **13. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:**

All independent Directors have given declarations that they meet the criteria of Independence as laid down under the provisions of the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

## **14. MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of provisions of Regulation 34 of the SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015, the Management's discussion and analysis is set out below:

### **a. Industrial Structure and developments:**

The Indian Textile Industry is currently estimated at a volume of US\$108 Billion (Domestic business is about 60% and exports 40%) and is expected to reach a figure of US\$223 billion by end of 2021. This industry is the largest employer after Agriculture and employs over 40 million people directly and over 60 million people indirectly.

The Textile Industry contributes about 5% to Gross Domestic Product and 14% to overall Index of Industrial Production.

This industry has also been attracting a lot of FDI from world leaders in branded goods.

The future of the industry is looking extremely promising buoyed by strong domestic consumption and as well as export demand. With consumerism and disposable income on the rise the retail sector has experienced rapid growth.

With the introduction of GST and the company's pricing being on the lowest tax slab, the future looks promising.

**b. Opportunities and threats**

The major opportunity for the Company is the changing trend of fashion in India from village to the City. Usage of Knitwear is increasing and demand for the ready-made garments have also put the pressure on the manufacturers to cut short the working cycle and this provides a major opportunity for the company to supply ready fabric of wide variety to smaller manufacturers.

The company's strong foothold in Domestic wholesale market gives an excellent opportunity to achieve economies of scale also for increasing the exports.

**Threats**

The major threat is always change in Government policy. Any adverse change will affect the industry.

Another major threat to the Industry is the shortage of labor. Shortage of skilled labor and the increase in demand resulting in increased wages & overhead costs.

**c. Segment-wise or product-wise performance.**

60% of the Companies revenue is targeted at Ladies wears like Pyjama sets, Ladies and Girls Tops, Leggings etc. 20% of the revenue are contributed by Kids portfolio and 20% of revenue from Men's/ Boys wears like T Shirts, Bermudas, Pyjamas, Jogging pants etc.

**d. Outlook.**

The outlook for the industry is extremely positive. The reason being that Majority of the population is below the age of 35 and choice of fashionable attires among men and women like wear T shirts in one form or the other has been increasing. The increase in disposable income among middle income families in India for garments is increasing and currently it's averaged around 9% to 10%.

The overall size of readymade garment industry is almost INR 300 Thousand Crore. This is one of the fastest growing industries in India and contributes almost 4-5% of our GDP. This is expected to grow to about INR 500 Thousand Crore by 2021.

**e. Risks and Concerns.**

The major risk is change in Government policy. Any adverse change will affect the industry. Another concern is Shortage of skilled labor and the increase in increased wages & overhead costs.

**f. Internal control system and their adequacy**

A separate report on internal control systems and their adequacy is attached with this report from the statutory auditors of the Company.

**g. Discussion on financial performance with respect to operational performance.**

The Company has earned revenue of Rs.78,94,24,607/- as compared to Rs. 63,94,47,781/- in the Previous year an impressive growth of more than 23.45%. Your Company has made a Net profit after providing depreciation, finance charges and deferred tax the Company of Rs. (2,69,895)/- as compared to Rs. 1,28,506/- in the previous year.

**h. Material developments in Human Resources/Industrial Relations front, including number of people employed.**

No major challenges existed in Human resources during the current year under review

**15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

During the year under review, the Company has not made any Loans, Guarantees or Investments within the meaning of the provisions of Section 186 of the Companies Act, 2013.

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**A) Conservation of energy:**

- |  |     |
|--|-----|
| (i) The steps taken or impact on conservation of energy:                       | Nil |
| (ii) The steps taken by the company for utilising alternate sources of energy: | Nil |
| (iii) The capital investment on energy conservation equipment:                 | Nil |

**B) Technology absorption:**

- |  |     |
|--|-----|
| (i) The efforts made towards technology absorption:  | Nil |
| (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:                | Nil |
| (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): | Nil |
| (iv) The expenditure incurred on Research and Development:   | Nil |

**C) Foreign exchange earnings and Outgo:**

Foreign exchange earnings : NIL  
Foreign exchange outgo : Rs.6,58,316/-

**17. PERFORMANCE EVALUATION:**

SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, mandated that the Board shall monitor and review the Board evaluation framework.

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board on its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the Directors and the Board as whole was conducted based on the criteria and framework adopted by the Board.

**18. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

The company has formulated vigil mechanism for employees including directors of the company to report genuine concerns.

**19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 in Form No. AOC -2 is furnished as **Annexure B** to this report.

**20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Company's policy on Director's appointment and remuneration and other matters provided in section 178 of the Companies Act, 2013 has been in accordance with Nomination and remuneration policy of the company which is placed in the website of the Company under "Investor relations".

**21. COST AUDITOR:**

Not applicable to the Company as per the provisions of the Companies Act, 2013. However the company has maintained cost records as required under the Companies (Cost Records and Audit) Rules, 2014

**22. RISK MANAGEMENT POLICY:**

The Management has devised Risk Management Policy considering the nature of industry and associated risks pertaining to the industry. The Management is overseeing the implementation of the Policy on regular basis.



**23. INTERNAL FINANCIAL CONTROL:**

The company has adequate financial control with reference to financial statements. Our auditors has provided separate statement on adequacy of financial controls in their audit report.

**24. SECRETARIAL AUDIT REPORT:**

As per the provisions of the Companies Act, 2013, the Secretarial Audit for the year 2017-18 has been carried out by Mr. G. Vasudevan, Practicing Company Secretary and accordingly his report is appended to Directors' Report.

**25. CORPORATE SOCIAL RESPONSIBILITY:**

Not applicable to the Company as per the provisions of the Companies Act, 2013.

**26. PREVENTION OF SEXUAL HARASSMENT AT THE WORK PLACE:**

As per the requirements specified in the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013", the Company has constituted an Internal Complaints Committee and is committed to provide a work environment that is free from sexual harassment.

**27. MATERIAL CHANGES:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year as on 31.03.2018 and the date of this Report.

**28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

There were no significant and material orders passed by the regulators or courts or tribunal which would impact the going concern status and the Company's operations in future.

**29. CLARIFICATION ON STATUTORY AUDITOR'S REMARK IN THEIR REPORT:**

There were no remarks in the Auditor's report and hence no clarification is required

**30. CLARIFICATION ON SECRETARIAL AUDITOR'S REMARK IN THEIR REPORT:**

There is an observation from Secretarial auditor in his report with regard to amount withdrawn from VVRS Chit Funds Private Limited. The company will pursue to comply with the same.

**31. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The company has complied with Secretarial standards 1 and 2 as stipulated by Institute of Company Secretaries of India.

**32. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of profit of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis; and
5. 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.

**33. PARTICULARS OF EMPLOYEES:**

There were no employees drawing remuneration in excess of limit specified under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The ratio of remuneration of each director to the median of employees remuneration as per Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies Appointment and Remuneration of Managerial Personnel ) Rules, 2014 forms part of the Board report (**Annexure C**)

**34. ACKNOWLEDGEMENT:**

Your Directors wish to place on record their deep gratitude and appreciation towards the Company's suppliers, customers, investors, bankers, Government of India, State Government and other regulatory authorities for their continued support during the year. Your Directors also acknowledge the commitment and the dedication of the employees at all levels who have contributed to the growth of the Company.

