

**Annual Report  
2016-2017**



**FOR  
EVERYONE**



# Content

## Corporate Overview

Inspired to Create Iconic Brands	2
Our Wide Range	4
Brands that Make a Bold Statement	6
Reaching Out to a Wider Audience	8
Chairman's Communique	10
Key Performance Indicators	12
Opportunities and Competitive Advantages	14
There Is No Monopoly On Style	16
Affordable Style Is Not An Oxymoron	18
Style Is An Omnipresent Reality	20
Style Has Arrived Closer To You	22
Board of Directors	24
Enriching our People in Style	26
Social Commitments	29
Accolades	30
Corporate Information	31

## Statutory Reports

Management Discussion and Analysis	34
Directors' Report and Annexure	44
Report on Corporate Governance	70
Business Responsibility Report	92

## Financial Statements

### Standalone

Independent Auditor's Report on Financial Statements	100
Balance Sheet	106
Statement of Profit and Loss	107
Cash Flow Statement	108
Notes	110

### Consolidated

Independent Auditor's Report on Financial Statements	146
Balance Sheet	150
Statement of Profit and Loss	151
Cash Flow Statement	152
Notes	154

## Key Highlights

### MRP Turnover

₹ 100265 Lakhs

### Gross Turnover

₹ 49238 Lakhs

### Profit after Tax

₹ 8528 Lakhs

### Employees

2044

### Presence

25 States

Over 2 decades  
of manufacturing  
experience

Produces over 5 million  
apparel pieces per year

Environment friendly  
manufacturing techniques  
to produce consumer  
friendly apparel




Style is both a philosophy and a way of life. It is forever and for everyone. We strongly believe that style is not the exclusive preserve of any individual, age, group or society, but an attitude, defining individuals. Everyone deserves to be stylish and we are democratizing style.

We are on a mission to bring style to the fore because it is about confidence, poise, attitude, elegance and expression. It is all about creating a unique identity. In a country of 1.3 billion people, we represent the sartorially savvy. A nation that is deeply rooted in its culture, yet modern in its approach. It is our faith in the power of style that has helped us build brands, offering superior quality products, with an international appeal, at an affordable price range.

We are a home-grown fashion house, with focus on global quality standards. Although fashion inspires us, it is style that drives us.

**At the end of the day, we matter because style matters.**

Three men are captured in a dynamic, joyful pose, jumping and reaching upwards towards the floating football. The man on the left wears a grey blazer over a blue patterned shirt and dark trousers. The man in the center wears a dark blue patterned blazer over a matching shirt and tan trousers. The man on the right wears a dark blue blazer over a patterned shirt and dark trousers. They are all smiling and looking towards the football. The background is a solid, vibrant red.

# STYLE FOR EVERYONE



# Inspired to Create Iconic Brands

**Kewal Kiran Clothing Limited (KKCL)** is one of India's largest branded apparel manufacturers, engaged in the designing, manufacturing and marketing of branded jeans and a wide range of western wear, since 1992. With in-house fashion brands **Killer, Integrity, LawmanPg3, Easies, K-Lounge** and **Addictions**, we have created a niche segment for apparel and accessory lovers across India.

In over two decades, the Company has created a legacy for itself. KKCL is continuously evolving to suit the style of every

individual across age groups, across cities and states of India.

Our robust manufacturing facilities, team of creative designers, conceptualizers and skilled workforce enable us in producing refreshing designs and styles every season, while growing the retail ecosystem and distribution reach.

We are present in over 25 states in India through 330+ stores, leading e-commerce platforms and other retail formats.

## Vision

**To be a world-class business organization which enables values, the best services and the enhancement of net worth to all the stakeholders.**

## Mission

We will become a world-class business organization by:

- Driving excellence through our people, business partners and other stakeholders
- Focusing on consumer satisfaction and executing a customer-centric business module
- Focusing on core growth principles of stability, scalability and sustainability
- Adopting international standards and best practices across our operations

## Values



### Ethos

We operate the business within our set framework of operating principles, which exhibit our focus on ethical practices in our business operations.



### Passion and long-term vision

We strive hard with passion to meet and set industry benchmarks in our systems and processes to ensure insightful experiences for our stakeholders. Our aim is to cultivate a culture where every stakeholder has a long-term vision and each and every member of our Company works in a cohesive manner to achieve it.



### Seamlessness

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



### Respect and humility

Respect and humbleness are central to the way we communicate with our communities: stakeholders, employees, vendors, business partners, among others. We actively listen to and take suggestions from all members and make sure they play a crucial role in making key decisions and forming long-term goals.



### Generous thoughts

We are accountable towards all our stakeholders. We are liberal and committed in giving back to the society. We always work together for the upliftment of the society as a whole.



## Footprint

Spanning 25 states, the Company reaches out to its customers through its 330+ stores.



### ● Manufacturing Locations

Mumbai (Maharashtra)  
Vapi (Gujarat)  
Daman (Union Territory)

**KKCL's robust manufacturing units are equipped with advanced technologies to assist and deliver high-quality products in desirable timeframes.**

Note: Map not to scale





# Our Wide Range

Divided between apparel and accessories, KKCL offers a wide range of comfortable, superior quality collection, tailor-made for a diverse consumer category. Ranging from basic to luxurious clothing for everyday wear, party wear and office wear, we also offer branded lifestyle accessories to our customers.



## DENIMS

Comfortable, stylish and fashionable - our denims have no age bar

## SHOES\*

## TROUSERS

Classy, tailor-fit trousers for casual-to-office wear



## BELTS\*



# SHIRTS

Printed to formal, our range of shirts are for every occasion



WATCHES\*

# T-SHIRTS

T-shirts to feel young-at-heart



SUNGLASSES\*

WRIST-BAND\*



Branded lifestyle accessories for accentuating the look and feel good factor.

CORPORATE  
OVERVIEW

→  
1-31

STATUTORY  
REPORTS

→  
32-99

FINANCIAL  
STATEMENTS

→  
100-190



# Brands that Make a Bold Statement

KKCL designs and manufactures stylish lifestyle wear for men and women under four iconic brands - **Killer**, **LawmanPg3**, **Easies** and **Integriti**.

**K-Lounge** and **Addiction** are Exclusive Brand Outlets as well as Retail format stores with a wide presence in both India and the Middle East.



## KILLER >K

Our flagship brand Killer has changed the way denims are worn across the nation. International styling with Indian fitting, these jeans are both trendy and comfortable with a young style quotient.

## LAWMANPg3

A lifestyle apparel brand, LawmanPg3 is famous for introducing the Diags (stretched fabric), the camel-skin-wash, Fume-wash and the auto-reverse shirts, which have added a stylish twist to the way men and women dress.

## Integriti

A brand for the masses, Integriti offers stylish, superior quality clothing at an affordable price range for both men and women.





## easies

As the name suggests Easies offers easy everyday dressing for men, made of premium fabric. The Easies range includes casual wear, including jeans, trousers, chinos, tee-shirts, shirts and jackets.



## ADDICTIONS

Addictions is the accessories arm of KKCL, offering a wide range of lifestyle products like deodorants, watches, wallets, belts, inner wear, etc. for a wide customer spectrum.



## K-LOUNGE

KKCL's in-house retail format store K-lounge has been present since 2003, catering to a large consumer segment, meeting their fashion needs.



# Reaching Out to a Wider Audience



KKCL's iconic brands **LawmanPg3**, **Integriti**, **Killer** & **Easies** were the on-ground partners for India vs West Indies Test Series 2016 with Pitch Mat branding, Perimeter branding and sight screen branding.



**LawmanPg3** was the **Principal Sponsor** of the IPL team 'Gujarat Lions' Season 9, 2016 and Season 10, 2017.



**Killer** and **LawmanPg3** were the principal sponsors of the PKL's champion team U Mumba for the Second Season in a row.



**Killer** was the **Title Sponsor** of **Killer Cup 2016 ODI Series** between India and Zimbabwe held in Zimbabwe.



**Killer** sponsored the **Volkswagen Vento Cup 2016** held at Kari Motor Speedway Coimbatore and Buddh Circuit in Noida.



**Killer** was also the '**Powered By**' **Sponsor of the T20 Series 2016** between India and Zimbabwe held in Zimbabwe.



**LawmanPg3** was the Associate Sponsor of the Box Cricket League Season 2, organized by Balaji Telefilms. Over 125 TV stars actively participated in the match.

**LawmanPg3** was also the title sponsor of one of the team in Box Cricket League Season 2. Chennai Swaggers, co-owned by Sunny Leone.





## TV Commercials



Integriti launched a series of 'The Collection' TV campaign - 'The Collection called Flirt', 'The Collection called Rebel', 'The Collection called Escape', 'The Collection called Reckless' and 'The Collection called Attitude'. The series was aired on the leading TV channels **Colors, Colors Infinity, Comedy Central, VH1 and Rishtey**.

## Film Features



**LawmanPg3** was prominently present in the Hindi Feature film '**Azhar**' – made on the life of the Indian cricketer Azharuddin. The movie was well received at the box office.

**LawmanPg3** was prominently present in the bilingual sci-fi feature film (Tamil & Telugu) '**24**'.

The movie starred Tamil Nadu's Superstar **Surya**.

This movie grossed over 100 crores at the Box Office.





# Chairman's Communique



**The branded apparel fashion business has a significant scope of growth and development in India, considering the vast landscapes from east to west, north to south.**

## Dear Shareholders,

It gives me great pleasure to present to you the Company's 26th Annual Report.

The recently concluded financial year 2016-17 would rank among the most influential years in independent India that will steer the course of the Indian economy. The highlight of the year was the bold decision by the Government of India to demonetize high denomination currency to decisively tackle the issues of black money, corruption, fake currency and tax compliance.

It was obvious that a move of this magnitude would lead to short-term disruptions in an economy that was substantially driven by cash transactions. The branded apparel sector was among the worst hit as consumers focused on meeting their essential needs and deferred other purchases. The timing added to the challenges, as it coincided with the peak season for the sector. I am pleased to state that the Company's performance during this challenging phase has demonstrated its strength and proven beyond doubt the success of its core mantra of pursuing Stable, Sustainable and Scalable growth. The Company achieved a growth of 7.67% in revenues from operations at ₹ 494.44 crores, along with 25.5% growth in Profit after Tax from ₹ 67.95 crores to ₹ 85.28 crores. It maintained its profitability at the operating level and completed the year with a strong cash position. The cash and cash equivalents and investments together stood at more than ₹ 250 crores. Despite demonetization, there was no major impact on the Company's core profit or its financial position, thereby proving the stability and sustainability of the business, even in adverse conditions.



The year also reinforced our belief that a successful and robust business can be built only on the basis of its ability to generate cash flows from its core operations on a sustainable basis. This was evident from the trends witnessed in the E-commerce sector. Investor focus in the sector turned from cash burn to cash breakeven and as the liquidity that was supporting the cash burn dried up, the fallout was inevitable. Marginal players either had to shut shop or sell-out, while other players had to resort to employee layoffs. Valuations of several players saw markdowns as the liquidity fuelled growth faltered with a decline in the pace and size of funding injections.

The branded apparel fashion business has a significant scope of growth and development in India, considering the vast landscapes from east to west, north to south. This segment requires, apart from financial investment, a huge emotional connect with its consumers and the local touch. However, simple it may sound a growing branded apparel business comes with its own set of challenges.

**The Company achieved a growth of 7.67% in revenues from operations at 494.44 crores, along with 25.5% growth in Profit after Tax from 67.95 crores to 85.28 crores.**

**The highlight of the year was the bold decision by the Government of India to demonetize high denomination currency to decisively tackle the issues of black money, corruption, fake currency and tax compliance.**

At KKCL, we commenced our journey more than two decades ago. We have been continuously investing to build strong brands, robust manufacturing infrastructure, wide and deep distribution network and high-quality products with a global appeal. We have not drifted from our core values. This has helped us in tiding over challenging times and continuing to grow without jeopardising the financial strength and integrity of the business.

I thank you all for being our valued partners and stakeholders in this journey and look forward to your trust and confidence for our future endeavors.

I also thank my workforce and liaisons for being the strength of the Company.

Best wishes

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



# Key Performance Indicators

## MRP Turnover

₹ Lakhs

2016-17	100265
2015-16	88303
2014-15	77260
2013-14	68579
2012-13	57700

## Revenue

₹ Lakhs

2016-17	52100
2015-16	46430
2014-15	41630
2013-14	37839
2012-13	31516

## Net Profit (BEFORE TAX)

₹ Lakhs

2016-17	11818
2015-16	10353
2014-15	9809
2013-14	9712
2012-13	7727

## EBITDA

₹ Lakhs

2016-17	9961
2015-16	10402
2014-15	9651
2013-14	9340
2012-13	7366





**Net Profit** (AFTER TAX)

₹ Lakhs

<b>2016-17</b>	<b>8528</b>
2015-16	6795
2014-15	6625
2013-14	6702
2012-13	5342

**Net Worth**

₹ Lakhs

<b>2016-17</b>	<b>35805</b>
2015-16	29874
2014-15	31981
2013-14	29060
2012-13	25386

**ROCE**

%

<b>2016-17</b>	<b>26.11</b>
2015-16	32.33
2014-15	31.80
2013-14	35.09
2012-13	31.43

**Dividend Per Share**

₹

<b>2016-17</b>	<b>17.50 *</b>
2015-16	60.00
2014-15	25.00
2013-14	21.00
2012-13	17.50

\*on payment basis

**Earnings Per Share**

₹

<b>2016-17</b>	<b>69.19</b>
2015-16	55.13
2014-15	53.75
2013-14	54.38
2012-13	43.34

**Market Capitalization**

₹ Lakhs

<b>2016-17</b>	<b>213405</b>
2015-16	209803
2014-15	262006
2013-14	142354
2012-13	89375



# Opportunities and Competitive Advantages

## Opportunities

There is an immense potential for the branded apparel segment to grow and develop in India. KKCL, with its competitive brands and wide reach, is well positioned to tap into emerging opportunities. This is possible because of the Company's enhanced penetration of organized retail, favorable demographics and growing brand awareness. The Company's brand value is driven by product quality, diverse price range and its pan-India presence through various channels.

**At KKCL, we are prepared to meet the aspirations and style demand of people from all societal strata. This is an opportunity for us to drive our credo of creating a stylish nation.**





# Competitive Advantages



## Diversified Portfolio

We have been designing and manufacturing fashion apparel for people from across the nation. Our diverse range of products are designed as per international standards with a local flavor. With iconic brands like Killer, Integriti, LawmanPg3 and Easies in our product portfolio, we have the advantage of catering to both the masses as well as upmarket categories.



## Established Distribution Channels

Our strength is our strong and wide network of distribution channels, dedicated sales force and established presence across retail and online stores. We have grown over the years and today are present in over 330 stores, along with being available at all leading online portals and national chain stores. These channels have not only attracted customers, but also helped KKCL to keep abreast of changing requirements.



## Distinctive Quality

Our apparels are made of superior fabric quality. We are committed towards providing a great fashion experience to each of our consumer and do not compromise on quality. All KKCL manufacturing facilities are certified ISO 9000:2008 and vapi facility is additionally certified ISO 14001: 2004.



## Manufacturing Capabilities

We use state-of-the-art technologies in manufacturing jeans and all other garments and accessories. Our units are equipped with advanced technology, helping us offer the best products to our customers.



## Experienced Management Team

Our success is largely attributed to the experience and expertise of our leadership team. It is under their guidance and stewardship that the Company has grown to become one of the leading fashion apparel brands in the country.





**THERE  
IS NO  
MONOPOLY  
ON STYLE**





## At KKCL, we are democratizing style ever since we began our journey.

Our corporate philosophy revolves around the notion that style is not the exclusive preserve of a privileged section of society. On the contrary, we believe that it should apply to the diversity and expanse of India's consuming class.

Since inception, our focus has been on ensuring that KKCL's range of products and each of our brands appeal to a wide variety of consumers – from the Millennials to the Generation X. Therefore, while we are cognizant of the latest trends that will appeal to college and working youth, we are equally careful about crafting comfort wear for middle-aged consumers, who are beginning to adopt denim in a huge way as part of their daily wardrobe.

We don't just stop at that. We have gone beyond and created a dynamic and diverse range of accessories and casual wear that supplement the denim lifestyle. Therefore, through our intense product development efforts, we have been able to create India's first homegrown fashion brand that is truly democratic and can help bolster the personality of everyone. We have also introduced a diverse range of contemporary fashion wear for women.

Our apparels and accessories showcase international designs, customized for the Indian fit. Our bouquet of brands and ideas ensure that India becomes more fashionable and more stylish.



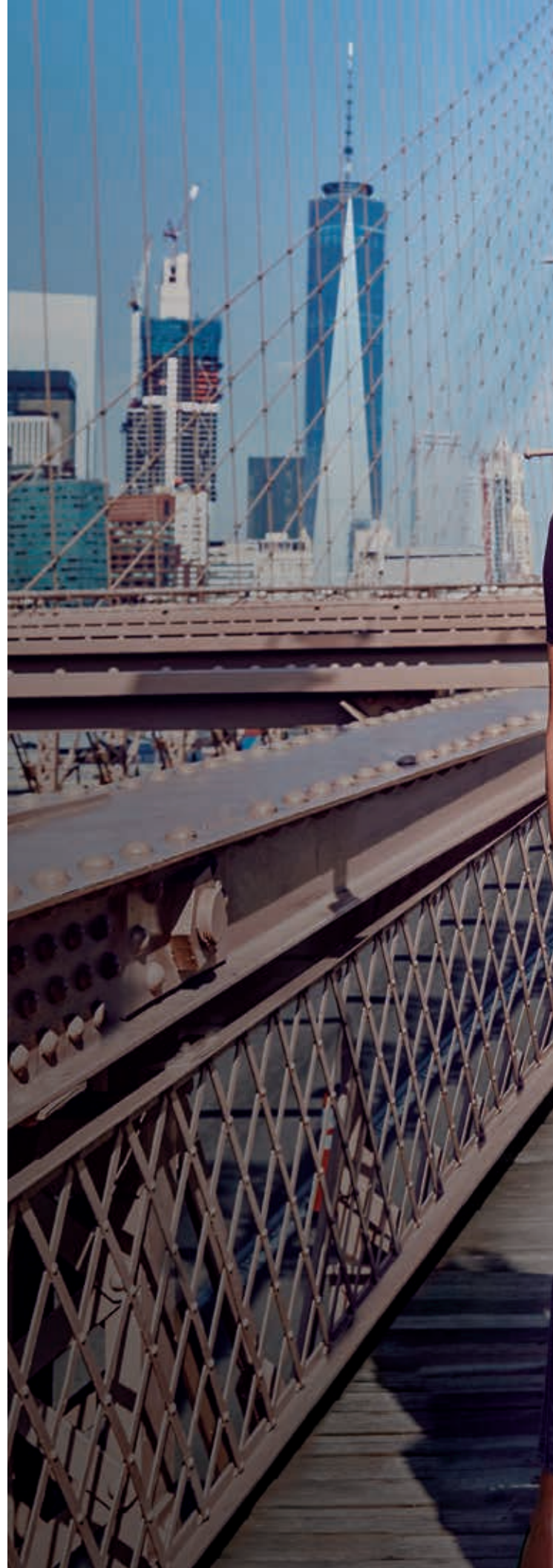
## Style that reaches out to people must be affordable.