**For and on behalf of the Board**

**Place: Tirupur**

**Date: 26.05.2018**

-Sd-

**Prem Dinanath Aggarwal**  
(DIN: 02050297)  
Managing Director

-Sd-

**Shikha Aggarwal Prem**  
(DIN: 03373965)  
Whole time Director

**Annexure A**

**Form No. MGT-9**

**Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March 2018**

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

**I. REGISTRATION AND OTHER DETAILS**

I	CIN	L18101TZ2011PLC017586
li	Registration Date	15/11/2011
lii	Name of the Company	Junction Fabrics And Apparels Limited
lv	Category / Sub Category of the Company	
	Category	Company limited by Shares
	Sub-Category	Non-govt company
V	Address of the registered office and contact details	No. 15, Murthy's Plaza, Karia Gounder street, Khaderpet, Tirupur – 641 602. E Mail ID: tirupatiexports18@gmail.com
Vi	Whether listed company	Yes
Vii	Name, address and contact details of registrar and transfer agent, if any	M/s Big Share Services Private Limited, E-2 Ansa Industrial Estate-Sakhivihar Road, Sakinaka, Andheri (East), Mumbai- 400 072

**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:-**

S.No	Name and description of main products/ services	NIC code of the product/service	% to total turnover of the company
1	Manufacture of all types of textile garments and clothing accessories	14101	99.96%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

S.No	Name and address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

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

**i) Category-wise Shareholding**

S. No	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A)</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ HUF	1692250	-	1692250	62.86	1396250	-	1396250	51.86	11%
(b)	Central/State Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(1)</b>	<b>1692250</b>	<b>-</b>	<b>1692250</b>	<b>62.86</b>	<b>1396250</b>	<b>-</b>	<b>1396250</b>	<b>51.86</b>	<b>11%</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	NRIs –Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	Banks /Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-

	<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter</b> <b>(A) = (A)(1) + (A)(2)</b>	<b>1692250</b>	<b>-</b>	<b>1692250</b>	<b>62.86</b>	<b>1396250</b>	<b>-</b>	<b>1396250</b>	<b>51.86</b>	<b>11%</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual funds	-	-	-	-	-	-	-	-	-
(b)	FI/Banks	-	-	-	-	-	-	-	-	-
(c)	Central/ State Govt.	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FIs	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(h)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Non-institutions</b>	-	-	-	-	-	-	-	-	-
<b>(a)</b>	<b>Bodies corporate</b>									
(i)	Indian	56000	-	56000	2.08	40992	-	40992	1.52	0.56%
(ii)	Overseas	-	-	-	-	-	-	-	-	-
S. No	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(b)</b>	<b>Individual</b>									
(i)	Holding nominal share capital of Rs. 1 Lakh	304020	-	304020	11.29	975028	-	975028	36.22	24.93%

**JUNCTION FABRICS AND APPARELS LIMITED**  
*(Formerly known as Junction Fabrics and Apparels Private Limited)*  
**(CIN NO: L18101TZ2011PLC017586)**

**Annual Report**  
**2017-18**

(ii)	Holding nominal share capital in excess of Rs. 1 Lakh	608000	-	608000	22.58	236000	-	236000	8.76	13.82%
(c)	Others (Clearing Member)	32000	-	32000	1.19	44000	-	44000	1.63	0.44%
	<b>Sub-total (B)(2)</b>	<b>944020</b>	<b>-</b>	<b>944020</b>	<b>35.06</b>	<b>1255028</b>	<b>-</b>	<b>1255028</b>	<b>46.61%</b>	<b>11.55%</b>
	<b>Total Public Shareholding</b> <b>(B) = (B)(1)+ (B)(2)</b>	<b>1000020</b>	<b>-</b>	<b>1000020</b>	<b>37.14</b>		<b>-</b>	<b>1296020</b>	<b>48.13%</b>	<b>11.09%</b>
(c)	Shares held by Custodian for GDRs & ADRs									
	<b>Sub-total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>2692270</b>	<b>-</b>	<b>2692270</b>	<b>100</b>	<b>2692270</b>	<b>-</b>	<b>2692270</b>	<b>100</b>	<b>-</b>

**ii) Shareholding of Promoters**

S. 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 share	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1.	Prem Dinanath Aggarwal	1287220	47.81	-	1087220	40.38	-	7.43%
2.	Shikha Aggarwal Prem	405000	15.04	-	309000	11.48	-	3.56%
3.	Tanvi Aggarwal	10	0.00	-	10	0.00	-	-
4.	Ashmita Aggarwal	10	0.00	-	10	0.00	-	-
5.	Aditya Aggarwal	10	0.00	-	10	0.00	-	-

**iii) Change in Promoters' Shareholding**

<b>1. Name of the Promoter : Prem Dinanath Aggarwal</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	1287220	47.81	1287220	47.81
Increase / Decrease during the year	(2,00,000)			
At the end of the year			<b>1087220</b>	<b>40.38%</b>

<b>2. Name of the Promoter: Shikha Aggarwal Prem</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	405000	15.04	405000	15.04
Increase / Decrease during the year	(96000)			
At the end of the year			<b>309000</b>	<b>11.48</b>

<b>3. Name of the Promoter : Tanvi Aggarwal</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	10	0.00	10	0.00
Increase / Decrease during the year	NIL			
At the end of the year			<b>10</b>	<b>0.00</b>

<b>4. Name of the Promoter : Ashmita Aggarwal</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	10	0.00	10	0.00
Increase / Decrease during the year	NIL			
At the end of the year			<b>10</b>	<b>0.00</b>

<b>5. Name of the Promoter : Aditya Aggarwal</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	10	0.00	10	0.00
Increase / Decrease during the year	NIL			
At the end of the year			<b>10</b>	<b>0.00</b>

**iv) Shareholding Pattern of top ten shareholders (other than directors, promoters, and holders of GDRs and ADRs):**

<b>1. TANVI JIGNESH MEHTA</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	104000	3.86%	104000	3.86%
Increase / Decrease during the year specifying the reasons for change	-	-	28000	1.04
At the end of the year			<b>132000</b>	<b>4.90%</b>



<b>2. LODHA RAJENDRA</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	-	-	-	-
Increase / Decrease during the year specifying the reasons for change	-	-	104000	3.86
At the end of the year	-		<b>104000</b>	<b>3.86%</b>

<b>3. SOBHA LODHA</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	-	-	-	-
Increase / Decrease during the year specifying the reasons for change	-	-	88000	3.27
At the end of the year			<b>88000</b>	<b>3.27%</b>

<b>4. HV GUPTA</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	80000	2.97	80000	2.97
Increase / Decrease during the year specifying the reasons for change	-	-	(16000)	0.59
At the end of the year			<b>64000</b>	<b>2.38%</b>

<b>5. SAHIL GUPTA</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	32000	1.19	32000	1.19
Increase / Decrease during the year specifying the reasons for change	-	-	4000	0.15
At the end of the year			<b>36000</b>	<b>1.34%</b>

<b>6. SADHANA GUPTA</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	16000	0.59	16000	0.59
Increase / Decrease during the year specifying the reasons for change	-	-	8000	0.30
At the end of the year			<b>24000</b>	<b>0.89</b>

<b>7. M REKHA</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	NIL			
Increase / Decrease during the year specifying the reasons for change	-	-	24000	0.89
At the end of the year			<b>24000</b>	<b>0.89</b>

8. SURESH D	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	8000	0.30	8000	0.30
Increase / Decrease during the year specifying the reasons for change	-	-	16000	0.59
At the end of the year			<b>24000</b>	<b>0.89%</b>

9. NILESH VINODRAI PAREKH	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	16000	0.59	16000	0.59
Increase / Decrease during the year specifying the reasons for change	-	-	4000	0.15
At the end of the year			<b>20000</b>	<b>0.74</b>

10. SWATI MANAS JHAJHARIA	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			
Increase / Decrease during the year specifying the reasons for change	-	-	20000	0.74
At the end of the year			<b>20000</b>	<b>0.74</b>

**v) Shareholding of Directors and Key Managerial Personnel**

<b>1. Name of the Director : Prem Dinanath Aggarwal (DIN: 02050297)</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	1287220	47.81	1287220	47.81
Increase / Decrease during the year	(2,00,000)			
At the end of the year			<b>1087220</b>	<b>40.38%</b>

<b>2. Name of the Director : Shikha Aggarwal Prem (DIN: 03373965)</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	405000	15.04	405000	15.04
Increase / Decrease during the year	(96,000)			
At the end of the year			<b>309000</b>	<b>11.48%</b>

<b>3. Name of the Director : Ashmita Aggarwal (DIN: 07332067)</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	10	0.00	10	0.00
Increase / Decrease during the year	NIL			
At the end of the year			<b>10</b>	<b>0.00</b>

<b>4. Name of the Director : Ramasubramaniam Senthil Rajagopal (DIN No: 06520260)</b>				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the	No. of shares	% of total shares of the
At the beginning of the year	NIL			
Increase / Decrease during the year	NIL			
At the end of the year	NIL			

<b>5. Name of the Director : Sankaranarayanan Muthuramakrishnan (DIN No: 07137404)</b>				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Increase / Decrease during the year	NIL			
At the end of the year	NIL			

<b>6. Name of the Director : Subramanian Thirumurugan (DIN No:03107366)</b>				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Increase / Decrease during the year	NIL			
At the end of the year	NIL			

<b>7. Name of the Key Managerial Personnel: Periyasamy. R, Chief Financial Officer</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	NIL			
Increase / Decrease during the year	NIL			
At the end of the year	NIL			

<b>8. Name of the Key Managerial Personnel: Lakshmi Priya. K, Company Secretary</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	NIL			
Increase / Decrease during the year	NIL			
At the end of the year	NIL			

#### **V. INDEBTEDNESS:**

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

<b>Particulars</b>	<b>Secured Loans excluding Deposits</b>	<b>Unsecured Loans</b>	<b>Deposit</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>	<b>91430323</b>	<b>22950000</b>	<b>-</b>	<b>114380323</b>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>	<b>91430323</b>	<b>22950000</b>	<b>-</b>	<b>114380323</b>

Change in Indebtedness during the financial year				
• Addition	33309478	6990000	-	40299478
• Reduction	2183626	13413623	-	15597249
<b>Net Change</b>	<b>31125852</b>	<b>-6423623</b>	<b>-</b>	<b>24702229</b>
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>	<b>122556175</b>	<b>16526377</b>	<b>-</b>	<b>139082552</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	Mr. Prem Dinanath Aggarwal – DIN No. 02050297	Mrs. Shikha Aggarwal Prem – DIN No. 03373965	Total Amount
1.	Gross salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	18,00,000	18,00,000	36,00,000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-
5.	Others, (specify)	-	-	-
	<b>Total (A)</b>	<b>18,00,000</b>	<b>18,00,000</b>	<b>36,00,000</b>
	<b>Ceiling as per the Act</b>	<b>60,00,000</b>		

**B. Remuneration to other directors:**

Particulars of Remuneration	Ashmita Aggarwal (DIN No. 07332067)	Name with Designation & DIN	Total Amount
<b>1. Independent Directors</b>			
<ul style="list-style-type: none"> <li>• Fee for attending board/ committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	0		
<b>Total (1)</b>	-		
<b>2. Other Non-Executive Directors</b>			
<ul style="list-style-type: none"> <li>• Fee for attending board/ committee meetings</li> <li>• Commission</li> <li>• Others, Salary</li> </ul>	15,00,000	None of the independent directors were paid sitting fees nor commission	15,00,000
<b>Total (2)</b>	<b>15,00,000</b>		<b>15,00,000</b>
<b>Total (B) + (1 + 2)</b>	<b>15,00,000</b>		<b>15,00,000</b>
<b>Total Managerial Remuneration</b>			<b>51,00,000</b>

**C. Remuneration to key managerial personnel other than MD/Manager/WTD :**

S. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary	-	4,20,000	3,60,000	7,80,000
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - Others, specify				
5.	Others, (specify)				
	<b>Total</b>	-	<b>4,20,000</b>	<b>3,60,000</b>	<b>7,80,000</b>



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

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

**Date: 26.05.2018**

**For and on behalf of the Board**

**Place: Tirupur**

-Sd-

-Sd-

**Prem Dinanath Aggarwal**  
**Managing Director**  
**DIN No: 02050297**

**Shikha Aggarwal Prem**  
**Whole time Director**  
**DIN No: 03373965**

**Annexure B**

**PARTICULARS OF CONTRACTS /ARRANGEMENTS MADE WITH RELATED PARTY**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 arm's length transactions under third proviso

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

There were no contracts or arrangements or transactions entered during the year ended 31<sup>st</sup> March, 2018, which were not at arm's length basis

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

S.No	Name(s) of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any		Other Services (including Rent)	Office or Place of profit	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
					Sales	Purchases				
1	Jannat Fabrics and Apparels Private Limited	Common Key Managerial Personnel	Rent, Sales, CMT Charges	For the Year		5,89,61,904	74,82,180	—	-	—
2	Swaad Mantra Hotels and Restaurants Private Limited	Common Key Managerial Personnel	Boarding and Lodging expenses	For the year			6,373			

*JUNCTION FABRICS AND APPARELS LIMITED*  
*(Formerly known as Junction Fabrics and Apparels Private Limited)*  
*(CIN NO: L18101TZ2011PLC017586)*

*Annual Report*  
2017-18

3	Beatle Apparels Prop: Romi Lodha	Relative of the Director is a Partner	Purchase of Fabrics	For the Year	—	10,75,26,734	-	—	-	—
4	Global Mantra Enterprise, Prop: Mr.Sanath Kumar	Relative of the Director is a Partner	CMT Charges	For the Year	—	—	1966713	—	-	—
5	Twenty Twenty LLC	Designated Partner	Rental Income	For the year			3,75,000			

**Date: 26.05.2018**

**Place: Tirupur**

**For and on behalf of the Board**

-Sd-

**Prem Dinanath Aggarwal**  
**Managing Director**  
**DIN No: 02050297**

-Sd-

**Shikha Aggarwal Prem**  
**Whole time Director**  
**DIN No: 03373965**

**Annexure C**

**Particulars of employees:**

**Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

The Nomination and Remuneration committee continuously reviews the compensation of our directors.  
 Remuneration paid to Directors:

<b>Name of the Director</b>	<b>Director Identification No</b>	<b>Title</b>	<b>Remuneration for the year 2017-18 (in Rs.)</b>	<b>Ration of Remuneration to MRE(Excluding WTD)</b>
Prem Dinanath Aggarwal	02050297	Managing Director	18,00,000	5.77
Shikha Aggarwal Prem	03373965	Whole Time Director	18,00,000	5.77
Ashmita Aggarwal	07332067	Director	15,00,000	4.81

MRE – Median remuneration of employees

- . Based on annualized salary of employees employed during the year.
- . No payment of sitting fees was given to Independent directors during the year
- . During fiscal 2017-18, no employee received remuneration in excess of the highest-paid director.