One's fashion quotient should be defined by one's attitude and ability to carry off clothes and accessories; and not by how much one can pay for it.

At KKCL, our brand positioning is backed by the understanding that India is a price-conscious country and that most people are conservative in their spending habits. This has helped us to keep expanding and penetrate local markets by providing products at a price that suits all pockets. Further, our brands are adept at providing fashion wear to people of all age groups, along with being aware of the cultural sensibilities of the nation.

For over two decades, we are addressing all market categories. We ensure that our reach is widespread, styling everyone in an affordable manner – adding to the look-good, feel-good factor.

Our in-house manufacturing units are technology enabled, equipped to deliver apparels in line with latest trends. Our accessories also celebrate contemporary style statements. We capitalize on our strength of being a homegrown fashion house with our products having an international appeal and superior quality at local pricing.







**AFFORDABLE  
STYLE  
IS NOT AN  
OXYMORON**





STYLE IS AN  
OMNIPRESENT  
REALITY





## We bring fashion and people closer.

India's fashion industry is evolving like never before with more choices for well-informed and discerning customers. There is more convenience in hand with the advent of the online medium.

Along with expanding our physical presence across the nation, we are also strengthening our online presence. Our omnichannel presence has opened a wider playing field for us to expand and experiment. Given our strong sales and distribution network it has been easy for us to reach the Tier 1, Tier 2 and Tier 3 markets. We are also present at all leading e-commerce fashion portals such as Flipkart, Amazon, Myntra and Jabong, among others, to make our brands accessible to all, at all times.

Our Multi Brand Outlets (MBOs) continue to dominate the distribution strength of the Company and provide an unparalleled and diverse footprint across the country. We are also present at all national chain stores, deepening our penetration — one can find us in Shoppers Stop, Central, Lifestyle and so on.

The result is growth in sales as well as customer base. K-Lounge, our in-house retail outlet, has a nationwide presence, offering our apparel and accessories to consumers across age groups.

Our enthusiasm towards making India stylish is limitless. At KKCL, we are constantly evolving our methods and channels to strengthen our relationship with consumers.



## Style for everyone. Anytime. Anywhere.

Retail has undergone a radical shift. With the social media, mobility, analytics and cloud, the customer is now the king demanding products and services at his/her own pace and convenience.

At KKCL, we understand that the need of the hour is to make style accessible in every nook and corner of the country. We are both price and location agnostic. Today, we are present in 25 states across the country and our products are available at 330+ stores. We ensure our presence in the Tier 2 and Tier 3 cities through our network of franchise partners.

We are making India glamorous with our imagination and creativity.







STYLE HAS  
ARRIVED  
CLOSER TO  
YOU



# Board of Directors



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

Mr. Kewalchand Jain has been the commander at KKCL, who introduced branded apparel segment to the group. He heads the finance division and is responsible for the overall management of the Company's affairs.



**Mr. Hemant P. Jain**  
**Whole-time Director**

Mr. Hemant Jain has been the man behind Killer and Easies. He spearheads the marketing of Killer and Easies Brands. Having a keen interest in international fashion and latest trends, Mr. Jain has been responsible for the Company's retail business and its growth.



**Mr. Dinesh P. Jain**  
**Whole-time Director**

Mr. Dinesh Jain specializes in production and heads the manufacturing operations at KKCL. He has been responsible for optimum utilization of the Company's production facilities, its manpower and overall development.



**Mr. Vikas P. Jain**  
**Whole-time Director**

Mr. Vikas Jain takes care of the Company's retail business. He spearheads marketing initiatives for LawmanPg3 and Integrity brands, along with the accessories brand – Addictions. A travel enthusiast, Mr. Jain has a keen interest in technology and looks out on new technology trends in garment manufacturing.





**Dr. Prakash A. Mody**  
Independent Director

Dr. Prakash Mody is the Chairman and Managing Director of Unichem Laboratories Limited. He brings a rich experience in marketing, research and production. Dr. Mody is a Doctorate (Ph.D.) in organic chemistry from the University of Mumbai. He has pursued Marketing Management from Jamnalal Bajaj University of Management Studies, University of Mumbai and is an alumnus of the Harvard Business School having undergone the Owners Presidents Management Program.



**Mr. Nimish G. Pandya**  
Independent Director

Founding partner at Pandya Juris LLP, International Lawyers & Tax Consultants, Mr. Nimish Pandya is an eminent Lawyer. He specializes in Mergers and Acquisitions, Litigation and Arbitration, Trusts and Charities, Corporate, Commercial and Financial Planning and Execution, including Transaction Support and Contracts, Intellectual Property, Technology, Media and Communications, Competition and Trade, Conveyancing and Real Estates and Family and Personal Law.

Mr. Pandya studied law from the University of Mumbai and is a member of the Bar Council of Maharashtra. He was appointed as a Notary Public by the Government of Maharashtra in 1993.



**C.A. Mr. Yogesh A. Thar**  
Independent Director

Mr. Yogesh Thar has near three decades of experience in business mergers, acquisitions and restructuring, business valuations, corporate taxation and taxation of non-resident citizens and foreign companies. Mr. Thar is a member of the Institute of Chartered Accountants of India (ICAI). He is a senior partner at Banshi S. Mehta & Co. a leading Chartered Accountant Firm in Mumbai.



**C.A. Ms. Drushti R. Desai**  
Independent Director

Ms. Drushti Desai brings over 18 years of rich experience in Valuation of Shares, Businesses and Intangibles, Advisory Services on Schemes relating to Mergers, Acquisitions, Spin-offs and other forms of Corporate Restructuring and Family Settlements, Financial and Management Advice, Corporate and Individual Taxation (Income-tax, Wealth-tax, Gift-tax).

Ms. Desai is a member of the Institute of Chartered Accountants of India (ICAI). She is a partner at Banshi S. Mehta & Co. a leading Chartered Accountant Firm in Mumbai.



# Enriching our People in Style

## We abide by our core employee value proposition (EVP's) of Freedom to Explore, Collaborate and Achieve.

We believe in empowering our workforce to achieve our goals and mission. We go beyond the set boundaries of recruitment, performance appraisal and disciplinary actions to be in line with dynamic business requirements and best HR practices. Accordingly, we have emphasized on re-engineering the HR processes and system by adopting best HR intervention to spread HR footprints as a strategic business partner. At the same time, we also provide our people the freedom to explore and design their own career paths in line with the Company's goals.

At KKCL, an open and empowered work environment is the 'mantra to success'.



## Joy Quotient at Workplace

Creating an enriching work culture is always one of our priorities. Hence, we build an engaged workforce who is connected, satisfied and delighted.

- Cultural activities and festivities were organized to allow employees to destress and mingle with each other in an informal and open cross socio-environment.
- Inter-department rangoli competition was organized on Diwali to encourage the scope of teamwork and creativity among employees.
- On eve of International Woman's Day, we had organized 'Zumba Workshop' for our woman employees to have some fun at work and also encourage physical activity.
- 'Woman of the Year' award was introduced to honor and recognize exemplary courage demonstrated by any woman employee in her life.
- Our Employee Welfare Schemes ensures that employee's family and medical exigencies are met effectively.





## Being Future Ready

Defining future needs and developing the identified competencies among employees is vital for organizational sustainability. Learning and development continues to be a key focus area and we continue to invest in the skill-building of our human capital to strengthen the employee's capability across all hierarchical levels.

The Company is driving the learning and development agenda through a mix of in-house and external learning interventions in the functional and behavioral training programs. L&D programs are aimed at upskilling and reskilling through training interventions in soft skills, behavioral and technical arena across all operating locations.

## Employees First

The Company firmly believes that competent and engaged employees are the key drivers for organizational success and sustainability. Our employees are our most valuable assets and we have zero tolerance towards any kind of harassment, safety and security.

We believe in influencing all aspects of an employee's life, including physical, mental and emotional well-being. We undertake numerous efforts to enhance safety and security at the workplace by prescribing policies & procedures and creating awareness among the employees. To encourage health consciousness, we organized 'Pulse Checking Camp', 'Body Mass Index Checking Camp' and introduced 'Corporate Mediciam Floater Policy' for all employees and their dependents at competitive rates.

As a value-add, we have also organized camps in association with banks to offer banking products at discounted rates.







## Performance Matters

The Company has institutionalized a robust performance management process to drive the performance driven culture wherein individual goals and key performance indicators have been aligned to organizational goals and objectives.

Our Performance Management Programme is designed to encourage and reward talent, foster competency based selection and build the best talent pool. We believe in sharing of knowledge and work collaboratively across cross-functional departments.

## HR Tech Transformation

HR technology transformation is the need of the hour to address the fast-changing needs of a dynamic business environment. To enable a seamless HR digital platform for existing human resources policies, the K-Connect HRMS was introduced. The K-Connect HRMS enables automated key HR process through an integrated HRMS module.

## Near Future Vision

Our endeavor is to continuously render the best experience to our employees and motivate them to push the delight experience to customers.

The next year's agenda includes evolving manpower planning, leadership development, enhancing skill sets to enable the Company to achieve the strategic goals by creating a high-performance and trust driven work culture. We will also work on identifying High Performing Employees (Hi Po) and equip them with necessary training to build the internal talent base.



# Social Commitments

**We are a socially responsible company and have been consistently contributing towards the welfare and upliftment of society and environment. Social commitment has always been at the forefront of our operating philosophy.**

Some initiatives undertaken during the year are:



## Education for the disadvantaged

We believe in the power of education. It is our mission to educate not only children, but also adults who can use their knowledge for employment. KKCL in association with the Rotary Foundation for Education and Learning identified areas where we could organize these classes.



## Health Camps

We believe that being healthy is a prerogative for building a healthy society. During the year under review, we organized several health camps, where individuals were provided free medical check-ups and necessary medication. They were guided about preventive measures to healthy living. We partnered with Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust and Narayana Seva Trust to further this cause.



## Rehabilitating sick animals

If people are important, so are animals living around us. With this approach, we undertook the responsibility of rehabilitating sick animals. We tied up with People for Animals, one of India's largest animal welfare organization, and rescued sick and ailing stray animals.



# Accolades

With every award we receive, our faith in our values, work and system gets reinforced. Our enthusiasm gets amplified to work harder and introduce a more stylized fashion trend season after season.

The Company was awarded the **'Golden Shield Award'** by the Institute of Chartered Accountants of India for Excellence in Financial Reporting for the Financial Year 2015-16



## Print Craft - Art direction

Below the line work

- Integriti Tags
- Integriti Postcards
- Integriti Poster – BOLD

## Design - Use of Mixed Media

- Integriti Tags
- Integriti Postcards

## Indian Retail Award, 2016

Store design of the year less than 1000 sq. feet.



## Best Stall Award

Stationary and Write Show/ Corporate Gift Show





# Corporate Information

## Board of Directors

**Mr. Kewalchand P. Jain**  
Chairman & Managing Director

**Mr. Hemant P. Jain**  
Whole-time Director

**Mr. Dinesh P. Jain**  
Whole-time Director

**Mr. Vikas P. Jain**  
Whole-time Director

**Dr. Prakash A. Mody**  
Director

**Mr. Nimish G. Pandya**  
Director

**CA Mr. Yogesh A. Thar**  
Director

**CA Ms. Drushti R. Desai**  
Director

## Chief Financial Officer

**CA Mr. Bhavin D. Sheth**

## Vice President - Legal & Company Secretary

**CS Mr. Abhijit B. Warange**

## Statutory Auditors

**M/s. Jain & Trivedi**  
Chartered Accountants, Mumbai

**M/s. N.A. Shah Associates LLP**  
Chartered Accountants, Mumbai

## Internal Auditors

**M/s. Bhandarkar & Kale**  
Chartered Accountants, Mumbai

## Secretarial Auditors

**M/s. U. P. Jain & Co.**  
Company Secretaries, Mumbai

## Legal Advisors

**Pandya Juris LLP**  
International Lawyers & Tax  
Consultants

**Solomon and Co.**  
Solicitors & Advocates

## Bankers

**Standard Chartered Bank**  
Mumbai

## Registrar & Transfer Agents

**Link Intime India Pvt. Ltd.**  
C 101, 247 Park, LBS Marg,  
Vikhroli West,  
Mumbai - 400 083

## Factories

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

**Daman**  
697/3/5/5A/13, Near Maharani Estate,  
Somnath Road, Dabel,  
Daman - 396 210

**Mumbai**  
Synthofine Estate,  
Opp. Virwani Industrial Estate  
Goregaon (East), Mumbai - 400 063

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

**Windmill**  
Land Survey No. 1119/P, Village Kuchhadi,  
Taluka Porbunder, District Porbunder,  
Gujarat

## Website

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

## Registered Office

Kewal Kiran Estate, 460/7,  
I.B. Patel Road,  
Goregaon (East), Mumbai - 400 063



A person wearing a red jacket and dark pants stands next to a large bonfire at night. A large fireball is being launched into the air from the fire, creating a bright orange and yellow streak against the dark sky. The scene is illuminated by the warm glow of the fire.

# THE SPIRIT CALLED YOUTH









# Management Discussion And Analysis

## KEY PERFORMANCE INDICATORS

- Total Revenue from Operations increased from ₹ 457.30 crores to ₹ 492.38 crores, representing growth of 7.6% over the previous fiscal
- EBITDA was lower by 4.2% at ₹ 99.61 crores, representing an EBITDA margin of 20.2%
- Profit after Tax increased by 25.5% from ₹ 67.95 crores to ₹ 85.28 crores representing a PAT margin of 17.3%
- Other Income increased from ₹ 7.01 crores to ₹ 28.63 crores
- Total dividend payout of ₹ 19 per share including interim dividends of ₹ 17.50 per share and final dividend of ₹ 1.50 per share
- The liquidity and cash position was further strengthened with ₹ 250.93 crores in current and non-trade investments and cash and cash equivalents

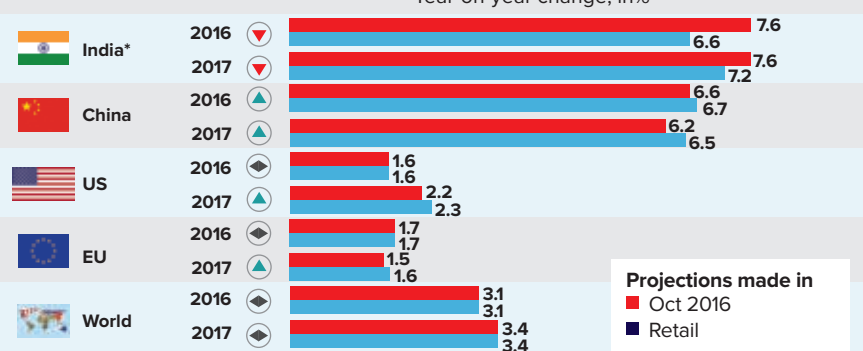
**Total Revenue from Operations increased from ₹ 457.36 crores to ₹ 492.44 crores**

## ECONOMIC AND INDUSTRY OVERVIEW

### ECONOMIC DISRUPTION

In its update to the World Economic Outlook released in October, IMF said India is likely to grow 6.6% in 2016-17, against its earlier estimate of 7.6%

Year-on-year change, in%



\* Projections for India are for April-March fiscal

Source: IMF World Economic Outlook Update

**Economy:** The Indian Economy started the year with expectations of gradual improvement in GDP growth. The Reserve Bank of India made two rate cuts of 25 bps each in April and October of 2016 but subsequently held out on further decreases in rates. The most significant event was undoubtedly the bold and unexpected announcement by the Government of India on 8th November 2016 of withdrawal of high

denomination currency with immediate effect. The objective was to attack the core issues relating to black money, fake currency and corruption that have been plaguing the economy and would prove to be beneficial to the economy in the long term with a decisive shift in mindset and work culture. This sudden development was bound to create a short-term disruption as cash







shortages throughout the country led to drastic change and fall in consumer spending. Pre demonetization, India was forecasted to grow at 7.6% in the current year. This estimate was trimmed to 6.6%, post the demonetization announcement. The forecast for the low growth rate is however short term. In the 2017-18 fiscal, the economy is expected to bounce back to an expected growth rate of 7.2%, which indicates that the outcome of the demonetization drive will be positive over a longer term. Also, India continues to be amongst the few large economies with a high growth rate, well above the world average of 3.4%.