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

[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,  
Junction Fabrics and Apparels Limited,  
No.15, Murthy's Plaza, Kariagounder Street,  
Khaderpet, Tirupur – 641601

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Junction Fabrics and Apparels Limited** (CIN: L18101TZ2011PLC017586), a listed entity having its registered office at No.15, Murthy's Plaza, Kariagounder Street, Khaderpet, Tirupur - 641601 (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - *Not Applicable*;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

*Not applicable as the Company has not issued or allotted shares during the financial year under review.*

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

*Not applicable as the Company has not issued or allotted shares to its employees during the financial year under review.*

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

*Not applicable as the Company has not issued Debt Securities during the financial year under review.*

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

*Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review.*

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

*Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review*

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

*Not applicable as the Company has not bought back any of its securities during the financial year under review.*

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

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015.

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

*During the period under review, the Company has withdrawn a chit amount of Rs. 34,20,000/- from VVRS Chit Funds Private Limited. The Company has been advised to make necessary secretarial Compliances as required under the Companies Act, 2013, for the same.*

I further report that

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

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

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

**For G.V and Associates**

-Sd-

**G.Vasudevan**  
**FCS No.: 6699**  
**C P No.: 6522**

**Place : Coimbatore**  
**Date : 26.05.2018**

## **INDEPENDENT AUDITORS REPORT**

**To the Members of Junction Fabrics and Apparels Limited, Tirupur**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Junction Fabrics and Apparels Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

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



appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (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 I", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 II" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. There has been no pending litigations against the Company having any impact on its financial position in its 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.

**Place: Tirupur**  
**Date: 26.05.2018**

**For Balaji and Thulasiraman**  
**Chartered Accountants**

**-Sd-**

**(CA.S.Balaji FCA DISA)**  
**Partner M.No.202992 FRN.007262S**

**Annexure I to the Independent Auditors' Report**

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, which in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured loans to any Companies, Firms, Limited Liability Partnerships and Other parties covered in Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) rules 2015 with regard to the deposits accepted from the public are not applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made maintained.

vii. (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, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax/GST, Wealth Tax, Service Tax, Customs Duty, Excise Duty and any other material statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company did not have any outstanding debentures during the year.

ix. a. The Company has not raised any initial public offer further public offer including debt instruments during the year.

b. The Company during the year has been sanctioned one term loan amounting to Rs.100 lacs from Axis Bank Ltd., and out of this Rs.9.94 lacs has been availed during the financial year 2017-18 and such loans have been utilized for the purposes for which they were sanctioned by the bank.

c. The Company during the year has not raised money by way of debt instruments.

x. 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.

xi. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. 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 and hence, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**Place: Tirupur**  
**Date : 26.05.2018**

**For Balaji and Thulasiraman**  
**Chartered Accountants**

**-Sd-**

**(CA.S. Balaji FCA DISA)**  
**Partner M.No.202992 FRN 007262S**

**Annexure II to the Independent Auditors' Report**

**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 Junction Fabrics and Apparels Limited ("the Company") as at 31st March, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

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

(c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

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

**Place: Tirupur**  
**Date : 26.05.2018**

**For Balaji and Thulasiraman**  
**Chartered Accountants**

-Sd-  
**(CA.S.Balaji FCA DISA)**  
**Partner M.No.202992 FRN 007262S**





**M/S.Junction Fabrics and Apparels Limited, Tirupur****Balance Sheet as at 31st March 2018**

Particulars		Note No.	2017-18	2016-17
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
(a)	Share capital	1	26,922,700	26,922,700
(b)	Reserves and surplus	2	31,943,081	23,687,585
(c)	Money received against share warrants		-	-
2	<b>Share application money pending allotment</b>		-	-
3	<b>Non-current liabilities</b>			
(a)	Long-term borrowings	3	17,353,239	24,470,455
(b)	Deferred tax liabilities (Net)		643,332	913,227
4	<b>Current liabilities</b>			
(a)	Short-term borrowings	4	120,591,755	88,277,077
(b)	Trade payables	5	105,063,825	67,911,613
(c)	Other current liabilities	6	3,047,554	4,344,072
(d)	Short-term provisions	7	6,415,000	4,113,158
	<b>TOTAL</b>		<b>311,980,486</b>	<b>240,639,886</b>
II.	<b>ASSETS</b>			
	<b>Non-current assets</b>			
1	(a) Fixed assets	8		
(i)	Tangible assets		21,243,686	21,424,365
(ii)	Intangible assets		-	-
(iii)	Capital work-in-progress		-	-
(iv)	Intangible assets under development		-	-
(b)	Non-current investments	9	3,510,000	3,510,000
(c)	Long-term loans and advances	10	2,646,850	4,146,850
(d)	Other non-current assets	11	2,059,797	3,790,947
2	<b>Current assets</b>			
(a)	Inventories	12	196,670,073	93,148,070
(b)	Trade receivables	13	72,162,487	109,973,106
(c)	Cash and cash equivalents	14	566,479	1,695,537
(d)	Short-term loans and advances	15	13,121,114	2,951,012
	<b>TOTAL</b>		<b>311,980,486</b>	<b>240,639,886</b>
			(0)	0

**"NOTES TO ACCOUNTS"**

*Schedules referred to above and notes attached there to form an integral part of Balance Sheet*

*This is the Balance Sheet referred to in our Report of even date.*

**FOR BALAJI & THULASIRAMAN**

**CHARTERED ACCOUNTANTS**

Sd-

(CA.S.BALAJI FCA DISA)

Membership No. : 202992

Firm Reg. No.: 0072625

Place: Tirupur

Date: 26.05.2018

**For Junction Fabrics and Apparels Limited**

Sd-

**PREM DINANATH AGGARWAL**  
MANAGING DIRECTOR  
DIN No: 02050297

Sd-

**K. LAKSHMI PRIYA**  
COMPANY SECRETARY

Sd-

**SHIKHA AGGARWAL PREM**  
WHOLE TIME DIRECTOR  
DIN No: 03373965

Sd-

**R. PERIASAMY**  
CHIEF FINANCIAL OFFICER

**Note 1**
**Share capital**

<u>Share Capital</u>	2017-18		2016-17	
	Number	Amount	Number	Amount
<b><u>Authorised</u></b> Equity Shares of Rs.10/- each	4,000,000	40,000,000	4,000,000	40,000,000
<b><u>Issued</u></b> Equity Shares of Rs.10/- each	2,692,270	26,922,700	2,692,270	26,922,700
<b><u>Subscribed &amp; Paid up</u></b> Equity Shares of Rs.10/- each fully paid	2,692,270	26,922,700	2,692,270	26,922,700
<b><u>Subscribed but not fully Paid up</u></b> Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
<b>Total</b>	<b>2,692,270</b>	<b>26,922,700</b>	<b>2,692,270</b>	<b>26,922,700</b>

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	2017-18		2016-17	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,692,270	26,922,700	2,692,270	26,922,700
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,692,270	26,922,700	2,692,270	26,922,700

Note : This company is not a subsidiary of any other company and hence, the necessity of giving the details of Holding Company's share does not arise here

**Shares in the company held by each shareholder holding more than 5 percent shares**

Name of Shareholder	2017-18		2016-17	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri.Prem Dinanath Aggarwal	1,087,220	40.38%	1,287,270	47.81%
Shikha Aggarwal Prem	309,000	11.48%	405,000	15.04%
Hem Securities Limited	-	0.00%	272,000	10.10%
Shefali Trehan	-	0.00%	184,000	6.83%
<b>Total</b>	<b>1,396,220</b>	<b>51.86%</b>	<b>2,148,270</b>	<b>79.79%</b>

**Shares issued for other than cash, Bonus issue and Shares bought back**
**Equity Shares issued for other than cash**

Name of the Share Holder	2017-18	2016-17
	No. of Shares Issued	No. of Shares Issued
	Nil	Nil

The company has not issued any Bonus shares during the year nor it has bought back any of its shares

Unpaid Calls	2017-18	2016-17
By Directors	-	-
By Officers	-	-

**Note 2****Reserves and surplus**

	2017-18	2016-17
<b>Surplus</b>		
Opening balance	23,687,585	18,108,652
(+) Net Profit/(Net Loss) For the current year	8,255,496	5,578,933
(+) Securities Premium	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>31,943,081</b>	<b>23,687,585</b>
<b>Total</b>	<b>31,943,081</b>	<b>23,687,585</b>

There is no other reserves such as Capital Reserve, Capital Redemption Reserve, Debenture Redemption Reserve, Revaluation Reserve, Share Options Outstanding Account, and Other Reserves except the Surplus Account

**Note 3****Long Term Borrowings**

	2017-18	2016-17
<b><u>Secured</u></b>		
<b>(a) Term loans</b>		
<b>FROM BANKS</b>		
<b>HDFC Bank Eicher Van Loan</b>	552,880	811,309
(Secured by way of hypothecation of Eicher Van of the company)		
(of the above, ` entire amount is guaranteed by Directors and / or others)		
Terms of Repayment: Repayable in 48 months)		
<b>HDFC Bank i20 Car Loan</b>	185,499	432,833
(Secured by way of hypothecation of i20 Car of the company)		
(of the above, ` entire amount is guaranteed by Directors and / or others)		
Terms of Repayment: Repayable in 36 months		
<b>HDFC Bank Tata Ace Mint Loan</b>	88,483	276,313
(Secured by way of hypothecation of Tata Ace Mint of the company)		
(of the above, ` entire amount is guaranteed by Directors and / or others)		
Terms of Repayment: Repayable in 48 months		
<b>Axis Bank TL-684</b>	-	-
Terms of Repayment: Repayable in 5 months)		
(of the above, ` entire amount is guaranteed by Directors and / or others)		
	<b>826,862</b>	<b>1,520,455</b>

In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above		
1. Period of default	-	-
2. Amount	-	-
<b><u>Unsecured</u></b>		
From Others	2,012,750	-
Loans and advances from Directors		
Prem Aggarwal	12,693,627	13,700,000
Ashmita Aggarwal	1,540,000	1,400,000
Tanvi Aggarwal	-	-
Shika Aggarwal	280,000	7,850,000
Loans and advances from related parties of the Directors	-	-
(None of the above, is guaranteed by Directors and / or others)		
Terms of Repayment has not been entered into between the parties		
	<b>16,526,377</b>	<b>22,950,000</b>
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above		
1. Period of default	-	-
2. Amount	-	-
<b>Total</b>	<b>17,353,239</b>	<b>24,470,455</b>

**Note 4****Short Term Borrowings**

	2017-18	2016-17
<b><u>Secured</u></b>		
<b>(a) Loans repayable on demand</b>		
From banks	120,591,755	88,277,077
(Secured by hypothecation of inventories, book debts and machineries)		
(of the above, entire amount is guaranteed by Directors and/or others)		
From other parties	-	-
	120,591,755	88,277,077
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above</b>		
1. Period of default	-	-
2. Amount	-	-
<b><u>Unsecured</u></b>		
<b>(b) Other loans and Advances</b>	-	-
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b>		
1. Period of default	-	-
2. Amount	-	-
	-	-
<b>Total</b>	<b>120,591,755</b>	<b>88,277,077</b>

**Note 5****Trade Payable**

	2017-18	2016-17
(i) Creditors for Goods	100,702,829	58,681,046
(ii) Creditors for Expenses	4,360,996	9,230,567
(iii) Creditors for others	-	-
		-
<b>Total</b>	<b>105,063,825</b>	<b>67,911,613</b>

Related Party Transaction Outstanding at the year end		
	2017-18	2016-17
Directors *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	2,737,468
Swaad Mantra Hotels & Restaurants P Ltd.	6,373	-
Relative of the Director	-	-
	6,373	2,737,468

**Maximum Outstanding during the year**

	2017-18	2016-17
Directors		
Other officers of the Company *		
Concern in which director is a Proprietor/partner	-	-
Private Company in which director is a member/Director		
Swaad Mantra Hotels and Restaurants P Ltd	6,373	38,740
Beatle Apparels the proprietor is the son-in-law of the Managing Director Mr.Prem Aggarwal	14,079,200	-
Global Mantra, Prop: Mr.Sanath, husband of the director, Mrs.Ashmitha Aggarwal	348,189	1,617,644
Jannat Fabrics and Apparels Private Limited, Tirupur	10,133,903	5,060,546
	24,567,665	6,716,930

**Total Value of Transactions entered in to during the year**

	2017-18	2016-17
Directors & Relative of the Directors		
Prem Aggarwal Director Remn	1,800,000	1,200,000
Shikka Aggarwal Director Remn	1,800,000	900,000
Tanvi Aggarwal Prof. Fees	540,000	360,000
Ashmita Aggarwal Director Remn.	1,500,000	900,000
Beatle Apparels the proprietor is the the son-in-law of the Managing Director Mr.Prem Aggarwal	107,526,734	-
Global Mantra Enterprise, the proprietor is the husband of the director Mrs.Ashmitha Aggarwal	1,966,713	6,436,598
Concern in which director is a Director/Member Swaad Mantra Hotels & Restaurents Private Limited	6,373	60,334
Jannat Fabrics and Apparels Private Limited, Tirupur	66,444,084	16,773,744
	181,583,904	26,630,676

**Note 6**
**Other Current Liabilities**

	2017-18	2016-17
Advances from Contractors & Suppliers	1,657,193	1,982,922
TDS Payable	238,807	164,682
Vat Payable	-	563,329
Esi & PF Payable	13,996	348
Gst Payable	-	-
<b>Current Maturities of Long Term Debt</b>		
Axis Bank Ltd Term Loan	443,965	-
Bajaj Finance Limited	-	527,262
Tata Capital Limited	-	411,936
HDFC Bank Eicher Van Loan	258,429	258,429
HDFC Bank i20 Car Loan	247,334	247,334
HDFC Bank Tata Ace Mint Loan (i.e.,Term Loan instalment repayable within 1year)	187,830	187,830
<b>Total</b>	<b>3,047,554</b>	<b>4,344,072</b>

**Note 7****Short Term Provisions**

	2017-18	2016-17
(a) Provision for employee benefits	550,000	554,137
(b) Others (Specify nature)		
- Provision for Taxation	4,739,859	3,126,767
- Provision for Audit Fees	100,000	100,000
- Provision for Gratuity	1,025,141	332,254
<b>Total</b>	<b>6,415,000</b>	<b>4,113,158</b>

**Note 10****Long Term Loans and Advances**

	2017-18	2016-17
<b>a. Capital Advances</b>		
Secured, considered good	-	-
Unsecured, considered good		
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	-	-
<b>d. Other loans and advances</b>		
Secured, considered good		
Unsecured, considered good	2,646,850	4,146,850
Doubtful		
Less: Provision for _____		
	2,646,850	4,146,850
	2,646,850	4,146,850