**Industry:** The branded apparel industry has been one of the worst hit due to demonetization. While consumer demand and sentiment was showing signs of improvement on the back of a favorable monsoon and stable inflation, the demonetization impact was severe as it coincided with the third quarter of the fiscal which is also the strongest period for apparel business. While the demonetization move will be beneficial for the economy in the long run, its immediate impact was weakening of sentiment in the market by lowering consumers' spending capacity, which affected the aggregate demand. The festival season did not have its expected outcome and in order to dispose accumulating inventories, apparel companies resorted to early and prolonged end of season sales with aggressive discounting and promotions. The E-commerce sector has seen a rapid change in its environment as focus shifted from chasing irrational sales growth to reducing cash burn. With drying up of liquidity and falling valuations, consolidation has been the main theme in the E-commerce sector as marginal players either shut down operations or were acquired by larger players. Though E-commerce players continue to be aggressive during peak season periods the all year round discounting intensity has reduced. From a long-term perspective, the Indian branded apparel market continues to be attractive and with favorable demographics has the potential for growth opportunities with improvement linked to macro economic recovery.

**Profit after Tax**  
**₹ 85,28 crores**

**Revenue Growth**  
**7.56%**

The year has been a challenging one for the branded apparel segment. Early signs of recovery were seen in the first half of the year. (KKCL's QOQ revenues were up by 17.15% in the first quarter and 9.24% in the second quarter).

#### OVERVIEW

FY 2016-17 has been a challenging year for the branded fashion apparel sector. This period has vindicated the Company's strategy of pursuing stable, sustainable and scalable growth. Despite the disruption in the economic and business environment during the second half of the year, the Company achieved revenue growth of 7.67% for the full year while maintaining profitability at the operating level along with strong growth in profits after tax. Total revenue from operations was ₹ 492.44 crores which would be equivalent to sales value of more than ₹ 1000 crores based on MRP.

#### BRANDS

All the brands of the company – Killer, Lawman Pg3, Integriti and Easies continue to provide a robust value proposition to consumers in their respective categories.

**Killer:** Killer remains the flagship brand of the Company and has retained its contribution at 50% of total sales. It continues to lead the Company in the direction of its growth strategy. Killer, as a brand, defines fashion and comfort and has a strong, loyal and expanding customer base. The Killer brand achieved growth of 5%, increasing sales from ₹ 234.41 crores to ₹ 246.73 crores. The MRP value stood at ₹ 482.60 crores.

**Lawman Pg3:** Lawman is the Company's high fashion iconic brand that exhibits a high glamour quotient. The brand represents 18% share of total sales with sales of ₹ 90.5 crores in FY 2017, marginally lower than ₹ 92.95 crores achieved in FY 2016.

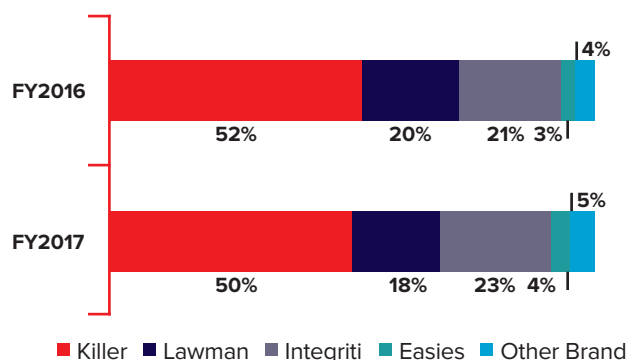
**Integriti:** Integriti is a youth focused brand that strives to provide its customers with an honest, compelling and truthful value proposition across its formal, semi-formal and casual range of clothing. Integriti achieved sales of ₹ 111.42 crores and has continued its high growth trajectory by growing 19% in the year and contributing to 23% of total sales.



**Easies:** Easies achieved sales of ₹ 17.47 crores as against ₹ 15.98 crore in the previous year, growing at a rate of 9% and contributing 4% to sales. Easies is an everyday casual and semi-formal wear brand, whose product range comprises jeans, trousers, chinos, shirts and jackets.

**Additions:** Additions houses the accessories business of the Company and includes a range of lifestyle accessories like deodorants, watches, wallets, belts, inner wear etc. The Additions business recorded sales at ₹ 22.21 crores in FY 2017 compared to ₹ 15.9 crores in the previous year, achieving a growth rate of 40%.

#### Brand-wise Breakup of Sales



## PRODUCTS

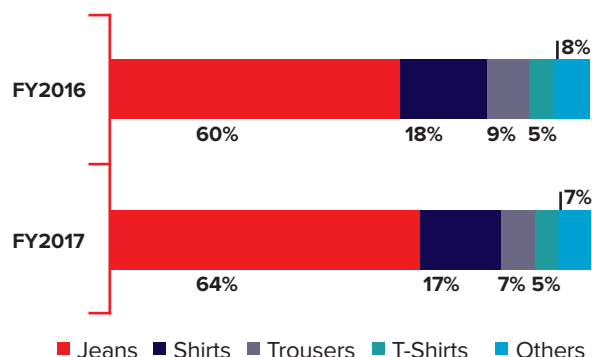
**Jeans:** Jeans is the Company's largest product offering. The segment has a strong and universal appeal and continues to be an essential part of youth wear. Jeans sales stood at ₹ 313.66 crores in FY 2017 as compared to ₹ 270.53 crores in FY 2016 representing a growth of 16%. The category contributed to 64% of the total sales.

**Trousers:** The Trousers category clocked sales of ₹ 36.67 crores compared to ₹ 41.99 crores in the FY 2016. The sales were lower by 13% and constituted 7% of total sales. Overall the bottoms category i.e. Jeans plus Trousers, grew by 12%.

**Shirts:** Shirts showed an increase of 4% in revenues. FY 2017 sales stood at ₹ 83.03 crores compared to ₹ 80.19 crores in previous year. Shirts contributed 17% to total sales during the year.

**T-Shirts :** T-Shirts sales dipped by 6% with sales of ₹ 22.07 crores as compared to ₹ 23.58 crores in previous year. T-Shirts maintained their 5% of total sales.

#### Product wise Breakup of Sales:



## SALES AND DISTRIBUTION CHANNELS

The company has a wide range of products and has developed a robust distribution model across different channels to enable customers to have easy access and reach, across Metros, Tier 1, Tier 2 and Tier 3 cities in India as well as the overseas market. The Company is today present in 25 states and more than 210 towns and cities in India.

**Multi Brand Outlets (MBOs):** MBO's are the largest component of the distribution network and contributed to 50% of the total sales of the Company. Sales through MBO's grew by 4%, from ₹ 236.79 crores in FY 2016 to ₹ 245.8 crores in FY 2017.

**K Lounges and Exclusive Brand Outlets (EBOs):** EBO's and K Lounge outlets - The Company's flagship retail store format, provide visibility and a complete shopping experience. K Lounges provide consumer with all of KKCL's brands under one roof, while EBO's are dedicated stores for the respective brands. Sales from this channel were lower by 5% at ₹ 102.83 crores from ₹ 107.83 crore in the previous year and represented 21% of total sales.

**National Chain Stores (NCSs):** National Chain Stores are large departmental stores providing multiple brand options in modern retail format. This channel achieved growth of 73% with revenues of ₹ 85.53 crores as compared to ₹ 49.57 crores in the previous year and its contribution to sales increased from 11% to 18% of total sales.

**E-Commerce:** E-Commerce sales grew by 8% to ₹ 14.65 crores from ₹ 13.53 crores in the previous year and accounted for 3% of total sales. The Company continues to be present on all key market platforms with a focused strategy that is aligned towards gaining brand visibility and distribution while ensuring that profitability is not negatively impacted.

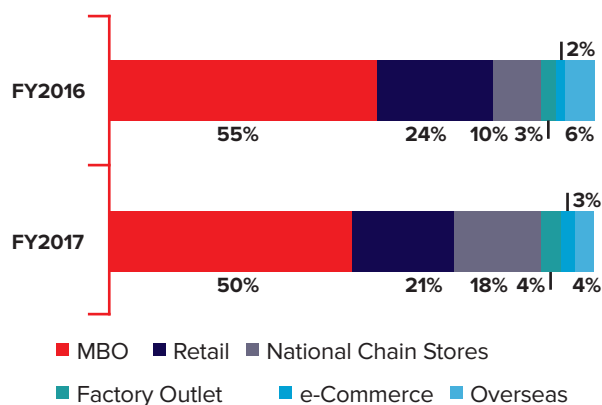




**Overseas:** The Company's brands have an established footprint in key international markets. Overseas sales for FY 2017 stood at ₹ 20.37 crores compared to ₹ 29.84 crores in FY 2016 and accounted for 4% of total sales.

**Factory outlets:** Sales through the Company's Factory outlets grew by 24% from ₹ 15.46 crores to ₹ 19.15 crores representing 4% of total sales.

#### Channel-wise Breakup of Sales



#### EBO STORE ROLL-OUT

The Company opened 43 new stores during the year and closed/relocated 39 existing stores taking the total operational stores count to 331. Out of 331 stores, 320 stores are franchisee owned and franchisee operated stores. 21 further new stores were work-in-process as on 31st March 2017 taking the total store count to 352.

**The sales figures stood at ₹ 77.27 crore and ₹ 87.22 crore, respectively, representing growth of 11% and 12%.**

Store Type	Number of stores
K-Lounge	187
Killer EBO	83
Lawman Pg3 EBO	13
Integrati EBO	44
Lawman Pg3 + Integrati EBO	1
Factory Outlet	3
<b>Total</b>	<b>331</b>

#### REGIONS

The Company has a strong sales and distribution network through multiple channels across India, enabling the Company to reach out to customers, spread across key regions in the country, as well as in the overseas markets. Over the years the Company has diversified its sales across all regions in India thereby de-risking the business from potential regional disruptions.

The Eastern region constituted to 36% of domestic sales and registered a growth of 11% from ₹ 150.07 crores to ₹ 166.54 crores. The Western region was the second largest contributor to sales and achieved 16% growth from ₹ 92.24 crores in FY 2016 to ₹ 106.91 crore in FY 2017. The Northern and Southern regions each accounted for share of 16% and 19% of domestic sales. The sales figures stood at ₹ 77.27 crore and ₹ 87.22 crore, respectively, representing growth of 11% and 12%. The Central region sales were at ₹ 30.02 crores representing 6% of domestic sales. Sales from the overseas markets were ₹ 20.37 crores as compared to ₹ 29.84 crores.

#### Region-wise Breakup of Sales



\*based on comparable distribution data for 11-50 years age group

Source: India Population Census Data -2011Sales



## RESULTS OF OPERATIONS

### Total Revenue

The Company started the year on a strong note with growth in Revenues of 17.15% and 9.24% in Q1 and Q2. However, the second half was impacted due to the announcement of demonetization in Q3, the peak season quarter and its continued after effect in Q4. Despite the challenging business environment in the second half, the Company achieved growth of 7.56% for the full year with total revenue from operations of ₹ 492.38 crores as compared to ₹ 457.30 crores in the previous year. Apparel sales increased by 6.64% to ₹ 466.12 crores. Apparel sales volumes were stable at 46.64 lakhs units compared to 46.71 lakhs units in the previous year. Sales realization per unit increased by 6.94% from ₹ 936 per unit to ₹ 1,001 per unit.

### Costs

**Cost of Goods Sold:** The Company continued to focus on cost efficiencies, enhanced product mix and judicious price increases which resulted in decrease of 172 bps in the cost of goods sold from 42.75% to 41.04% of total revenue from operations. Cost of goods sold increased from ₹ 195.53 crores to ₹ 202.08 crores, which was at a much lower rate of 3.35% compared to revenue growth.

**Personnel cost:** Personnel costs increased by 16.6% from ₹ 51.07 crores to ₹ 59.56 crores resulting in a 93bps increase to 12.09% of total revenues.

**Manufacturing and operating expenses:** Manufacturing expenses increased from ₹ 42.51 crores to ₹ 47.74 crores in FY 2017. These expenses stood at 9.69% of total revenues as compared to 9.29% in the previous year.

**Selling and distribution expenses:** Selling and distribution expenses stood at ₹ 52.01 crores as compared to ₹ 38.89 crores in the previous year as the Company stepped up spend to enhance brand visibility and sales growth. Selling and distribution expenses increased to 10.56% from 8.5% of total revenue from operations.

**Administrative and other expense:** Administrative and other expenses stood at ₹ 31.38 crores as compared to ₹ 25.28 crores in the previous year and constituted 6.37% of total revenue from operations.

## PROFITABILITY

**EBITDA and EBITDA Margin:** Despite the challenging business environment and competitive pressures due to prolonged and aggressive discounting and promotions in the industry, the Company was able to achieve an EBITDA of ₹ 99.61 crores, which was close to previous years level of ₹ 104.01 crores. The EBITDA margin stood at 20.2% as compared to 22.8% in the previous year, primarily due to higher spend of selling and distribution expenses.

**Profit before Tax (PBT):** The PBT of the Company increased to ₹ 118.18 crores from ₹ 103.53 crores and PBT Margin stood at 24%.

**Profit after Tax (PAT):** The Net Profit of the Company increased by 25.5% from ₹ 67.95 crores in the previous year to ₹ 85.28 crores. Net Profit Margin for FY 2017 stood at 17.3% against 14.9% in FY 2016. The higher increase in PAT was due to increase in Other Income, which increased from ₹ 7.01 crores to ₹ 28.63 crores. This increase was primarily on account of profit on redemption of fixed maturity plan of ₹ 21.60 crores.

**Earnings per Share:** The EPS of the Company stood at ₹ 69.19 per share compared to ₹ 55.13 per share in the previous year.

**Return on Capital Employed (ROCE):** The ROCE from operations stood at 64.72% compared to 76.50% and the overall ROCE stood at 26.11% compared to 30.23%.

**Return on Net-worth (RONW):** The RONW of the Company increased from 21.89% in FY 2016 to 25.97% in the current financial year.

### Financial Position and Cash flows

The financial and liquidity position of the Company continued to remain strong with a 40% increase in current investment, non-trade investments and cash and cash equivalents aggregating to ₹ 250.93 crores compared to ₹ 179.22 crores in the previous financial year. This was achieved due to the continued profitable performance of the Company along with tight working capital management despite adverse business sentiments and liquidity constraints in the overall economy. The Debtors Turnover ratio was at 74 days compared to 70 days, Inventory Turnover ratio was at 39 days compared to 38 days and Creditors Turnover ratio was at 51 days compared to 47 days in the previous financial year. The current ratio stood at 2.90 compared to 3.27. The Company paid out ₹ 17.50 per share through interim dividends and a final dividend of ₹ 1.50 per share aggregating to total dividend of ₹ 19 per share for FY 2017.

**Business Progressive Fund:** An amount of ₹ 5 crores was transferred to Business Progressive Fund taking the closing balance of the fund to ₹ 35 crores. The objective of this fund is







to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching and promoting new products, advertisement campaigns, promotional schemes and initial support to master stockist and franchisees for development of retail business, reinforce existing channels of sales etc.

### CREDIT RATING

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

### ADVERTISING AND BRANDING INITIATIVES

Brand building is a key focus area for the Company and the following initiatives were taken during the year:

- All four brands LawmanPg3, Integriti, Killer & Easies were the on ground partners for India vs West Indies Test Series 2016 with Pitch Mat branding, Perimeter branding and sight screen branding.
- Killer & LawmanPg3 were the principal sponsor of the PKL's champion team UMumba for the 2nd season in a row.
- Integriti's TV campaign "The Collection Called Flirt", "The Collection Called Rebel", "The Collection Called Escape" "The Collection Called Reckless" and "The Collection Called Attitude" were all aired on the TV viz. Channels Colors, Colors Infinity, Comedy Central, VH1 & Rishtey.
- LawmanPg3 was the Principal Sponsor of the IPL team "Gujarat Lions" season 9 2016 and season 10 2017 with LawmanPg3 logo on the right chest of each of the Gujarat Lions players.
- Killer sponsored the Volkswagen Vento Cup 2016 held at Kari Motor Speedway Coimbatore and Budh Circuit in Noida.

## Killer sponsored the Volkswagen Vento Cup 2016 held at Kari Motor Speedway Coimbatore and Budh Circuit

- Killer was the Title Sponsor of Killer Cup 2016 ODI Series between India and Zimbabwe held in Zimbabwe.
- Killer was also the Powered by Sponsor of the T20 Series 2016 between India and Zimbabwe held in Zimbabwe.
- LawmanPg3 was the Associate Sponsor of the Box Cricket League Season 2 held in 2016 conducted by Balaji Telefilms with over 125 TV stars actively participating in the matches.
- LawmanPg3 was also the title sponsor of one of the Box Cricket League Season 2 team i.e. Chennai Swaggers and one of the owners of the team is Sunny Leone.
- LawmanPg3 was prominently present in the Hindi Feature film made on the life of Azharuddin titled "Azhar" the movie was well received at the box office.
- LawmanPg3 was prominently present in the bilingual feature film (Tamil & Telugu) titled "24" the movie starred Tamil Nadu's Superstar Surya in the sci-fi film which did great business at the box office.

### AWARDS

- The Company was awarded the "Golden Shield Award" by the Institute of Chartered Accountants of India for Excellence in Financial Reporting for the financial year 2015-16.
- Print Craft - Art direction for below the line work - Integriti Tags
- Print Craft - Art direction for below the line work - Integriti Postcards
- Print Craft - Art direction for below the line work - Integriti Poster - BOLD
- Design - Use of Mixed Media - Integriti Tags
- Design - Use of Mixed Media - Integriti Postcards



## OUTLOOK

FY 2017 was a year of focusing on stability and sustainability of sales and profits in a challenging business environment. Any disruption in consumer sentiment tends to take time to recover and while there has been a rapid improvement in the liquidity and cash position in the economy the after-impact of demonetization continues to have some lingering impact on the industry. The key challenge has been the continuous and prolonged discounting and promotions that conditions consumer behavior and dampens the pace and extent of reverting back to the normal sales cycle. The Company has weathered this volatile period and posted growth in sales and profits and continues to be in a strong financial and business position to capitalize on the growth opportunities ahead.