**Related Party Transaction**

	2017-18	2016-17
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
Rent advance to Jannath Fabrics and Apparels Private Limited	100,000	100,000
	100,000	100,000

\*Either severally or jointly



**Note 11****Other non-current assets**

	2017-18	2016-17
<b>a. Long term trade receivables</b> (including trade receivables on deferred credit terms)	-	-
<b>b. Others (specify nature)</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Preliminary Expenses not written off	2,059,797	3,169,697
	2,059,797	3,169,697
<b>c. Debts due by related parties</b>	-	-
Secured, considered good	-	-
Unsecured, considered good**	-	621,250
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	621,250
	2,059,797	3,790,947

**\*\*Note: Investments in VVRS Chit Fund Pvt Ltd**

**Related Party Transaction**

- -

**Note 12****Inventories**

	2017-18		2016-17	
<b>a. Raw Materials and components</b> Valued at Rs.191.50 per Kg.(P.Year Rs.220/-)	Qty	Value	Qty	Value
	72,644	13,911,326	71,818	15,799,960
<i>Kgs</i>	72,644	13,911,326	71,818	15,799,960
<b>b. Work-in-progress</b> Valued at Rs.224 per Kg.(P.Year Rs.245)	94,852	21,246,872	112,184	27,485,080
	94,852	21,246,872	112,184	27,485,080
<b>c. Finished goods Valued at 95 Rs.</b> /- Per Piece(P.Year Rs.95/-)	1,700,125	161,511,875	524,874	49,863,030
<i>Pieces</i>	1,700,125	161,511,875	524,874	49,863,030
<b>g. Others (Stores and Accessories)</b>		-		-
		-		-
<b>Total</b>		196,670,073		93,148,070

**Note 13****Trade Receivables**

	2017-18	2016-17
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Secured, considered good	-	-
Unsecured, considered good	67,367,837	109,783,543
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	67,367,837	109,783,543
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	4,794,650	189,563
	4,794,650	189,563
<b>Total</b>	<b>72,162,487</b>	<b>109,973,106</b>

**Related Party Transaction**

Trade Receivable stated above include debts due by:

**Outstanding at the year end**

Particulars	2017-18	2016-17
Directors *	-	-
Firm in which director is a partner *	-	-
Other officers of the Company *		-
Tapas Inc., a U.S. based company, in which director Ashmita Aggarwal is 100% Share Holder	-	8,203,941
	-	8,203,941

**Maximum Outstanding during the year**

	2017-18	2016-17
Directors *		-
Firm in which director is a partner *	-	-
Other officers of the Company *	-	-
Companies in which the directors are members		
Jannath Fabrics and Apparels P Ltd	-	-
Tapas Inc., a U.S. based company, in which director Ashmita Aggarwal is 100% Share Holder	8,203,941	8,203,941
	8,203,941	8,203,941

**Total Value of Transactions entered in to during the year**

	2017-18	2016-17
Directors *		-
Firm in which director is a partner *	-	-
Other officers of the Company *	-	-
Companies in which the directors are members		
Jannath Fabrics and Apparels P Ltd	-	-
One Man Company in which director Ashmita Aggarwal is 100% Share Holder & its USA based Co	-	8,264,008
	-	8,264,008

**Note 14****Cash and cash equivalents**

	2017-18		2016-17	
a. Balances with banks*		42,167		265,553
This includes:				
Earmarked Balances (eg/- unpaid dividend accounts)	-		-	
Margin money	-		-	
Security against borrowings	-		-	
Guarantees	-		-	
Other Commitments	-		-	
Bank deposits with more than 12 months maturity	-	-	-	-
b. Cheques, drafts on hand		-		-
c. Cash on hand*		524,312		1,429,985
d. Others (specify nature)		-		-
		566,479		1,695,537

\*There is no repatriation restrictions, if any, in respect of cash and bank balances.

**Note 15****Short-term loans and advances**

	2017-18	2016-17
a. Loans and advances to related parties	-	-
b. Others (specify nature)	13,121,114	2,951,012
	13,121,114	2,951,012

**Related Party Transaction**

Particulars	2017-18	2016-17
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
	-	-

\*Either severally or jointly

**Note: According to A S regroup the ledgers where ever necessary**

**Note 15A****a) Contingent liabilities and commitments (to the extent not provided for)**

	2017-18	2016-17
(i) Contingent Liabilities	-	-
(ii) Commitments	-	-
	-	-

**b) Details of Dividend Payment**

- -

**c) Issuance of Securities made for specific purpose**

- -

d) In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated, except as stated below:

Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board	
Nil	Nil	Nil	Nil	Nil

**M/S.Junction Fabrics and Apparels Limited, Tirupur****Profit and loss statement for the year ended 31<sup>st</sup> March 2018**

Amount in Rupees

Particulars		Refer Note No.	2017-18	2016-17
I.	Revenue from operations	16	789,424,607	639,447,781
II.	Other income	17	375,000	71,472
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>789,799,607</b>	<b>639,519,253</b>
IV.	Expenses:			
	Cost of materials consumed	18	801,619,278	510,195,533
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	(105,410,637)	12,637,898
	Employee benefits expense	20	7,209,157	7,744,575
	Finance costs	21	9,127,989	10,627,236
	Depreciation and amortization expense		1,945,328	1,497,682
	Other expenses	22	61,377,471	86,413,059
	Preliminary & Pre Operative Expenses wirtten off		1,109,900	1,109,900
	Total expenses		<b>776,978,487</b>	<b>630,225,883</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		12,821,120	9,293,369
VI.	Exceptional items		-	-
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		12,821,120	9,293,369
VIII.	Extraordinary Items		-	-
<b>IX.</b>	<b>Profit before tax (VII- VIII)</b>		12,821,120	9,293,369
X	Tax expense:			
	(1) Current tax		4,739,859	3,126,767
	(2) Deferred tax		(269,895)	128,506
	(3) Excess/(Shortfall) Prov. For Tax in P.Y.		(95,660)	(459,164)
<b>XI</b>	<b>Profit (Loss) for the period from continuing operations (VII- VIII)</b>		8,255,496	5,578,933
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
<b>XII- XIV</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (XII- XIII)</b>		-	-
<b>XV</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		8,255,496	5,578,933
XVI	Earnings per equity share:			
	(1) Basic		3.07	2.07
	(2) Diluted		3.07	2.07

Schedules referred to above and notes attached there to form an integral part of Profit &amp; Loss Statement

This is the Profit &amp; Loss Statement referred to in our Report of even date.

FOR BALAJI &amp; THULASIRAMAN

CHARTERED ACCOUNTANTS

Sd-

(CA.S.BALAJI FCA DISA)

Membership No. : 202992

Firm Reg. No.: 007262S

For Junction Fabrics and Apparels Ltd.,

Sd-

PREM DINANATH AGGARWAL

MANAGING DIRECTOR

DIN No: 02050297

Sd-

SHIKHA AGGARWAL PREM

WHOLE TIME DIRECTOR

DIN No: 03373965

Sd-

K. LAKSHMI PRIYA

COMPANY SECRETARY

Sd-

R. PERIASAMY

CHIEF FINANCIAL OFFICER

Place: Tirupur

Date: 26.05.2018

**M/S.Junction Fabrics and Apparels Limited, Tirupur****Note 16****Revenue from operations**

Particulars	2017-18	2016-17
Sale of products	786,721,209	631,470,734
Sale of services	424,455	94,150
Other operating revenues	2,278,943	7,882,896
Less:		
Excise duty	-	-
<b>Total</b>	<b>789,424,607</b>	<b>639,447,781</b>

Particulars	2017-18	2016-17
Sale of products comprises @:		
<u>Manufactured goods</u>		
Export Sales	-	89,144,842
Domestic sales	786,721,209	542,325,893
<b>Total - Sale of manufactured goods</b>	<b>786,721,209</b>	<b>631,470,734</b>
-	-	-
<b>Total - Sale of traded goods</b>	<b>-</b>	<b>-</b>
<b>Total - Sale of products</b>	<b>786,721,209</b>	<b>631,470,734</b>

**Note 17****Other income**

Particulars	2017-18	2016-17
Rental income	375,000	-
Other income	-	71,472
	<b>375,000</b>	<b>71,472</b>

**Note 18****Cost of materials consumed**

Particulars	2017-18	2016-17
<b>Raw Materials and Stores</b>		
Opening Stock	15,799,960	17,962,521
Purchases	799,730,644	508,032,972
Less: Closing stock of materials meant for consumption	13,911,326	15,799,960
<b>Consumption of Materials (A)</b>	<b>801,619,278</b>	<b>510,195,533</b>
<b>Total Cost of Materials Consumed (A) + (B)</b>	<b>801,619,278</b>	<b>510,195,533</b>

**Note 19****Changes in inventories of finished goods work-in-progress and Stock-in-Trade**

Particulars	2017-18	2016-17
<b>Opening Stock :</b>		
Work-in-Process	27,485,080	10,461,525
Finished Goods	49,863,030	79,524,483
	-	-
<b>Closing Stock :</b>		
Work-in-Process	21,246,872	27,485,080
Finished Goods	161,511,875	49,863,030
<b>Total</b>	<b>(105,410,637)</b>	<b>12,637,898</b>

**Note 20****Employee Benefits Expense**

	2017-18	2016-17
(a) Salaries, Wages and incentives incl Bonus	6,167,572	7,029,245
(b) Contributions to -		
(i) Provident fund(ii) Superannuation scheme	105,306	82,266
(c) Gratuity fund contributions	692,887	332,254
(d) Social security and other benefit plans for overseas employees		
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),		
(f) Staff welfare expenses	243,392	300,810
<b>Total</b>	<b>7,209,157</b>	<b>7,744,575</b>

**Note 21****Finance costs**

Particulars	2017-18	2016-17
Interest expense	8,735,205	10,117,750
Other borrowing costs	392,785	509,486
Applicable net gain/loss on foreign currency transactions and translation	-	-
<b>Total</b>	<b>9,127,989</b>	<b>10,627,236</b>

**Note 22****Other expenses**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Power and fuel.	634,439	611,386
Rent.	3,049,000	2,753,000
Repairs to buildings.	127,876	246,204
Repairs to machinery(Electrical Maintenance)	223,266	18,858
Vehicle Maintenance	164,644	335,088
Other Maintenance	866,840	562,133
Insurance .	236,662	78,520
Freight Charges	741,765	1,767,548
Other Manufacturing Expenses	37,448,234	68,066,066
Rates and taxes, excluding, taxes on income.	541,128	129,845
Postage and Telephone	481,749	602,061
Managing Director Remuneration	1,800,000	1,200,000
Directors Remuneration	3,300,000	1,800,000
Advertisement & Business Promotion Expenses	3,574,489	2,208,227
Professional and Consultancy Charges	2,351,000	1,581,010
Discount	798,766	704,932
Travelling and Conveyance	2,525,923	1,620,100
Exchange Rate Fluctation	1,294,008	-
Security Charges	461,095	429,356
Water Charges to NAP	219,300	199,080
Electricity and Lightings	233,774	556,757
<b>Payments to the auditor as</b>		
a. auditor	75,000	75,000
b. for taxation matters	25,000	25,000
Miscellaneous expenses,	203,513	842,889
<b>Total</b>	<b>61,377,471</b>	<b>86,413,059</b>



**M/S.Junction Fabrics and Apparels Limited, Tirupur****Cash Flow Statement for the year ended 31st March, 2018**

Particulars	For year ended 31st March, 2018		For year ended 31st March, 2017	
	Rupees	Rupees	Rupees	Rupees
<b><u>A.Cash Flow from Operation Activities</u></b>				
<b><u>Cash Flow from Operation Activities</u></b>				
Cash Receipts from Customers	451,439,869		513,762,018	
Cash Paid to Suppliers & Other Creditors (incl Capital Goods Crs)	475,186,324		532,970,381	
Cash generated from Operations		(23,746,455)		(19,208,363)
Less: Advance tax paid		3,300,000		550,000
		(27,046,455)		(19,758,363)
<b><u>Cash Flow from Investing Activities</u></b>				
Investments and Misc., Expenses	-	-	631,555	
Fixed Assets	-	-	26,491	
Merger of Concern	-		-	
Deposits Made	-		-	
Deposits Matured	-		-	
Interest on Deposits	-	-	-	(658,046)
		(27,046,455)		₹ -20,416,409
<b><u>Cash Flow from Financing Activities</u></b>				
Shares issued with premium		-		-
Cash from Loans (Secured & Unsecured)		(6,397,281)		10,991,740
Net Decrease in Cash or Cash Equallent during the year		(33,443,737)		(9,424,669)
Opening Cash and Bank Balance		(86,581,539)		(77,156,870)
Closing Cash and Bank Balances		(120,025,276)		(86,581,539)
<b>Increase/(Decrease) in Cash and Bank Balances</b>		<b>(33,443,737)</b>		<b>(9,424,669)</b>

**Note:**

The Cash Flow statement has been prepared under the "Direct Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

**FOR BALAJI & THULASIRAMAN**  
**CHARTERED ACCOUNTANTS**

**For Junction Fabrics and Apparels Ltd.,**

**Sd-**  
**(CA.S.BALAJI FCA DISA)**  
**Membership No. : 202992**  
**Firm Reg. No.: 007262S**

**Sd-**  
**PREM DINANATH AGGARWAL**  
**MANAGING DIRECTOR**  
**DIN No: 02050297**

**Sd-**  
**SHIKHA AGGARWAL PREM**  
**WHOLE TIME DIRECTOR**  
**DIN No: 03373965**

**Place: Tirupur**  
**Date: 26.05.2018**

**Sd-**  
**K. LAKSHMI PRIYA**  
**COMPANY SECRETARY**

**Sd-**  
**R. PERIASAMY**  
**CHIEF FINANCIAL OFFICER**

**Note 08**

	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
		Balance as at 1 April 2017	Additions/ (Disposals)	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation charge for the year	Balance as at 31 March 2018	Balance as at 1 April 2017	Balance as at 31 March 2018
a	<b>Tangible Assets</b>								
	Buildings	14,031,248	-	14,031,248	4,198,900	368,921	4,567,821	9,832,348	9,463,427
	Furniture & Fittings, Electrical Fittings, Office Equipments	5,143,457	1,277,303	6,420,760	881,054	603,330	1,484,384	4,262,403	4,936,376
	Plant and Equipment	3,572,175	385,898	3,958,073	1,126,891	176,140	1,303,031	2,445,284	2,655,042
	Vehicles	5,482,436	53,948	5,536,384	1,099,519	650,159	1,749,678	4,382,917	3,786,706
	Computer	735,678	47,500	783,178	234,499	146,778	381,277	501,179	401,901
	Miscellaneous Assets	4,700	-	4,700	4,466	0	4,466	234	234
	<b>Total</b>	<b>28,969,694</b>	<b>1,764,649</b>	<b>30,734,343</b>	<b>7,545,329</b>	<b>1,945,328</b>	<b>9,490,657</b>	<b>21,424,365</b>	<b>21,243,686</b>
b	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-
c	<b>Capital Work In Progress</b>	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-
d	<b>Intangible assets under Development</b>	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-