## OPPORTUNITIES AND THREATS

The potential demand for branded apparel remains robust driven by increased penetration of organized retail, favorable demographics, increased brand awareness and proliferation of foreign brands creating a wider spectrum of fashion apparel at premium price points. With the Government's focus on more inclusive growth, the aspiration and demand pattern is

bound to percolate across all strata of income households as affordability factor increases. Organized players will stand to benefit, as the tax compliance regime gets strengthened and effective. KKCL with its strong brands and wide reach across the country is well positioned to tap into these opportunities.

The constraint for growth of the industry has been the capital required to truly create a pan India presence at par with global benchmarks. The overall apparel sector has large number of small, fragmented players with very low investment capability leading to sub optimal level of operations, quality issues and marginal pricing power. The inability to sustain growth momentum along with periods of volatility in sentiments has led to pricing becoming the key factor for driving sales in the short term. This further weakens the financial position and creates a vicious, self-defeating cycle. Businesses in this sector would need to be well capitalized to stay in the game and drive growth till the consumer affordability factor increases to a level commensurate to the capital, costs and risks involved in the business.









WE ARE THE

# DRIVERS.

AND WE TOIL TILL DAY ENDS. OUR BACK'S AGAINST THE WALL.

OUR HEADS, WHERE OUR HEART IS.

NO ONE  
KNOWS OUR  
AGENDA.

NOR DO THEY CARE.

THEY

THEY

THEY

IGNORE. LAUGH. SMIRK.

THEY MAY BRUISE OUR EGO. BUT NEVER OUR

SPIRIT.

WE BELIEVE  
IN OURSELVES.

AND WITH TIME, WE HAVE  
RISEN ABOVE ALL.

**KILLER**   
this is us









# Directors' Report

## To the Members:

Your Board of Directors are pleased to present the 26th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2017

## FINANCIAL RESULTS (STANDALONE)

		(Amount in ₹)	
Sr. No.	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
1	Net Sales/Income from operations	4,923,779,338	4,572,960,387
2	Other Income	286,263,912	70,077,783
3	Total Expenditure	3,927,674,753	3,532,820,821
4	Gross profit (Before deducting any of the following)	1,282,368,497	1,110,217,349
a.	Finance charges	52,675,196	33,345,946
b.	Provision for depreciation	47,935,292	41,606,686
c.	Tax provision	328,991,464	355,785,736
5	Net profit for the year	852,766,545	679,478,981
i	Prior Period Expenses (Net of Tax)	Nil	Nil
ii	Closing balance	2,121,906,055	2,277,269,262
6	Appropriation of profit	394,873,840	1,008,129,753
i	Bonus shares issued during the year	Nil	Nil
ii	Proposed Dividend (Including Dividend Tax)	Nil	22,251,178
iii	Transfer to General Reserve	85,276,654	67,947,898
7	Dividend (in ₹) per ordinary share	19	60
8	Paid up Equity capital	123,250,370	123,250,370
9	Reserves except revaluation reserve	1,730,239,382	1,594,962,728
10	Surplus c/f	1,727,032,215	1,269,139,510

## OVERALL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The Company clocked a total income of ₹ 521.00 crores, thereby achieving a growth of 12.21% over the previous year. The growth in income from operations was supported by stable volumes and an increase of close to 7% in the sales realization per unit. The Company achieved an EBITDA of ₹ 99.61 crores and Profit after Tax touched ₹ 85.28 crores resulting in an EPS of ₹ 69.19 per share. The first half of the financial

year started on a strong and positive note with good traction in sales and expectations of a sustainable recovery in the economic driven by stable and conducive macro environment. However, the decision and immediate implementation of demonetisation led to a sudden disruption in the liquidity and market sentiment as consumer spending got constrained and market players tried to offload inventory through aggressive and prolonged promotions and discounting. The



**The Company achieved an EBITDA of ₹ 99.61 crores and Profit after Tax touched ₹ 85.28 crores**





present government has taken several bold and path breaking steps that will undoubtedly create the foundation for a healthy economy in the long run but the short term disruption is an unavoidable pain that needs to be faced and sustained, not just by the company but the industry and the entire economy. The Company has benefitted by its continued focus on stable, sustainable and scalable growth and has been able to achieve growth in sales and profits despite the challenges and volatility in market conditions.

### DIVIDEND

The total dividend for the year ended March 31, 2017 (including interim and final dividends) stood at ₹ 19/- per share as compared to ₹ 60/- per share in the previous year.

The Board of Directors had in their meeting held on October 27, 2016 declared the first interim dividend of ₹ 9/- (90%) per equity share absorbing a sum of ₹ 133,507,124/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was November 9, 2016 and the said interim dividend was paid in November 2016.

The Board of Directors had in their meeting held on January 27, 2017 declared the second interim dividend of ₹ 8.5/- (85%) per equity share absorbing a sum of ₹ 126,090,062/- including dividend distribution tax. The record date for the purpose of payment of interim dividend was February 8, 2017 and the said interim dividend was paid in February 2017.

Your directors are pleased to recommend a final dividend of ₹ 1.5/- (15%) per equity share of ₹ 10/- each for the year ended March 31, 2017.

The dividend once approved by the members in the ensuing Annual General Meeting will be paid out of the profits of your company for the year and will sum up to a total of ₹ 22,251,188/- including dividend distribution tax.

## Your directors are pleased to recommend a final dividend of ₹ 1.5/- (15%) per equity share of ₹ 10/- each for the year ended March 31, 2017.

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Dividend Distribution Policy is disclosed in the Corporate Governance Report and on the Website of the Company.

### TRANSFER TO RESERVES

During the year under review an amount of ₹ 85,276,654/- was transferred to the reserves.

### MATERIAL CHANGES AND COMMITMENT, IF ANY

There are no material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report. There is no change in the nature of business of the company.

### OUTLOOK

The Indian economy is currently in a transition phase as the two major moves of the government of demonetisation of high value currency followed by implementation of GST create a new paradigm and structural framework of conducting business. With these reforms now underway the focus is back on the fundamental issues of job creation driven by revival in capital spending and investment by the private sector, which has yet to emerge. The renewed focus on resolving the overhang of stressed assets on the banking system is one more step in this direction. The demographic profile of India provides a sustainable long-term growth opportunity for the company. The organized sector is set to gain as the economy moves to a more formal and organized regime. The Company has the necessary growth enablers in place to leverage this opportunity through its strong brand, innovative and high quality products, robust infrastructure and distribution and a competent and dedicated team.

### FINANCIAL STATEMENTS

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





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

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

### **SUBSIDIARIES AND JOINT VENTURE**

White Knitwears Private Limited is a joint venture of the Company. There were no other companies, which have become or ceased to be its subsidiaries, joint ventures or associate companies during the financial year 2016-17.

### **INVESTMENT IN WHITE KNITWEAR PRIVATE LIMITED**

The Company had invested in aggregate ₹ 34,550,000 (P.Y. ₹ 34,550,000) in Joint Venture "White Knitwear Private Limited" (WKPL). WKPL had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of knitwear apparels for exports. However due to slowdown in International market, SEZ could not take off and most of the members of SEZ shelved their projects and approached to Gujarat Industrial Development Corporation (GIDC) and state and central government for de-notification of SEZ. Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/Distribution/Policy /13/05 dated 14.03.2015 has de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfillment of conditions stated therein. WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of Land and undertaken to complete the formal procedure for the same.

No provision for diminution in the value of investment is considered necessary for the year ended March 31, 2017 in view of the value of underlying assets base of joint venture. During the year, the Company has reassessed the brought forward provision of ₹ 13 lakhs (P.Y. ₹ 49 lakhs) for its share of loss in joint venture and has reversed provision of ₹ 6.50 lakhs (P.Y. ₹ 36 lakhs) which is no longer required based on audited accounts of the joint venture for the year ended

March 31, 2017. Balance provision of ₹ 6.5 lakhs (P.Y. ₹ 13 lakhs) is retained and grouped under 'Other Long Term Provisions'.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS, IF ANY.**

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

### **CASH FLOW STATEMENT**

In conformity with the provisions of Regulation 34(2)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated and Standalone Cash Flow Statements for the year ended March 31, 2017 forms a part of this Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the accounts for the financial year ended March 31, 2017 on a 'going concern' basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **COMPANY'S POLICY ON NOMINATION, REMUNERATION AND BOARD EVALUATION**

In terms of the applicable provision of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had approved the Nomination and Remuneration Policy and Evaluation Policy as recommended by Nomination and Remuneration committee, in the Board Meeting held on October 10, 2014. The Nomination and Remuneration Committee has





incorporated the criteria for determining qualifications, positive attribute and independence of Director in the Nomination and Remuneration and Evaluation Policy in terms of provision of Section 178(3) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said policy envisages the criteria for selection and appointment of Board Members like determining qualification, positive attributes and independence of director, etc. It also lays down the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The detail of the remuneration policy of the company is given in the Corporate Governance report, which forms part of this Annual Report. The said policy also lays down the criterion for payment of remuneration to Non Executive Directors and the web-link of the same is <http://kewalkiran.com/wp-content/uploads/2016/news/criteria-for-payment-to-non-executive-directors.pdf>.

### ANNUAL BOARD EVALUATION

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

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

## The directors had devised proper systems to ensure compliance with the provisions of all applicable laws

at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, etc.

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

### DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during Financial Year 2016-17.

### AUDIT COMMITTEE

In accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 31st March 2017 the Audit Committee consisted of three Non-Executive Independent Directors of the company viz. Mr. Yogesh A. Thar (Chairman of Audit Committee), Mr. Nimish G. Pandya and Ms. Drushti R. Desai as members.

### WHISTLE BLOWER/ VIGIL MECHANISM POLICY

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

To meet this objective your company has adopted a Whistle Blower Policy establishing Vigil Mechanism to provide a formal mechanism to the Directors and employees to report their concern about unethical behaviour, actual or suspect fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employee who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the company has been denied access to the Audit Committee.

The Policy on whistle blower/ vigil mechanism may be accessed on the Company website at [http://kewalkiran.com/wp-content/uploads/2015/09/news/Whistleblower\\_Policy.pdf](http://kewalkiran.com/wp-content/uploads/2015/09/news/Whistleblower_Policy.pdf)



**EXTRACT OF ANNUAL REPORT**

The details forming part of the extract of the Annual Return in form no. MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Rule 12 of Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure I**.

**NUMBER OF BOARD MEETINGS HELD**

During the year under review 4 (Four) meetings of the Board of Directors were held. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

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

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

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

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

**RELATED PARTY TRANSACTIONS**

Suitable disclosure as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statement.

The Board of Directors had in the meeting held on April 25, 2017 revised the remuneration payable to Mr. Pankaj Jain from ₹ 25,00,000/- annual CTC to ₹ 28,00,000/- annual CTC and Mr. Hitendra Jain from ₹ 20,00,000/- annual CTC to ₹ 24,00,000/- annual CTC. Mr. Pankaj and Mr. Hitendra are relative of Executive Directors.

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

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

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

All Related Party Transactions are placed before the Audit Committee. A statement of all Related Party Transactions is placed before Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for approval. The policy on Related Party transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the Related Party Policy is [http://kewalkiran.com/wp-content/uploads/2015/09/news/Related\\_party\\_policy.pdf](http://kewalkiran.com/wp-content/uploads/2015/09/news/Related_party_policy.pdf).

**DIRECTORS**

Re-appointment

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your company, Mr. Dinesh P. Jain (DIN: 00327277), Director of your Company would retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

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

**KEY MANAGERIAL PERSONNEL**

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

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

**AUDITORS**

The term of office of M/s. Jain & Trivedi and M/s. N.A. Shah Associates LLP (formerly known as M/s. N A Shah Associates)





## The Auditors Report on financial statements forming part of this Annual Report is self explanatory

statutory auditors of the Company will expire with the conclusion of forthcoming Annual General Meeting of the Company. The Board of Directors of the Company have, subject to approval of the Members, on recommendation of the Audit Committee, recommended for the appointment of M/s. Khimji Kunverji & Co., Chartered Accountants (Firm Registration No.: 105146W) as the Statutory Auditors at the ensuing Annual General Meeting for a period of five years i.e. to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting.

A resolution proposing appointment of M/s. Khimji Kunverji & Co. as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice.

### AUDIT REPORT

There are no qualification or adverse remark in the Auditor's Report which required any explanation from the board of directors.

### DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITOR UNDER SECTION 143(12) OF COMPANIES ACT, 2013

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

### SECRETARIAL AUDIT

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

There are no qualification, reservation and adverse remark in the Secretarial Audit report which required any explanation from the Board of Directors.

### INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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



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

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

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

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

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

### RISK MANAGEMENT

Your Company has a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide





risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

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

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

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT**

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy of the Company indicating the activities to be undertaken by the Company which has been approved by the Board. The CSR Policy may be accessed on the Company's website at <http://kewalkiran.com/PDFs/CSR%20policy.pdf>.

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

#### **ENVIRONMENT AND SAFETY**

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

#### **PREVENTION OF SEXUAL HARASSMENT**

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

During the year under review, there were no complaints reported to the ICC.

#### **CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. Your Company has also implemented several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of the Annual Report.

The requisite certificate from the Auditors, M/s. N.A. Shah Associates LLP, Chartered Accountants and M/s. Jain & Trivedi, Chartered Accountants confirming the compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this report.

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

A detailed review of Industry Structure and Developments, Internal Control System, Risk and Concern, operations, performance and future outlook of the company is given separately under the head Management Discussion and Analysis Report as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of this Annual Report.

#### **BUSINESS RESPONSIBILITY REPORT**

In terms of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Business Responsibility Report forms a part of this annual report.



## COMPLIANCE WITH THE CODE OF CONDUCT

Your company has put in place a Code of Conduct effective January 14, 2006, for its Board Members and Senior Management Personnel. Declaration of compliance with the Code of Conduct has been received from all the Board Members and Senior Management Personnel as stipulated under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A certificate to this effect from Chairman & Managing Director forms a part of this Report.

## COMPLIANCE WITH THE CODE OF INDEPENDENT DIRECTORS

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

## GENERAL

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

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

## PENDING SHARES UPLOAD

Your company has opened a demat suspense account with the Edelweiss Securities Limited and credited all the shares issued pursuant to the Initial Public Offer(IPO), which remain

unclaimed despite the best efforts of the Company and Registrar to issue.

- i) Number of Shareholders outstanding at the beginning of the year: 7  
Outstanding shares in the demat suspense account at the beginning of the year: 190
- ii) Number of shareholders who approached the company for transfer of shares from suspense account during the year: 1
- iii) Number of shareholders to whom shares were transferred from suspense account during the year : 1
- iv) Aggregate number of shareholders outstanding at the end of the year: 6  
Outstanding shares in the suspense account lying at the end of the year: 165
- v) The voting rights on these shares are frozen till the rightful owner of such shares claims the shares.





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

Financial year	Date of allotment/declaration	Last date for claiming dividend
Final Dividend 2009-10	August 5, 2010	September 11, 2017
1st Interim Dividend 2010-11	October 27, 2010	December 2, 2017
2nd Interim Dividend 2010-11	April 2, 2011	May 9, 2018
Final Dividend 2010-11	September 6, 2011	October 12, 2018
1st Interim Dividend 2011-12	October 20, 2011	November 26, 2018
2nd Interim Dividend 2011-12	March 2, 2012	April 8, 2019
Final Dividend 2011-12	August 3, 2012	September 8, 2019
1st Interim Dividend 2012-13	November 7, 2012	December 14, 2019
2nd Interim Dividend 2012-13	February 13, 2013	March 22, 2020
3rd Interim Dividend 2012-13	May 11, 2013	June 17, 2020
Final Dividend 2012-13	August 22, 2013	September 28, 2020
1st Interim Dividend 2013-14	October 19, 2013	November 25, 2020
2nd Interim Dividend 2013-14	January 24, 2014	March 1, 2021
3rd Interim Dividend 2013-14	May 10, 2014	June 16, 2021
Final Dividend 2013-14	August 28, 2014	October 4, 2021
1st Interim Dividend 2014-15	September 10, 2014	October 17, 2021
2nd Interim Dividend 2014-15	October 17, 2014	November 24, 2021
3rd Interim Dividend 2014-15	January 31, 2015	March 9, 2022
4th Interim Dividend 2014-15	May 14, 2015	June 22, 2022
Final Dividend 2014-15	August 31, 2015	October 8, 2022
1st Interim Dividend 2015-16	June 16, 2015	July 24, 2022
2nd Interim Dividend 2015-16	November 6, 2015	December 14, 2022
3rd Interim Dividend 2015-16	February 6, 2016	March 14, 2023
4th Interim Dividend 2015-16	March 9, 2016	April 16, 2023
Final Dividend 2015-16	September 7, 2016	October 14, 2023
1st Interim Dividend 2016-17	October 27, 2016	December 3, 2023
2nd Interim Dividend 2016-17	January 27, 2017	March 6, 2024
1st Interim Dividend 2017-18	April 25, 2017	June 2, 2024

Your Company had declared Final Dividend for the financial year ended 2008-09 in the Annual General Meeting held on August 3, 2009. The unencashed dividend amount lying unclaimed to the credit of the said Final Dividend Account 2008-09 became due for transfer to the Investor Education and Protection Fund. The Company has accordingly during the year under review transferred an amount of ₹ 23,109/- (Rupees Twenty Three Thousand One Hundred Nine Only) being the unencashed dividend amount remaining unclaimed and due for transfer to the Investor Education and Protection Fund.

#### PARTICULARS OF EMPLOYEES

The information required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' report for the year ended March 31, 2017 and the prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 are attached as 'Annexure-VI' and forms part of this report.

Save and except the relation between the Executive Directors inter se (the executive directors are brothers) and the relation

between the Executive Directors and Mr. Pankaj K. Jain (Mr. Pankaj K. Jain is the son of Mr. Kewalchand P. Jain and the nephew of Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain) none of the employees listed in the said annexure is a relative of any Director of the company. None of the employees (save and except the Executive Directors) hold (by himself or along with his/her spouse and dependent children) more than two percent of the equity shares of the company.