**Details fo Write-off or Revaluation**
**NIL**

**Note 09**

**Non-current investments**

	Particulars	2017-18	2016-17
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
		-	-
<b>B</b>	<b>Other Investments (Refer B below)</b>		
	<b>Total (B)</b>	<b>3,510,000</b>	<b>3,510,000</b>
	<b>Grand Total (A + B)</b>	<b>3,510,000</b>	<b>3,510,000</b>
	Less : Provision for diminution in the value of Investments	-	-
	<b>Total</b>	<b>3,510,000.00</b>	<b>3,510,000.00</b>

Particulars	2017-18	2016-17
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	3,510,000	3,510,000

Details of Other Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (')		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			2017-18	2016-17			2017-18	2016-17	2017-18	2016-17		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Equity Instruments in Netaji Apparel Park	Others	1775	1,775	Unquoted	Fully Paid	1.67%	1.67%	3,510,000.00	3,510,000	Yes	Not Applicable
	<b>Total</b>								<b>3,510,000.00</b>	<b>3,510,000.00</b>		

## **Notes to Financial Statements**

### **Company Background**

Junction Fabrics and Apparels Limited (the 'Company') is a public limited Company incorporated under the Indian Companies Act 1956. The Company is engaged in the business of manufacturing, selling and distribution of fabrics, hosiery garments and providing of related services.

### **Significant Accounting Policies**

#### **1. Basis of preparation of financial statements**

##### **(a) Basis of Accounting:**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

##### **(b) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities at the end of reporting period.

##### **(c) Current/Non-Current Classification:**

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. it is expected to be realized or settled or is intended for sale or consumption in the company's normal operating cycle;

ii. it is expected to be realized or settled within twelve months from the reporting date;

iii. in the case of an asset, it is held primarily for the purpose of being traded; or it is 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 date;

iv. in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date all other assets and liabilities are classified as non-current. For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

## **2. Tangible and Intangible Assets**

### **(a) Tangible Fixed Assets**

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation/accumulated impairment. The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant tangible asset heads. Pursuant to the requirements under Schedule II of the Companies Act, 2013, the Company has identified and determined the cost of each component of an asset separately when the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Profit or loss on disposal of tangible assets is recognized in the Statement of Profit and Loss. Tangible Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realizable value and are disclosed separately under 'Other Current Assets'. Any expected loss is recognized immediately in the Statement of Profit and Loss.

### **(b) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

### **(c) Capital Work in Progress & Capital Advances**

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

### **(d) Depreciation and Amortization:**

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life. The residual value, useful life and method of depreciation of an asset is reviewed at each financial year end and adjusted prospectively

### **(e) Impairment**

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable

amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset 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 recognized for the asset in prior years. A reversal of impairment loss is recognized in the Statement of Profit and Loss for the year. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

## **2. Revenue Recognition**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is exclusive of sales tax/VAT/GST and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty (on goods manufactured and outsourced), excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognized separately as part of changes in inventories of finished goods, work in progress and stock in trade. Revenue from service is recognized as per the completed service contract method. Processing income is recognized on accrual basis as per the contractual arrangements. Dividend income is recognized when the right to receive payment is established. Interest income is recognized on the time proportion basis.

## **4. Lease Accounting**

### **Assets taken on operating lease:**

Lease rentals on assets taken on operating lease are recognized as expense in the Statement of Profit and Loss on straight line basis.

## **5. Inventory**

(a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.

(b). In determining cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs

incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

## **6. Investments**

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Reversal of such provision for diminution is made when there is a rise in the value of long term investment, or if the reasons for the decline no longer exist. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

## **7. Transactions in Foreign Currency**

### **(a) Initial recognition:**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

### **(b).Measurement of foreign currency items at the Balance Sheet date:**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### **(c).Forward exchange contracts:**

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

## **8. Trade receivables**

Trade receivables are stated after writing off debts considered as bad.

## **9. Employee Benefits**

### **A. Short Term Employee Benefits:**

All employee benefits payable wholly within twelvemonths of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**B. Post-employment benefits:**

(a) Defined contribution plans :

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit plans

Provident fund scheme

The Company makes specified monthly contributions towards Employee Provident Fund scheme, for the eligible employees.

'(c) Gratuity scheme

The Company has created provision for gratuity to the extent of Rs.6,92,887/-during the year 2017-18, based on the Certificate issued by Actuaries.

**10. Research and Development**

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

**11. Provision for Taxation**

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realization.



## **12. Provisions and Contingencies**

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## **13. Earnings per Share**

The Basic and Diluted Earnings per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year.

## **14. Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

## **15. Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

## **16. Government Grants and Subsidies**

The Company is not entitled to any subsidy from government authorities in respect of manufacturing units located in specified regions: Grants in the nature of subsidy which are non-refundable are credited to the Statement of Profit and Loss, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

## **17. Measurement of EBITDA**

The Company has opted to present earnings before interest(finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations.

## **18. Segment Reporting**

### **i) Business Segment**

- a. The business segment has been considered as the primary segment.

- b. The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- c. The Company's primary business comprises of manufacturing of knitted garments and trading of fabrics and since it is the only reportable segment as envisaged in Accounting Standard 17. 'Segment Reporting'. Accordingly, no separate disclosure for Segment Reporting to be made in the financial statements of the Company.

**ii) Geographical Segment**

The Company produces and sells its products in India and also Exports the same directly or indirectly to overseas countries. The overseas sales operations are managed by its office located in India. For the purposes of AS 17 regarding segment reporting, secondary segment formation on geographical segment is considered on the basis of revenue generated from Domestic & Export market

Particulars	2017-18	2016-17
Domestic Turnover	Rs.7871.46 Lakhs	Rs.5424.20 Lakhs
Export Turnover	Nil	Rs. 891.44 Lakhs
Total Turnover	Rs.7871.46 Lakhs	Rs.6315.65 Lakhs
Domestic Receivables	Rs.721.62 Lakhs	Rs.789.50 Lakhs
Exports Receivables	Nil	Rs. 296.81 Lakhs
Total Receivables	Rs.721.62 Lakhs	Rs.1086.31 Lakhs

**18. Details of Shareholders holding more than 5% equity shares in the Company**

Name of the share holders	As on 31.03.2018		As on 31.03.2017	
	Number of Equity Shares	Percentage of holding	Number of Equity Shares	Percentage of holding
Prem Dinanath Aggarwal	10,87,220	40.38%	12,87,220	47.81%
Shikha Aggarwal	3,09,000	11.48%	4,05,000	15.04%
Hem Securities Limited	-	-	2,72,000	10.10%
Shafali Trehan	-	-	1,84,000	6.83%
	13,96,220	51.86%	21,48,270	

20.The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting standard (AS 22) – Accounting for Taxes on income.

**21 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2017-18, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.**

(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to micro and small enterprise Interest due on above Nil (During 2016-17 Nil)

(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period Nil (During 2016-17 Nil)

(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 Nil (During 2016-17 Nil)

(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year Nil (During 2016-17 Nil)

(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises Nil (During 2016-17 Nil)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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

**ROUTE MAP:**