#### ACKNOWLEDGEMENTS

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

For and on behalf of the Board

**Kewalchand P. Jain**

Chairman & Managing Director  
DIN: - 00029730

Dated: July 28, 2017  
Place: Mumbai



# Annexure I

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

### I. REGISTRATION AND OTHER DETAILS:

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

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Apparels	141 – Manufacturing of wearing apparels, except fur apparels	95.46

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	White Knitwears Private Limited 460/7, Kewal Kiran Estate, I. B. Patel Road, Goregaon(East), Mumbai – 400063	U18101MH2005P TC157994	Joint Venture	Equity: 33.33 Preference: 50	Section 2(6)



**IV. SHARE HOLDING PATTERN:****A. (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1- April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	9,144,178	0	9,144,178	74.19	9,144,178	0	9,144,178	74.19	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2,295	0	2,295	0.02	2,295	0	2,295	0.02	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	9,146,473	0	9,146,473	74.21	9,146,473	0	9,146,473	74.21	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,049,753	0	1,049,753	8.52	1,073,892	0	1,073,892	8.71	0.2
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs/FPI	1,573,178	0	1,573,178	12.76	1,597,103	0	1,597,103	12.96	0.2
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	2,622,931	0	2,622,931	21.28	2,670,995	0	2,670,995	21.67	0.4
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	118,988	0	118,988	0.96	92,802	0	92,802	0.75	(0.21)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	308,877	54	308,931	2.51	284,688	58	284,746	2.31	(0.2)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	83,199	0	83,199	0.68	81,699	0	81,699	0.66	(0.01)
c) Others (specify)									
Non Resident Indians	16,041	0	16,041	0.13	14,570	0	14,570	0.12	(0.01)
Clearing Members	3,130	0	3,130	0.02	8,794	0	8,794	0.07	0.05
Office Bearer	630	0	630	0.01	640	0	640	0.01	0
Independent Director	336	0	336	0	336	0	336	0	0
Hindi Undivided Family	24,378	0	24,378	0.2	23,982	0	23,982	0.2	0
Trust	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	555,579	54	555,633	4.51	507,511	58	507,569	4.12	(0.39)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3,178,510	54	3,178,564	25.79	3,178,506	58	3,178,564	25.79	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12,324,983	54	12,325,037	100	12,324,979	58	12,325,037	100	



**B. Shareholding of Promoter:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain	6,153,000	49.92	0	6,153,000	49.92	0	0
2	Kewalchand P. Jain	690,111	5.60	0	690,111	5.60	0	0
3	Hemant P. Jain	690,915	5.61	0	690,915	5.61	0	0
4	Dinesh P. Jain	728,831	5.91	0	728,831	5.91	0	0
5	Vikas P. Jain	721,321	5.85	0	721,321	5.85	0	0
6	Kewalchand P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
7	Hemant P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
8	Dinesh P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
9	Vikas P. Jain HUF	16,000	0.13	0	16,000	0.13	0	0
10	Veena K. Jain	16,000	0.13	0	16,000	0.13	0	0
11	Lata H. Jain	16,000	0.13	0	16,000	0.13	0	0
12	Sangeeta D. Jan	16,000	0.13	0	16,000	0.13	0	0
13	Kesar V. Jain	16,000	0.13	0	16,000	0.13	0	0
14	Pankaj Jain	16,000	0.13	0	16,000	0.13	0	0
15	Hitendra Jain	16,000	0.13	0	16,000	0.13	0	0
16	Kewal Kiran Finance Private Limited	2,295	0.02	0	2,295	0.02	0	0
<b>TOTAL</b>		<b>9,146,473</b>	<b>74.21</b>	<b>0</b>	<b>9,146,473</b>	<b>74.21</b>	<b>0</b>	<b>0</b>

**C. Change in Promoters' Shareholding (please specify, if there is no change): No Change**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	9,146,473	74.21	9,146,473	74.21
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	9,146,473	74.21	9,146,473	74.21

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Nalanda India Fund Limited	1,200,000	9.74	1,200,000	9.74
2	Matthews India Fund	266,781	2.16	330,462	2.68
3	SBI Mutual Fund	327,649	2.66	313,469	2.54
4	Birla Sunlife Mutual Fund	267,818	2.17	253,919	2.06
5	Kotak Emerging Mutual Fund	131,964	1.07	216,040	1.75
6	Malabar India Mutual Fund	193,211	1.57	193,211	1.57
7	DSP Blackrock Micro Cap Fund	97,253	0.79	97,253	0.79
8	Matthews Asia Fund	55,048	0.45	58,473	0.47
9	Karvansarai Travel and Lifestyle Private Limited	0	0	56,914	0.46
10	N. S. Raghvan	42,270	0.34	42,270	0.34

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



**E) Shareholding of Directors**

<b>1</b>	<b>Shareholding of Kewalchand P. Jain, Chairman and Managing Director</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 share</b>	<b>% of total shares of the company</b>
	At the beginning of the year	690,111	5.60	690,111	5.60
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	690,111	5.60	690,111	5.60
<b>2</b>	<b>Shareholding of Hemant P. Jain, Wholetime Executive Director</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	690,915	5.61	690,915	5.61
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	690,915	5.61	690,915	5.61
<b>3</b>	<b>Shareholding of Dinesh P. Jain, Wholetime Executive Director</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	728,831	5.91	728,831	5.91
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	728,831	5.91	728,831	5.91
<b>4</b>	<b>Shareholding of Vikas P. Jain, Wholetime Executive Director</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	721,321	5.85	721,321	5.85
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	721,321	5.85	721,321	5.85
<b>5</b>	<b>Shareholding of Yogesh Thar, Non-Executive Independent Director</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	NIL	NIL	NIL
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL



6	Shareholding of Nimish Pandya, Non-Executive Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

7	Shareholding of Prakash Mody, Non-Executive Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	336	0.00	336	0.00
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	336	0.00	336	0.00

8	Shareholding of Drushti Desai, Non-Executive Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

#### Shareholding of Key Managerial Personnel:

9	Shareholding of Abhijit Warange, Company Secretary	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

10	Shareholding of Bhavin Sheth, Chief Financial Officer	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in director and KMP Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL



**V INDEBTEDNESS:**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	199,982,742	88,893,453	0	288,876,195
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	11,926	0	0	11,926
Total (i+ii+iii)	199,994,668	88,893,453	0	288,888,121
<b>Change in Indebtedness during the financial year</b>				
* Addition	205,189,000	0	0	205,189,000
* Reduction	0	88,893,453	0	88,893,453
<b>Net Change</b>	205,189,000	(88,893,453)	0	116,295,547
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	405,050,415	0	0	405,050,415
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1,33,253	0	0	133,253
<b>Total (i+ii+iii)</b>	<b>405,183,668</b>	<b>0</b>	<b>0</b>	<b>405,183,668</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Kewalchand P. Jain (CMD)	Hemant P. Jain (WTD)	Dinesh P. Jain (WTD)	Vikas P. Jain (WTD)	
1	Gross salary	7,950,000	7,950,000	7,950,000	7,950,000	31,800,000
	(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	39,600	39,600	39,600	39,600	158,400
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	- as % of profit					
	- others, specify...					
5	Others, please specify	0	0	0	0	0
	<b>Total (A)</b>	<b>7,989,600</b>	<b>7,989,600</b>	<b>7,989,600</b>	<b>7,989,600</b>	<b>31,958,400</b>
	Ceiling as per the Companies Act 2013	97,426,170				



**B. Remuneration to other directors:**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Nimish Pandya	Prakash Mody	Yogesh Thar	Drushti Desai	
	Particulars of Remuneration					
1	Independent Directors					
	Fee for attending board/ committee meetings	480,000	120,000	540,000	540,000	1,680,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>480,000</b>	<b>120,000</b>	<b>540,000</b>	<b>540,000</b>	<b>1,680,000</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>480,000</b>	<b>120,000</b>	<b>540,000</b>	<b>540,000</b>	<b>1,680,000</b>
	Total Managerial Remuneration (A+B)					<b>33,638,400</b>
	Ceiling as per the Companies Act 2013	107,168,787				

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

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Mr. Abhijit Warange, Company Secretary	Mr. Bhavin Sheth, Chief Financial Officer	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3,073,549	4,820,695	7,894,244
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option	Not Applicable	-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	others, specify...		-	-	-
5	Others, please specify		-	-	-
	<b>Total</b>		<b>3,073,549</b>	<b>4,820,695</b>	<b>7,894,244</b>

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

There were no penalties, punishment or compounding of offenses during the year ended March 31, 2017.



## Annexure II

### A. CONSERVATION OF ENERGY

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

The major steps taken at various locations were as under:

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

The power factor was being controlled mostly by Automatic Power Factor Controllers. However, these were studied to optimize the maintenance of P.F. above 0.98; the monthly bonuses earned in the electricity bills will offset the investments in short periods.
5. Improving Efficiency of Boilers at the Factories
  - i. Regular Monitoring of the various parameters important for maintaining high efficiency in Boilers yielded ways to improve their efficiency. This was diligently taken up; maintenance was improved and done regularly resulting in useful fuel savings.

- ii. Systems were installed to monitor the distribution of steam, including at pressure reducing stations and at steam traps, to ensure that the required steam quality and pressure was available at the various equipment using steam, e.g. Tumble driers, Washers, steam irons, etc. This enabled high productivity of the equipment.

6. Improving Efficiency of Driers, Washers, Steam Irons, etc at the Factories:

- i. Regular Monitoring of the various parameters important for maintaining high efficiency in the driers and washers, etc., ensured that the cycles were completed not only within rated times but also often ahead of time.

- ii. In Washers steam usage was restricted to those cycles where temperature required was 90 °C.

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

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

### UTILISING ALTERNATE SOURCES OF ENERGY

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

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

The capital investment on energy conservation equipments is estimated as approx. ₹ 1,000,000/-

### B. TECHNOLOGY ABSORPTION

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Total Foreign Exchange used and earned:  
 FOB Value earned ₹ 203,427,689/-  
 Total Foreign Exchange outgo ₹ 23,077,313/-



## Annexure III

### Form No. AOC-2

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

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

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

**Professional fees paid to M/s. Pandya & Co. Mr. Nimish Pandya, Non Executive Independent Director is the properitor of Pandya & Co.**

- (a) Name(s) of the related party and nature of relationship: M/s. Pandya & Co. Mr. Nimish Pandya, Non Executive Independent Director is the properitor of Pandya & Co.
- (b) Nature of contracts/ arrangements/ transactions – Professional fees for representing the company before the Hon'ble Courts in the litigation matters with an illegal occupier on the property acquired by the company being situated at Gautam Chemical Compound, I.B. Patel Road, Goregaon (E), Mumbai: 400 063.
- (c) Duration of the contracts/ arrangements/ transactions – Payment of professional fees from time to time an amount not exceeding ₹ 2,000,000/- to Pandya & Co.

- (d) Salient terms of the contracts or arrangements or transactions including the value, if any – To pay professional fees to M/s. Pandya & Co. from time to time an amount not exceeding ₹ 2,000,000/- to represent the company before the Hon'ble Courts in the litigation matters against an illegal occupants occupying a portion of land on the property acquired by the company being situated at Gautam Chemical Compound, I.B. Patel Road, Goregaon (E), Mumbai: 400 063.
- (e) Justification for entering into such contracts or arrangements or transactions – M/s. Pandya & Co. is a Legal firm and has an extensive experience in real estate sector.
- (f) Date(s) of approval by the Board – May 14, 2015
- (g) Amount paid as advance, if any – No
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 – NA

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



## Annexure IV

### Secretarial Audit Report

For the financial year ended 31st March, 2017

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

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

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

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

I. We have examined the Secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, as shown to us during our audit, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

- II. We further report that the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.
- III. During the year under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.
- IV. We have relied on the representation made by the Company and its officers and state that there are no other laws, rules / regulations specifically applicable to the industry under which the Company operates.
- V. The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 were, in our opinion, not attracted during the financial year under report;
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

VII. We further report that;

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

Adequate notice is given to all directors to schedule the Board Meetings, at least seven days in advance and a



system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

VIII. We have relied on the representation made by the Company and its officers for the compliance of various applicable laws, rules, regulations and guidelines and after examining the system and mechanism followed by the Company for compliances we report that there are adequate systems and processes in the Company commensurate with the size and operations of the

Company to monitor and ensure the compliance of applicable laws, rules, regulations and guidelines.

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

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

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

Dated: July 28, 2017  
Place: Mumbai

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

### **Annexure A**

(To the Secretarial Audit Report of KEWAL KIRAN CLOTHING LIMITED  
for the financial year ended March 31, 2017)

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

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

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

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

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

Dated: July 28, 2017  
Place: Mumbai



## Annexure V

## Corporate Social Responsibility Report

**1. Corporate Social Responsibility policy**

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

towards its employees, consumers and societies in which it operates.

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

Pursuant to Section 135 of the Companies Act, 2013 and rules made there under the company had approved the Corporate Social Responsibility policy, as recommended by Corporate Social Responsibility Committee, in the Board Meeting held on January 31, 2015. The Company incurred a CSR spend of an amount of ₹ 19,135,000/- during the financial year 2016-17. The details of the donations made during the year ended March 31, 2017 are detailed below:

Sr. No.	Name of the Party	Amount (₹)	Purpose
1.	Rotary Foundation For Education & Learning	35,000	Education for needy people
2.	Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	18,250,000	Promoting Health care including Preventive Health care
3.	People for Animals	750,000	Rehabilitate sick and needy animals
4.	Shree Narayani Seva Trust	100,000	Promoting Health care

The web-link to the CSR policy is <http://kewalkiran.com/wp-content/uploads/2015/09/news/CSR%20policy.pdf>.

**2. Corporate Social Responsibility Committee**

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

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

**3. Average net profit of the company for last three years: ₹ 955,995,031/-****4. Prescribed CSR Expenditure : (2% of the amount as in item no. 3): ₹ 19,119,901/-****5. Details of CSR spent during the financial year: 2016-2017**

a. Total amount to be spent for the financial year – ₹ 19,135,000/-

b. Amount unspent, if any – Nil



## c. Manner in which the amount spent during the financial year is detailed below –

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or programs wise	Amount spent on the programs or projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			1. Local area or other 2. State & district where projects or programs was undertaken				
1	Providing midday meals to students	Education for needy People	Daman, (UT)	35,000/-	35,000/-	35,000/-	Implementing Agency -Rotary Foundation For Education & Learning
2	Contribution towards operating hospital	Promoting Health care including Preventive Health care	Sadri, Rajasthan	18,250,000	18,250,000	18,250,000	Implementing Agency - Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust
3	Contribution towards maintenance of animal hospitals or shelters, purchase of medicine, feed, ambulances and running of animal awareness programmes.	Rehabilitate sick and needy animals	Network of 200 units, 36 hospitals and 60 mobile units across India	750,000	750,000	750,000	Implementing Agency - People for Animals
4	Free healthcheckup to the poor people	Healthcare for needy People	Brahmapur, Odisha,	100,000	100,000	100,000	Implementing Agency – Shree Narayani Seva Trust.

6. Reason for failure to spend two per cent of the average net profit of the last three financial years or any part thereof –  
Not applicable

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

Signature

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

Signature

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



## Annexure VI

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 are as under:-

Sr. No	Name of Director/ KMP and Designation	Remuneration of the Director/ KMP for the financial year 2016-17 (In Rupees)	% increase in remuneration in the financial year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Kewalchand P Jain, Chairman & Managing Director	7,989,600	Nil	36: 1
2	Mr. Hemant P Jain, Whole Time Director	7,989,600	Nil	36: 1
3	Mr. Dinesh P Jain, Whole Time Director	7,989,600	Nil	36: 1
4	Mr. Vikas P Jain, Whole Time Director	7,989,600	Nil	36: 1
5	Mr. Bhavin Sheth, Chief Financial Officer	4,820,695	9.56	22:1
6	Mr. Abhijit Warange, Company Secretary	3,073,549	2.45	14:1

**Note:**

The Non Executive Independent Directors are paid only sitting fees which is not considered as remuneration.

- (ii) The Median remuneration of employees of the company during the financial year was ₹ 2.20 Lakhs.  
 (iii) In the financial year, there was increase of 9.59% in the median remuneration of the employees.  
 (iv) There were 2044 permanent employees including Piece rate employees on the rolls of company as on March 31st, 2017.  
 (v) Average percentage increase made in the salaries of the employees (excluding wages) other than Key Managerial Personnel(s) in the last financial year 2016-17 was 7.42.% whereas , the increase in Key Managerial remuneration (2) was 6.67%.  
 (vi) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel(s) and other employees.



**COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014****A. Name of top 10 employees in terms of remuneration drawn:**

Sr. No	Name	Designation	Nature of employment whether contractual or otherwise	Nature of Duties of the employee	Qualification	Age in years	Date of Commencement of employment	Total Experience in years	Gross Remuneration (₹)	Previous Employment/ Designation
1	Kewalchand P. Jain	Chairman & Managing Director	Permanent	Finance & overall control of the company affairs	Under Graduate	55	January 30, 1992	34	7,950,000	Keval Kiran & Co/ Partner
2	Hemant P. Jain	Wholtime Director	Permanent	Marketing - Killer & Easies	Under Graduate	53	January 30, 1992	32	7,950,000	Keval Kiran & Co/ Partner
3	Dinesh P. Jain	Wholtime Director	Permanent	Production	Under Graduate	48	October 2, 1997	27	7,950,000	Keval Kiran & Co/ Partner
4	Vikas P. Jain	Wholtime Director	Permanent	Marketing Lawman & Integrity K-Lounge Stores	B.Com	46	October 2, 1997	24	7,950,000	N.A
5	Bhavin Sheth	Chief Financial Officer	Permanent	Financial Operations & Control	1.B.Com 2.C.A. 3.D.I.S.A.	41	January 15, 2016	18	4,820,695	GTL Limited – Joint CFO
6	Dr. Sanjeev Kumar Chauhan	Head – HR	Permanent	Human Resource Operations including OD interventions	1.B.A. 2.PHD Law, 3.M.B.A. 4.L.L.M.	50	May 8, 2014	31	4,794,103	GMR Energy Ltd – Head & GM- HR Head & Gitanjali Gems Ltd. – Head - HR
7	Nimesh Anandpara	Deputy General Manager	Permanent	Financial Operations	1.B.Com 2.C.A.	35	January 7, 2008	14	3,212,014	Shruti Shah & Co – Audit and Taxation Manager
8	Abhijit Warange	Vice President – Legal and Company Secretary	Permanent	Legal and Secretarial Work	1.B.Com 2.C.S. 3.L.L.B	39	November 1, 2009	15	3,073,549	Zodiac Clothing – Assistant Manager – Secretarial
9	Ashish Barodia	Head Operations - Easies	Permanent	End to End operations of Easies brand	1. Diploma in Mechanic Engineering 2. M.B.A.- Marketing	44	April 1, 2014	24	3,019,666	K.G. Denim-General Manager – Apparel Division
10	Pankaj Jain	President – Retail	Permanent	Operations of K-lounge stores	1. B.Com 2. C.A. 3. Diploma in Family Managed Business Administration	32	October 19, 2008	8	2,500,000	N.A.

**Note :-**

- Mr. Kewalchand P. Jain, Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain are brothers.
- Mr. Pankaj K. Jain is the son of Mr. Kewalchand P. Jain and the nephew of Mr. Hemant P. Jain, Mr. Dinesh P. Jain and Mr. Vikas P. Jain.





ALL THIS,  
*AND*  
MUCH MORE

IN BETWEEN  
ARE WHAT IT  
MEANS

---

*TO BE THE  
STAR.*

LAWMAN Pg<sup>3</sup>



LAWMAN Pg<sup>3</sup>







# Corporate Governance Report

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

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

The Securities and Exchange Board of India (SEBI) has introduced SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) to bring in additional Corporate Governance norms for listed entities. These norms provide for stricter disclosure and protection of investor rights. The amended norms are aligned with the provisions of the Companies Act, 2013 and are aimed to encourage companies to adapt best practices on Corporate Governance. Our Corporate Governance frame work has helped us be aligned with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). We believe that an active, well informed and independent Board is necessary to ensure the highest standard of Corporate

Governance. The Board of Directors of your company is at the core of our Corporate Governance practices. The Board thus oversees your company's management functions and protects the long term interest of our stakeholders.

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

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

## II. BOARD OF DIRECTORS

### Composition of the Board: –

The Board of Directors along with its Committees provides leadership and guidance to your Company's management as also direct, supervise and control the performance of the Company.

The Board of Directors of your company has an optimum combination of Executive and





Non Executive Directors. As at March 31, 2017 the Board of Directors comprise of 8 Directors of which 4 are Independent Non-executive Directors including 1 Women Director. The Executive Directors of your company have more than two decades of hands on experience in manufacturing and retailing of branded apparels. The Non Executive Independent Directors are eminent professionals with wide range of knowledge and experience in various spheres of business and industry, finance and law.

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



The composition of the Board and other relevant details relating to Directors as on March 31, 2017 are given below:

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

Note:

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

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

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

- (i) The meetings of the Board of Directors are scheduled well in advance. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings. During the year under review four (4) meetings of the Board of Directors were held on the following dates: –

May 23, 2016, August 3, 2016, October 27, 2016 and January 27, 2017. The Maximum time gap between any two consecutive meetings did not exceed 120 days.



- (ii) The attendance record of each of the Directors at the Board Meetings during the year ended on March 31, 2017 and during the last Annual General Meeting is as under: –

Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Kewalchand P. Jain	4 of 4	Present
Mr. Hemant P. Jain	4 of 4	Present
Mr. Dinesh P. Jain	4 of 4	Present
Mr. Vikas P. Jain	4 of 4	Present
Mr. Yogesh A. Thar	4 of 4	Present
Dr. Prakash A. Mody	2 of 4	Present
Mr. Nimish G. Pandya	3 of 4	Present
Ms. Drushti R. Desai	4 of 4	Present

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

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

The said shares held by Mr. D.P. Jain includes 16,000 equity shares in his capacity of Karta of Dinesh P. Jain H.U.F and 99,401 shares held j/w Sangeeta D. Jain.

**Details of shares held by directors in the company as on March 31, 2017:**

Name of the Directors	Number of shares held
Mr. Kewalchand P. Jain*	706,111
Mr. Hemant P. Jain*	706,915
Mr. Dinesh P. Jain*	744,831
Mr. Vikas P. Jain*	737,321
Mr. Yogesh A. Thar	Nil
Dr. Prakash A. Mody	336
Mr. Nimish G. Pandya	Nil
Ms. Drushti R. Desai	Nil

6,153,000 shares are held by Shantaben P. Jain j/w Kewalchand P. Jain j/w Hemant P. Jain as trustees of the P.K. Jain Family Holding Trust.

**\*Note:**

The said shares held by Mr. K. P. Jain includes 16,000 equity shares in his capacity of Karta of Kewalchand P. Jain H.U.F and 76,661 shares held j/w Veena K. Jain.

The said shares held by Mr. H.P. Jain includes 16,000 equity shares in his capacity of Karta of Hemant P. Jain H.U.F and 77,400 shares held j/w Lata H. Jain.

The said shares held by Mr. V.P. Jain includes 16,000 equity shares in his capacity of Karta of Vikas P. Jain H.U.F and 91,836 shares held j/w Kesar V. Jain.

**Familiarisation Programme for Independent Directors:-**

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

During the financial year 2016-17 the Independent Directors have attended familiarization programme conducted by the company and the web-link for the details of familiarization programme is [http://kewalkiran.com/wp-content/uploads/2017/news/ID\\_familiarization\\_FY\\_1617.pdf](http://kewalkiran.com/wp-content/uploads/2017/news/ID_familiarization_FY_1617.pdf)

**Governance Codes:-**

● **Code of Conduct**

In line with the company's objective of following the best Corporate Governance Standards the Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the company. The Code is effective from January 14, 2006. All the Board members and Senior Management of the Company as on March 31, 2017 have affirmed compliance with their respective Codes of Conduct in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The Company has also adopted code for Independent Directors in the Board meeting held on May 10, 2014 pursuant to section 149(8) of the Companies Act, 2013





which makes it mandatory for independent directors to abide by the provisions of the code.

- **Conflict of Interest**

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

- **Insider Trading Code**

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 the company had formulated and approved (i) an Insider Trading Code to regulate dealings in the securities of the company by designated persons in compliance with the regulations and (ii) a policy for fair disclosure of unpublished price sensitive information and the aforesaid codes were effective to the company from May 15, 2015. Mr. Abhijit Warange, Vice President – Legal and Company Secretary is the Compliance Officer for the purpose of Insider Trading Code while Mr. Bhavin Sheth, Chief Financial Officer is Chief Investor Relations Officer for the purpose of the fair disclosure policy.

### III. AUDIT COMMITTEE

**Constitution of Audit Committee: –**

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

The Audit Committee comprises the following members:

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

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

The terms of reference of the Audit Committee includes:

**Powers**

1. To investigate any activity within its terms of reference.



2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Roles to include**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors including internal auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;





- d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
  7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
  8. Approval or any subsequent modification of transactions of the company with related parties.
  9. Scrutiny of inter-corporate loans and investments.
  10. Valuation of undertakings or assets of the company, wherever it is necessary.
  11. Evaluation of internal financial controls and risk management systems.
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  14. Discussion with internal auditors and secretarial auditor of any significant findings and follow up there on.
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  18. To review the functioning of the Whistle Blower Mechanism.
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Company has system and procedure in place to ensure that the Audit Committee mandatorily reviews:
1. Management Discussion and Analysis of financial condition and results of operations;
  2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;
  3. Management letters / letters of Internal Control weaknesses issued by the Statutory Auditors;
  4. Internal audit reports relating to Internal Control weaknesses; and



5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

#### Meetings of the Audit Committee: –

During the year ended March 31, 2017, four (4) Audit Committee meetings were held on May 23, 2016, August 3, 2016, October 27, 2016 and January 27, 2017. The attendance of each Audit Committee member is given hereunder: –

Name of the Audit Committee Member	No. of meetings attended
Mr. Yogesh A. Thar	4 of 4
Mr. Nimish G. Pandya	3 of 4
Ms. Drushti R. Desai	4 of 4

#### Attendees: -

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

## IV. NOMINATION AND REMUNERATION COMMITTEE

#### Composition of Committee:-

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

The Nomination and Remuneration Committee comprises of the following members:

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

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

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

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices

on remuneration prevailing in peer companies and in the industry.

- To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long –term performance objectives appropriate to the working of the company and its goals.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To device policy on diversity of Board of Directors.
- To determine whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent director.

#### Meetings of the Nomination and Remuneration Committee:

During the year ended March 31, 2017 one (1) Nomination and Remuneration Committee meeting was held on August 3, 2016. The attendance of Nomination and Remuneration Committee meeting is given hereunder:-

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





**Performance Evaluation:-**

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

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

**Remuneration of Directors****Remuneration Policy for Executive Directors:-**

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

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

Revisions, if any in the remuneration of the Executive Directors are deliberated by the Nomination and Remuneration Committee of the Board. Based on the recommendation of the Nomination and Remuneration Committee, the Board decides on the revision subject to the shareholders approval.

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

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

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

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

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

The appointment of the executive directors is governed by the Articles of Association of the company, the resolution of the Board of Directors and the members.

There is no provision for severance fees.

Details of sitting fees, remuneration, etc. paid to Directors for the year ended March 31, 2017.

Name of the Directors	Sitting Fees	Salary	Contribution to PF and Perquisites	Retiral benefits/ Bonuses/Commission payable/ performance linked incentive/pension/ Stock options granted	Total
Mr. Kewalchand P. Jain	Nil	₹ 7,500,000	₹ 4,89,600	Nil	₹ 7,989,600
Mr. Hemant P. Jain	Nil	₹ 7,500,000	₹ 489,600	Nil	₹ 7,989,600
Mr. Dinesh P. Jain	Nil	₹ 7,500,000	₹ 489,600	Nil	₹ 7,989,600
Mr. Vikas P. Jain	Nil	₹ 7,500,000	₹ 489,600	Nil	₹ 7,989,600
Mr. Yogesh A. Thar	₹ 540,000	Nil	Nil	Nil	₹ 540,000
Dr. Prakash A. Mody	₹ 120,000	Nil	Nil	Nil	₹ 120,000
Mr. Nimish G. Pandya	₹ 480,000	Nil	Nil	Nil	₹ 480,000
Ms. Drushti R. Desai	₹ 540,000	Nil	Nil	Nil	₹ 540,000



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

### Composition of Committee:-

The Stakeholders Relationship and Shareholder/ Investor Grievance Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 and Part D (Point B) of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

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

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

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

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

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

During the year ended March 31, 2017 no Stakeholders Relationship and Shareholder/ Investor Grievance Committee meeting was held as there were no complaints received as mentioned below:-



Status report of the complaints received and resolved to the satisfaction of the shareholders/investors during the year ended March 31, 2017.

No. of complaints received	-	0
No. of complaints resolved	-	0
No. of complaints pending	-	0

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

Mr. Abhijit B. Warange – Vice President – Legal & Company Secretary, who is the Compliance Officer, can be contacted at, Kewal Kiran Estate, 460/7, I.B. Patel Road, Goregaon (East), Mumbai - 400063  
Tel: 022-26814400, Fax: 022-26814410  
E-mail: grievanceredressal@kewalkiran.com

## VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition of Committee:-

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

Corporate Social Responsibility Committee comprises of the following members:

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

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

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

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

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

During the year ended March 31, 2017 one (1) Corporate Social Responsibility Committee meeting was held on October 27, 2016. The attendance of Corporate Social





Responsibility Committee meeting is given hereunder:

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

The policy on CSR as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the CSR Policy is <http://kewalkiran.com/wp-content/uploads/2015/09/news/CSR%20policy.pdf>

## VII. RISK MANAGEMENT COMMITTEE

### Composition of Committee:-

Pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) the Company has constituted Risk Management Committee.

Risk Management Committee comprises of the following members:

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

\* Mr. Bhavin Sheth was appointed as a Member of the Risk Management Committee in the Board Meeting held on August 3, 2016.

### Risk Management Policy:-

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

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

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

### Meetings of the Risk Management Committee:-

During the year ended March 31, 2017 one (1) Risk Management Committee meeting was held on September 24, 2016. The attendance of Risk Management Committee meeting is given hereunder:

Name of the Member of Risk Management Committee	No. of meetings attended
Mr. Kewalchand P. Jain	1 of 1
Mr. Hemant P. Jain	1 of 1
Mr. Nimish G. Pandya	1 of 1
Mr. Abhijit B. Warange	1 of 1
Mr. Bhavin Sheth	1 of 1
Dr. Sanjeev Chauhan	1 of 1

## VIII. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on March 27, 2017 interalia, to discuss:

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

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and



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

## IX. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted the Vigil Mechanism/ Whistle Blower Policy pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) under which the Directors and employees can report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such

mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

## X. RELATED PARTY TRANSACTION POLICY

The Company has adopted a Related Party Transaction policy, as recommended by the audit Committee pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy on Related Party transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the Related Party Policy is [http://kewalkiran.com/wp-content/uploads/2015/09/news/Related\\_party\\_policy.pdf](http://kewalkiran.com/wp-content/uploads/2015/09/news/Related_party_policy.pdf)

## XI. GENERAL BODY MEETINGS

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

Financial Year	Day & Date	Time	Venue
2013-14	Thursday, August 28, 2014	11.00 am	M. C. Ghia Hall, Bhogilal Hargovindas Buiding, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai – 400 001
2014-15	Monday, August 31, 2015	12.00 noon	M. C. Ghia Hall, Bhogilal Hargovindas Buiding, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai – 400 001
2015-16	Wednesday, September 7, 2016	12.00 noon	M. C. Ghia Hall, Bhogilal Hargovindas Buiding, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind Prince of Wales Museum), Mumbai – 400 001

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

**23rd Annual General Meeting:** At this meeting six Special Resolutions were proposed, seconded and passed with more than three-fourths majority on show of hands. These special resolutions were with regard to:

- Adoption of new draft set of Articles of Association of the Company.
- Borrowing in excess of paid-up share capital and free reserves.
- Creating of charge on the Company's properties.
- Purchase of furniture and fixtures from Enlighten Lifestyle Limited
- To give on leave and license premises at Shop no. 1, Shatrunjay Plaza, S.V. Road, Goregaon West, Mumbai to Enlighten Lifestyle Limited

- To take on leave and license from Directors/Promoters Units at Synthofine Estate, Opp Virwani Industrial Estate, Goregaon (E), Mumbai: 400 063 and Unit no.3 and Unit No. 104 at Devare House, Bhavani Shankar Road, Dadar West, Mumbai – 400 028.

**24th Annual General Meeting:** At this meeting there were no Special Resolutions passed by the members of the Company.

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

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

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



## XII. DISCLOSURES

- (i) The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. There are no materially significant Related Party Transactions which have potential conflict with the interest of the company at large. Transactions with related parties are disclosed separately in note no. 2.41 to the standalone financial statements.
- (ii) No penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital market during the last three years.
- (iii) In the preparation of the financial statement, the Company has followed the Accounting Standard referred to in Section 133 of the Companies Act 2013. The significant accounting policies which are consistently applied are set out in the notes to the standalone financial statements.
- (iv) The Board hereby confirms that no personnel have been denied access to the Audit Committee.
- (v) The Company paid ₹360,000/- by way of professional fees to Pandya & Co., Advocates and Notary to represent the company in a matter before the Hon'ble High Court. Mr. Nimish Pandya, Non Executive Independent Director is the proprietor of Pandya & Co.
- (vi) The Company has complied with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). Adoption of non mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) is reviewed by the Board from time to time.
- (vii) Half yearly declaration of financial performance including summary of the significant events in last six month was sent to shareholders.
- (viii) In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) Mr. Kewalchand P. Jain, Chairman & Managing Director and Mr. Bhavin Sheth, Chief Financial Officer have furnished certificate to the Board in the prescribed format for the year ended March 31, 2017.
- ix) The Company has formulated policy on archival and preservation of documents in terms of Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

- x) The Company has formulated policy for determination of materiality of event in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- xi) The Company has formulated Dividend Distribution policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The Annual dividend consists of few interim dividend and a final dividend at the year end. The Board of Directors seeks to balance member's need of the returns and company's requirement of long term growth. After meeting internal cash balance towards any strategic investments, the Company will endeavor to return the rest of the free cash generated to shareholders through regular dividend.

The said policy as approved by the Board of Directors has been uploaded on the website of the Company. The web-link to the Dividend Distribution Policy is <http://kewalkiran.com/wp-content/uploads/2016/policy/dividend.pdf>.

## XIII. MEANS OF COMMUNICATION

The Annual Financial Results of the company for the financial year ended March 31, 2017 are published in The Economic Times, Business Standard, Mint, The Free Press journal and Navshakti. The results of the company are normally published in The Economic Times, Business Standard, Mint and Lokmat. The financial results and other information are displayed on the company's website viz. [www.kewalkiran.com](http://www.kewalkiran.com). The Company also displays official news releases on its website for the information of its shareholders/investors. Even presentations made to institutional investors have been hosted on the website of the company.





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

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

#### XIV. GENERAL SHAREHOLDERS' INFORMATION

##### a) Annual General Meeting:

Day, Date and Time : Thursday, September 7, 2017  
at 12:00 noon

Venue : M.C Ghia Hall, Bhogilal  
Hargovindas Building, 4th floor,  
18/20, Kaikhushru Dubash  
Marg (Behind prince of wales  
Museum), Mumbai-400001

##### b) Financial Year : April 1, 2016 to March 31, 2017

##### c) Dates of Book Closure:

September 1, 2017 to September 7, 2017 (both days inclusive)

##### d) Dividend payment date:

Dividend if declared by the shareholders will be made payable on or after September 14, 2017.

##### e) Listing on Stock Exchanges:

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

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

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

##### Note:

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

##### f) Stock Code/Symbol

The BSE Limited : 532732

The National Stock Exchange  
of India Limited : KKCL

ISIN No. : INE401H01017

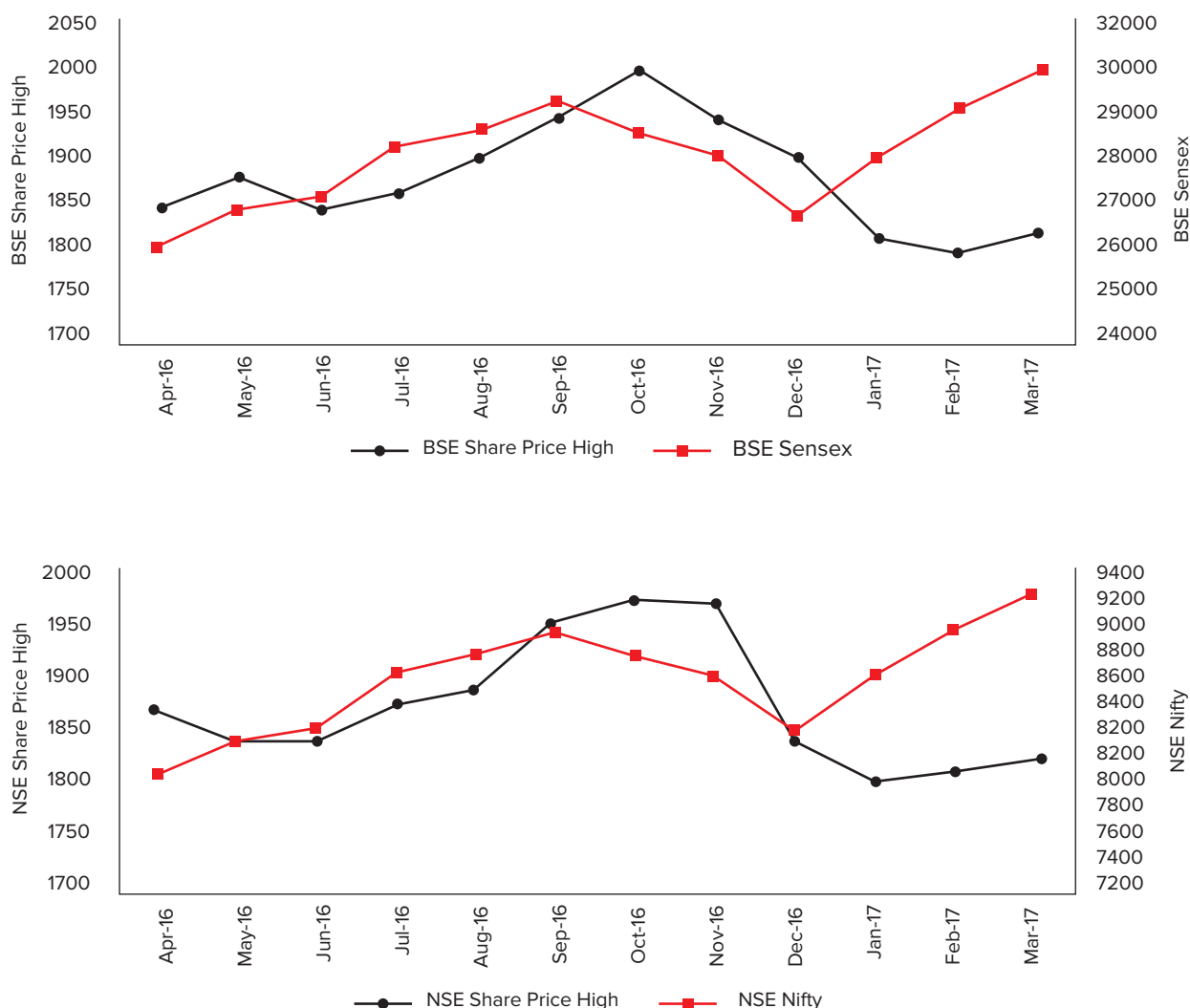
##### g) Market Price Data:

The monthly high and low quotations of the company's shares traded on the BSE Limited and the National Stock Exchange of India Limited during the financial year 2016-2017 are as under:

Months	BSE		NSE	
	High (₹ Per share)	Low (₹ Per share)	High (₹ Per share)	Low (₹ Per share)
April 2016	1849.00	1671.50	1869.40	1670.00
May 2016	1880.00	1701.00	1839.75	1720.00
June 2016	1845.00	1720.00	1839.00	1718.00
July 2016	1858.95	1735.05	1875.00	1762.50
August 2016	1897.00	1770.15	1887.95	1790.50
September 2016	1940.00	1805.00	1950.00	1830.60
October 2016	1993.15	1846.30	1970.00	1831.05
November 2016	1940.00	1666.00	1964.30	1700.50
December 2016	1900.00	1721.50	1843.95	1745.40
January 2017	1810.75	1720.00	1800.90	1688.00
February 2017	1799.00	1717.00	1810.00	1710.00
March 2017	1820.00	1650.00	1824.00	1619.00



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



## i) Registrar &amp; Share Transfer Agents:

Link Intime India Private Limited  
 C-101, 247 Park,  
 L.B.S. Marg, Vikhroli (West),  
 Mumbai-400083  
 Tel: +91 22 49186000  
 Fax: +91 22 49186060  
 Email: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)  
 Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## j) Share Transfer System:

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

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

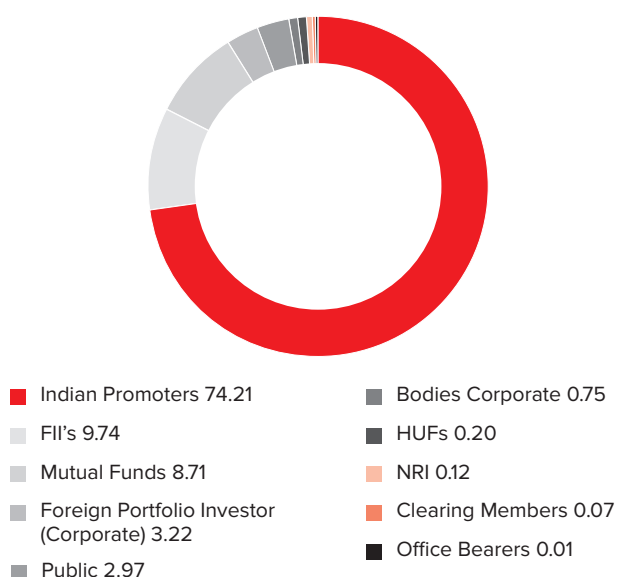


**k) Distribution Pattern of shareholding as on March 31, 2017:**

No of equity shares	Number of shareholders	% of shareholders	Number of shares held	% of shareholding
1-500	3,886	96.50	135,264	1.10
501-1000	36	0.90	27,930	0.23
1001-2000	27	0.67	42,441	0.34
2001-3000	15	0.37	35,219	0.29
3001-4000	7	0.17	25,285	0.20
4001-5000	6	0.15	27,884	0.23
5001-10000	14	0.35	92,110	0.75
10001 & above	36	0.89	11,938,904	96.86
<b>Total</b>	<b>4,027</b>	<b>100</b>	<b>12,325,037</b>	<b>100</b>

**Shareholding Pattern as on March 31, 2017:**

Category	No. of Shares	% to total
Indian Promoters	9,146,473	74.21
Mutual Funds	1,073,892	8.71
Foreign Portfolio Investor(Corporate)	397,103	3.22
FII's	1,200,000	9.74
NRI	14,570	0.12
Bodies Corporate	92,802	0.75
Independent Director	336	0.00
Clearing Members	8,794	0.07
Office Bearers	640	0.01
HUFs	23,982	0.20
Public	366,445	2.97
<b>Total</b>	<b>12,325,037</b>	<b>100.00</b>

**Shareholding pattern graph as on March 31, 2017 (%)****l) Dematerialisation of Equity Shares:**

The shares of the company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems –NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). 99.99% of total equity shares of the company are held in dematerialised form with NSDL & CDSL as on March 31, 2017.

**Liquidity:-**

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

**m) Outstanding GDRS/ADRS/Warrants or any Convertible Instruments conversion date and likely impact on equity:**

The Company has not issued any GDRS/ADRS/Warrants or any Convertible Instruments.

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

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



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

**o) Plant Locations:**

**Vapi**

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

**Daman**

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

**Mumbai**

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

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

**p) Address for Investor Correspondence:**

**Shareholding related queries**

Link Intime India Private Limited  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West),  
Mumbai-400083  
Tel: +91 22 49186000  
Fax: +91 22 49186060  
Email: mumbai@linkintime.co.in  
Website: www.linkintime.co.in

**General Correspondence**

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

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

An exclusive id, [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com) for redressal of investor complaints has been created and the same is available on company's website [www.kewalkiran.com](http://www.kewalkiran.com).



# Annexure to Corporate Governance

Details of Other Directorships and Committee Memberships of all Directors

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

Name of the Company	Board Position Held
Enlighten Lifestyle Limited	Chairman
Kewal Kiran Management Consultancy Limited	Chairman
Kewal Kiran Media and Communication Limited	Chairman
Kewal Kiran Realtors and Infrastructures Private Limited	Chairman
Kewal Kiran Finance Private Limited	Chairman
White Knitwears Private Limited	Director
Lord Gautam Charitable Foundation	Chairman

### COMMITTEE MEMBERSHIPS

Name of the Company	Name of the Committee	Position Held
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Member

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

Name of the Company	Board Position Held
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
White Knitwears Private Limited	Director
Lord Gautam Charitable Foundation	Director

### COMMITTEE MEMBERSHIPS

Name of the Company	Name of the Committee	Position Held
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Member

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

Name of the Company	Board Position Held
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Synthofine Chemicals of India Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
Lord Gautam Charitable Foundation	Director



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

Name of the Company	Board Position Held
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Finance Private Limited	Director
Lord Gautam Charitable Foundation	Director

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

Name of the Company	Board Position Held
NIL	NIL

**COMMITTEE MEMBERSHIPS**

Name of the Company	Name of the Committee	Position Held
Kewal Kiran Clothing Limited	Audit Committee	Chairman

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

Name of the Company	Board Position Held
Unichem Laboratories Limited	Chairman

**COMMITTEE MEMBERSHIPS**

Name of the Company	Name of the Committee	Position Held
Unichem Laboratories Limited	Stakeholder Relationship Committee	Member

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

Name of the Company	Board Position Held
Corvus Sports Private Limited	Director
Pandya Juris Associates Limited	Director

**COMMITTEE MEMBERSHIPS**

Name of the Company	Name of the Committee	Position Held
Kewal Kiran Clothing Limited	Stakeholders Relationship and Shareholder/ Investors Grievance Committee	Chairman
Kewal Kiran Clothing Limited	Audit Committee	Member



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

Name of the Company	Board Position Held
Globallogic Technologies Limited	Director
Globallogic India Limited	Director
MPIL Corporation Limited	Director
MT Educare Limited	Director
Narmada Gelatines Limited	Director
Kruti Finance and Holdings Private Limited	Director

**COMMITTEE MEMBERSHIPS**

Name of the Company	Name of the Committee	Position Held
Globallogic Technologies Limited	Audit Committee	Chairman
Globallogic India Limited	Audit Committee	Chairman
MT Educare Limited	Audit Committee	Chairman
Kewal Kiran Clothing Limited	Audit Committee	Member
Narmada Gelatines Limited	Audit Committee	Member
MT Educare Limited	Stakeholder Relationship Committee	Member



# Auditors' Certificate on Corporate Governance

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

**Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

- Based on the engagement by the management of Kewal Kiran Clothing Limited ('the Company'), we have examined details of compliance of conditions of Corporate Governance by the Company for the year ended 31st March, 2017 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

- The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditors' Responsibility**

- Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2017.
- Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause/Regulation as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

**Opinion**

- In our opinion and to the best of our information and according to explanations given to us and representations made by the Directors and management, we certify that during the year ended 31st March, 2017, the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations as applicable mentioned in para 1 above.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

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

For and on behalf of  
**N. A. Shah Associates LLP**  
Chartered Accountants  
Registration Number 116560W/W100149

**Milan Mody**  
Partner  
Membership No.: 103286

Place: Mumbai  
Date: July 28, 2017

Effective 14th July 2016, N. A. Shah Associates  
– ROF Registration no. BA71407 converted into  
N. A. Shah Associates LLP  
– LLP Identification no. AAG-7909

For and on behalf of  
**Jain & Trivedi**  
Chartered Accountants  
Registration Number 113496W

**Satish Trivedi**  
Partner  
Membership No.: 38317

Place: Mumbai  
Date: July 28, 2017



# Certificate of Compliance with the Code of Conduct

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

Place: Mumbai

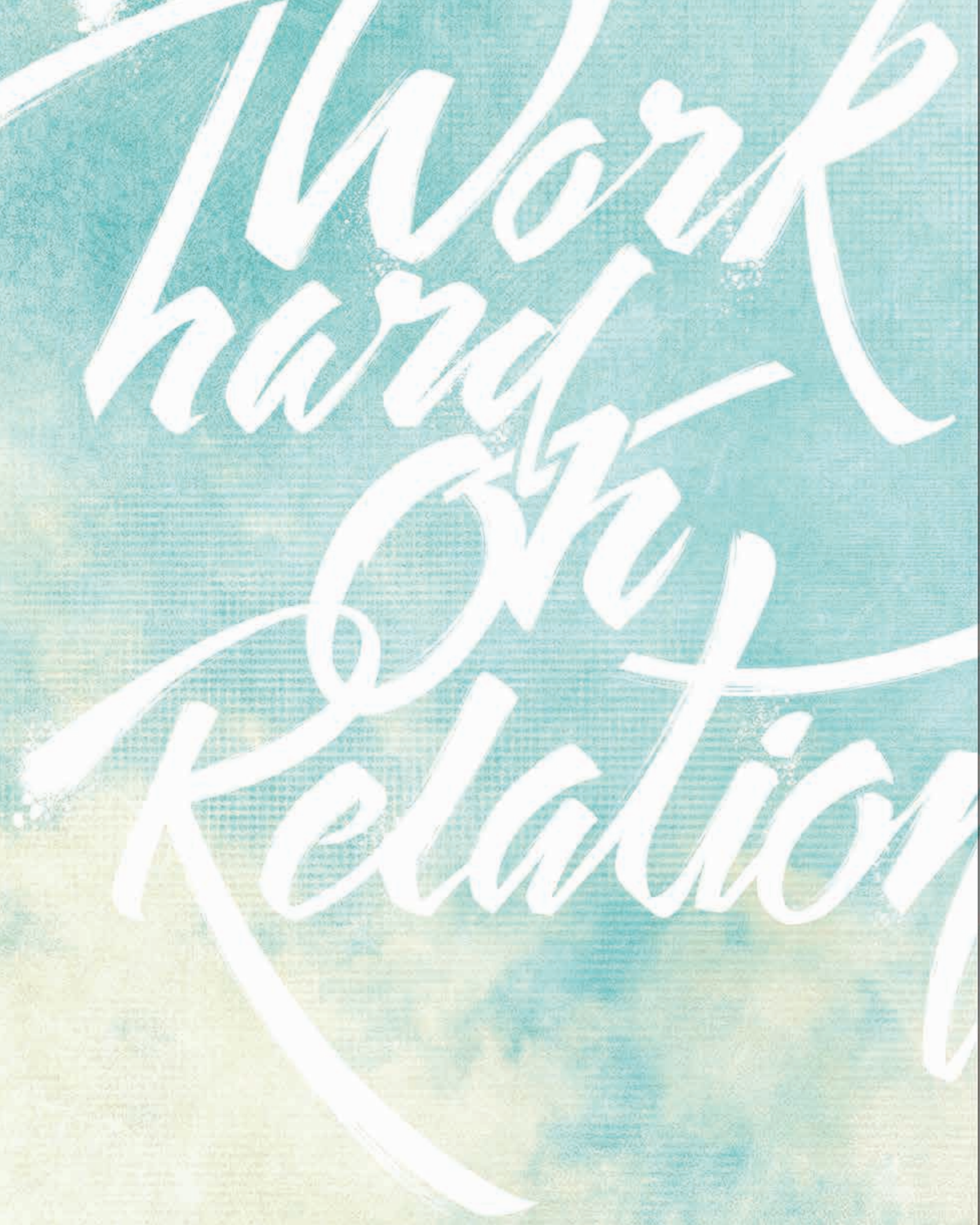
Date: April 25, 2017

For and on behalf of the Board

**Kewalchand P. Jain**

Chairman & Managing Director  
(DIN 00029730)





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# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L18101MH1992PLC065136
2	Name of the Company	Kewal Kiran Clothing Limited
3	Registered address	Kewal Kiran Estate, 460/7, I.B. Patel Road, Near Western Express Highway, Goregoan (East) Mumbai: 400063
4	Website	<a href="http://www.kewalkiran.com/">http://www.kewalkiran.com/</a>
5	E-mail id	abhijit.warange@kewalkiran.com
6	Financial Year reported	Year ended on March 31, 2017 (FY17)
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Apparels- NIC code 141- Manufacturing of wearing apparels, except fur apparels
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Product includes Garment under its 4 iconic brands i.e. Killer, Easies, LawmanPg3 and Integriti and also extensive range of branded Lifestyle Accessories
9	Total number of locations where business activity is undertaken by the Company	
	9.1 Number of International Locations	KKCL does not have any manufacturing unit outside India
	9.2 Number of National Locations	Manufacturing facilities at Vapi, Daman and Mumbai
10	Markets served by the Company – Local/State/ National/International	Company serves Local, State, National & International markets

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Particulars	Company Information
1	Paid up Capital (₹)	1232.50 lakhs (12,325,037 equity shares of ₹ 10 each)
2	Total Turnover (₹)	49,243.89 lakhs
3	Total profit after taxes (₹)	8,527.67 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	191.35 lakhs
5	List of activities in which expenditure in 4 above has been incurred	Education for needy People Promoting Health care Rehabilitate sick and needy animals Healthcare for needy People

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/ Companies?

No the company doesn't have a subsidiary although it has an associate company called White Knitwear Private Limited (WKPL).

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Not applicable since the company doesn't have any subsidiary company.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The company has not mandated any entities e.g. suppliers, distributors, etc. of the Company for participating in the BR initiatives of the Company. However going forward company will encourage them to adopt BR initiatives of the company.



## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Company Information
1	DIN Number	00029730
2	Name	Kewalchand Pukhraj Jain
3	Designation	Chairman and Managing Director

b. Details of BR head

No.	Particulars	Company Information
1	DIN Number	00029730
2	Name	Kewalchand Pukhraj Jain
3	Designation	Chairman and Managing Director
4	Telephone number	022-26814400
5	e-mail id	kewaljain@kewalkiran.com

### 2. Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy/policies

Principle 1: Ethics, Transparency and Accountability [P1]  
 Principle 2: Products Lifecycle Sustainability [P2]  
 Principle 3: Employees' Well-being [P3]  
 Principle 4: Stakeholder Engagement [P4]  
 Principle 5: Human Rights [P5]  
 Principle 6: Environment [P6]  
 Principle 7: Policy Advocacy [P7]  
 Principle 8: Inclusive Growth [P8]  
 Principle 9: Customer Value [P9]

a. The response regarding the above 9 principles (P1 to P9) is given below

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	All the policies are compliant with respective principles of NVG guidelines								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.kewalkiran.com/policies/">http://www.kewalkiran.com/policies/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. All policies are communicated to internal stakeholders and are available on internal network. Policies applicable to external stakeholders are available on the Company's website								
8	Does the company have in-house structure to implement the policy/policies	Yes. There is an in-house structure with clearly defined roles and responsibilities that are periodically reviewed.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)	Not applicable								
		The company is in the process to implement the audit/evaluation of the policies by the end of upcoming financial year.								

### 3. Governance related to Business Responsibility (BR):

No.	Questions	Information
1	Frequency of review, by the BR Committee to assess the BR performance. Within 3 months, 3-6 months, Annually, More than 1 year	The management of the company periodically accesses the BR performance of the company
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first Business Report of the company and the company would publish BRR annually.



## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Business with ethics evokes the feeling of trust in the minds of its stakeholders. At KewalKiran Clothing Limited (KKCL), we have always traversed the ethical growth path guided by a principled leadership team, robust governance mechanisms and transparent accounting platforms. This has helped us to boost shareholder trust, gain competitive advantage as well as remain responsible towards our employees, our communities and the environment.

To ensure that these principles translate into consistent practice, the below enablers lead us towards high standards of business conduct.

- a. **Whistle Blower Policy:** to provide an avenue for directors and employees to inform about any wrongdoing in the company and reassurance that they will be protected from reprisals or victimization for whistle blowing.
- b. **Policy for Determining Materiality of Events and Information:** The objective of this Policy is: (a) to ensure disclosure of any event or information which, pursuant to SEBI regulations is material, (b) to determine whether an event or information is material or not and (c) to ensure timely, accurate, uniform and transparent disclosure.
- c. **Code of Conduct for Directors & Senior Management:** to ensure, inter alia, protection of confidential information, preventing conflict of interest, ensuring that anti-bribery

and corruption laws are complied with, and ensure compliance with all the applicable laws, regulations and Company's policies.

- d. **Company's Code of Conduct on (prevention of) Insider Trading:** in order to protect the interest of investors, the company has mechanism to prevent insider trading and protect of unpublished price sensitive information (UPSI).
- e. **Policy on prevention of sexual harassment:** the Company has instituted processes and mechanisms to ensure that issues relating to sexual harassment are effectively addressed. In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committees (ICC) has been constituted. These Committees are intended to facilitate open and structured discussions on sexual harassment complaints and to ensure their resolution in a fair and justified manner. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there were no complaints reported to the ICC.
- f. **Our anti-bribery and anti-corruption policy:** KKCL is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt and unethical business practices. It is our policy to conduct our business activities with honesty, integrity and the highest possible ethical standards while vigorously enforcing our business practice of not engaging in bribery or corruption across our operations.

#### Information with reference to BRR framework:

No.	Questions	Information
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?	The Code of Conduct of KKCL provides guidelines on ethics, bribery and corruption. It is binding to all KKCL senior management and employees. The guidelines are also communicated to most of our key associates to encourage fair practices in all activities.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	One complaint was pending at the end of the financial year before the district consumer forum and the same will be decided in due course in accordance the provisions of the law for the time being in force.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company's strategic intent to create enduring value by investing in its strong and competitive capabilities in R&D, innovation & technology and an array of institutional strengths including deep consumer insights, brand building capability, trade marketing and distribution infrastructure, focus on quality and world-class manufacturing practices, strong rural linkages and outstanding human resources.

The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages

of product or service life-cycle. This involves an end-to-end analysis of the product, taking into account all raw materials, transport, production processes, usage and disposal of the product.

The company has continuously achieved reduction in specific energy consumption and increased share of renewable energy sources.

Environment, Health and Safety – the company has consciously followed the importance of environmentally clean and safe operations. Our policy requires conduct of operations in such a manner, so as to ensure safety of all



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

**Waste Management** – The principles underlying waste separation are:

- to reduce the volume of hazardous waste,
- to maintain safety standards during handling, transportation and treatment,

- to eliminate the need for waste separation at disposal sites and
- to facilitate the recycling process.

**ISO certifications:** the Company possess product quality and environmental certifications vindicating the value of brand. The Company's products are benchmarked against high class quality levels and all its manufacturing units are certified ISO 9001: 2008 and also the Vapi unit is additionally certified ISO 14001: 2004.

#### Information with reference to BRR framework:

No.	Questions	Information
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	Although the company has not designed any product taking into concern socio-environment factors however it has made efforts to reduce carbon footprints by taking several measures and used alternate sources of energy effectively and also taken utmost care to produce quality products.
2.2	Does the company have procedures in place for sustainable sourcing (including transportation)?	The company doesn't have prescribed mechanism for sustainable sourcing however it endeavours to source the raw materials sustainably.
2.3	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	The company as of now is not procuring any goods and services from the local communities although it is constantly working for the capacity development of the surrounding coterie.
2.4	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste	The Company has always strived to reduce waste associated with its products and try to recycle it as far as possible.

#### Principle 3: Businesses should promote the wellbeing of all employees

KKCL focuses on ensuring the well-being of all its employees. The safety and health of employees is extremely important to the Company. KKCL believes in giving its employees ample opportunities to perform as employee well-being is imperative to achieve a profitable growth. The company is committed to build performance driven culture backed with reward recognition and career growth for talented employees. The company's main objective is to build the future ready organization by undertaking sustained efforts towards skill development, competency mapping and succession planning.

We have policy on Equal opportunity to build the strength of our people since our long term success is linked to it. Our employees are our biggest assets and employee engagement, we feel, is the cornerstone of achieving a sustainable competitive advantage.

We believe that a highly diverse, inclusive and collaborative culture is the key ingredients to fuel faster growth. We focus on meritocracy, advocating the right to equal and transparent employment opportunities for all. This, we feel, helps us attract and retain the most talented people from around the world, paving the way for future growth.

The company every year arranges a series of employee engagement activities and welfare initiatives to enhance the "Happiness Quotient" among the employees. To name few activities like "Har Ek Friend Jaruri Hota Hai" contest on friendship day, "Fun at Work" on international women day, "Foundation Day" on Dusshera and "Traditional Day" contest on RakashaBandhan, Diwali, etc.

The company had also arranged Inter Departmental Cricket Tournament called as "Kewal Kiran Cricket League" which was truly appreciated among all the stakeholders as it has worked as a team building and stress buster activity.

KKCL promote security and safety of women employees. We regularly organize events on International Women Day. We had organized special woman centric programs and self-defence training for women.

"Eye Check-up Camp" in association with Rotary Club was organized at our Corporate Head Office and plants as employee welfare measures.

'Highly Motivated Employees are the driving force of any Business'. We have introduced the policy of review and rewarding the performance. To build performance driven



culture we believe in making the employees accountable for their assigned roles and aligning the individual goals to the organizational goal.

In the coming years a significant step of talent management initiative has been planned to develop leadership as well as technical/functional capabilities to meet future talent requirements. Our next year agenda will be HR Transformation by promoting paper less working with aid of HRMS software and adoption of best HR practices.

**Information with reference to BRR framework:**

No.	Questions	Information
3.1	Please indicate the Total number of employees.	2034
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	616
3.3	Please indicate the Number of permanent women employees.	191
3.4	Please indicate the Number of permanent employees with disabilities	None
3.5	Do you have an employee association that is recognized by management.	None
3.6	What percentage of your permanent employees is members of this recognized employee association?	Not applicable

3.7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
3.7.1	Child labour/forced labour/	Nil	Nil
3.7.2	Involuntary labour	Nil	Nil
3.7.3	Sexual harassment	Nil	Nil
3.7.4	Discriminatory employment	Nil	Nil

3.8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

No.	Employee Categories	% trained on Safety & Skill up-gradation
a	Permanent employees	14%
b	Permanent women employees	31%
c	Contract employees	57%
d	Employees with disabilities	Not applicable

**Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

We strive hard with passion to meet and set industry benchmarks in our systems and processes to ensure insightful experiences for our stakeholders. We are accountable towards all our stakeholders. We are liberal and committed in giving back to the society. We always work together for the upliftment of the society as a whole.

KKCL recognises employees, business associates (network of suppliers, stockists and dealers), customers, shareholders/ investors and communities surrounding our operations and regulating authorities as key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc.

The Company consistently contributes to socially responsible activities. Corporate Social Responsibility (CSR) at KewalKiran Clothing Limited portrays the deep symbiotic relationship that the group enjoys with the communities it is engaged with.

**Information with reference to BRR framework:**

**4.1 Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, the company has mapped its internal and external stakeholders into following categories:

1. Employees and their families,
2. Local community and society,
3. Customers and their families,
4. Investors & Shareholders,
5. Dealers, suppliers and other business partners,
6. Government & Regulators,
7. Environment and regulatory authorities, Financial Institutions & related service providers.



**4.2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis for the upliftment of the society as a whole.

**4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

For socio-economically disadvantaged sections of the society, the Company through its CSR programmes has donated fund to various trust and foundation for CSR activities like Eradicating hunger, poverty and malnutrition, Promoting Health care, Rehabilitated sick and needy animals and Education for needy people.

Beside this the safety of workers is of utmost importance and a culture of safety is brought in, not just for the Company's employees but also for the other stakeholders. The initiatives adapted at all the units resulted in Zero fatalities in the last financial year.

**Principle 5: Businesses should respect and promote human rights**

Human rights are fundamental rights and we adhere to this principle in the most earnest spirit. Confirming our commitment is our Human Rights Policy which spans various principles ranging from freedom of association to freedom from harassment and applies across our operations.

Not only our intentions, but also our actions are compliant with all the statutory laws and regulations. In the financial year, there were no human rights violation complaints relating either to child, forced and involuntary labour or sexual harassment / discriminatory employment, against the Company.

KKCL respects and promotes human rights for all individuals. The Company's commitment to human rights and fair treatment is set in its Policy on Human Rights. The policy provides to conduct the operations with honesty, integrity and openness with respect for human rights and interests of employees.

KKCL supports freedom of association and collective bargaining as a part of our commitment to support the fair and equitable treatment of our workers. All workers, regardless of rank or job grade, have the right to form and join trade unions of their choice and to bargain collectively. This approach helps in building, strengthening and sustaining harmonies between employer and the employees.

**Information with reference to BRR framework:**

No.	Questions	Information
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company's Anti sexual harassment policy applies to all KKCL employees, customers, vendors, consultants and anyone else doing business on the company premises, as well as those involved in activities in which company's name is associated.
5.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	One complaint was pending at the end of the financial year before the district consumer forum and the same will be decided in due course in accordance the provisions of the law for the time being in force.

**Principle 6: Business should respect, protect and make efforts to restore the environment**

KKCL has been working systematically to reduce its impact on the Environment. We take seriously our impact on the natural resources in the communities where we operate and have put in place measures to not merely comply with regulations but to responsibly take care of the Planet, preserve its beauty and resources for future generations.

Clean air, fresh water, rich biodiversity and abundant natural resources is imperative to human health and well-being. At KKCL we are aware of the environmental challenges that resource depletion pose and are converting them into business opportunities by taking systematic conservation measures. Reducing our dependence on scarce resources is not only easing the pressure on the planet but also improving our operational cost.

Measures for carbon footprint reduction – the practice of monitoring of the air conditioning equipment was adopted at all the factories, offices which resulted in both improved performance and energy saving. At a number of locations, wherever the air conditioners were very old or working for long periods, they were replaced by the modern energy efficient 5 Star Split air conditioners. This added to the energy savings.

Lighting Energy Conservation measures adopted by checking Illumination levels at all locations, excess lights were removed and lights were switched on only when required. Also energy efficient lights were adopted, including the use of LEDs.

The company has saved fuel consumption of factories boilers by Regular Monitoring of the various parameters important for maintaining high efficiency in Boilers.



Improved the efficiency of Driers, Washers, Steam Irons, etc. at the factories by regular monitoring of the various parameters important for maintaining high efficiency. In Washers steam usage was restricted to those cycles where temperature required was 90 degree Celsius.

**Information with reference to BRR framework:**

**6.1 Does the policy related to Principle 6 cover only the company or extends to the Group /Joint Ventures/ Suppliers/Contractors/NGOs/others.**

Many facets of environment protection are embedded in the company's operations as also in its products. The company has not mandated its applicability to its group companies and suppliers although it encourage the adoption of best environmental practises.

**6.2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The company possess product quality and environmental certifications vindicating the value of brand. The Company's products are benchmarked against high class quality levels and all its manufacturing units are certified ISO 9001: 2008 and also the Vapi unit is additionally certified ISO 14001: 2004.

**6.3 Does the company identify and assess potential environmental risks? Y/N**

The company doesn't have any mechanism regarding assessment of potential environment risks however company has initiated several measures to conserve our fossil fuels consumptions.

**6.4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company has not undertaken any project related to Clean Development Mechanism however the Company has been working systematically to reduce its impact on the Environment. We take seriously our impact on the natural resources in the communities where we operate and have put in place measures to not merely comply with regulations but to responsibly take care of the Planet, preserve its beauty and resources for future generations.

**6.5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.Y/N. If yes, please give hyperlink for web page etc.**

The company has invested in green energy. Prime amongst them is the investment in generation of wind energy. One of our facilities is dedicated towards harnessing the power of wind to generate energy. The Company has a 600 KW Wind Generator in Gujarat which provides most of the electricity at Company's Vapi Factory.

**6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions/ waste generated by the Company are within the permissible limits given by CPCB/SPCB and are reported on periodic basis.

**6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

None

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

KKCL has representation in national and international industry and trade associations. Some of the trade/business associations where KKCL is a member are listed below.

1. Federation of Indian Chambers of Commerce and Industry.
2. Apparel Export Promotion Council
3. The Clothing Manufacturers Association of India
4. Retailers Association of India
5. Trust for Retailers & Retail Associates of India
6. Indian Merchant Chamber
7. Indo German Chamber

KKCL hasn't advocated/lobbied through above associations for the advancement or improvement of public good.

**Principle 8: Businesses should support inclusive growth and equitable development**

We support the principles of inclusive growth and equitable development through our corporate social responsibility initiatives. KKCL believes that social, environmental and economic values are interlinked and we belong to an Interdependent Ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society. We are committed to ensure a positive impact of our existence on all these stakeholders.It's our continuous endeavour to integrate sustainability considerations in all our business decisions.



**Information with reference to BRR framework:**

No.	Questions	Information
8.1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes the Company has formulated a well- defined CSR policy, which focuses on issues like Education, health care, environment, rural development, etc.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The programmes/ projects are undertaken through in-house teams/ our foundation to serve areas of community growth and sustainable development.
8.3	Have you done any impact assessment of your initiative?	Yes the Company has conducted impact assessment of its CSR initiatives.
8.4	What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.	During the year under review, the Company has spent an amount of ₹ 191.35 lakhs on CSR activities mainly on education, health care, environment, rural development, etc.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, Initiatives conducted under the CSR are tracked to determine the outcome achieved and the benefits to the community.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

The Company is committed to providing products and services that offer best-in-class quality and user experience. All businesses of the Company comply with all regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling customers to make informed purchase decisions.

**Information with reference to BRR framework:**

No.	Questions	Information
9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The Company has a well-defined system of addressing customer complaints. All complaints are appropriately addressed and resolved. One complaint was pending at the end of the financial year before the District Consumer Forum and the same will be decided in due course in accordance the provisions of the law for the time being in force.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)	KKCL adheres to all the applicable regulations regarding product labelling and displays relevant information on it. The product details are also given on the website of the Company.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	None
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	The company maintains visitor's books for comments, suggestions and complaints and it reviews consumer feedbacks periodically.



# Independent Auditor's Report on Standalone Financial Statements

TO  
THE MEMBERS OF  
KEWAL KIRAN CLOTHING LIMITED

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Kewal Kiran Clothing Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as standalone financial statements).

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 standalone 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 standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, 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 Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 standalone 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to adequacy of internal financial controls system over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given 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. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.9.5 and 2.37 (a) to the standalone 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;
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2.49 to the standalone financial statements.

**For N. A. Shah Associates LLP**

Chartered Accountants  
Firm's registration number  
116560W/W100149

**Milan Mody**

Partner  
Membership number 103286

Place of signature: Mumbai  
Date: April 25, 2017

Effective 14th July 2016,  
N. A. Shah Associates  
– ROF Registration no. BA71407  
converted into  
N. A. Shah Associates LLP  
– LLP Identification no. AAG-7909

**For Jain & Trivedi**

Chartered Accountants  
Firm's registration number  
113496W

**Satish Trivedi**

Partner  
Membership number 38317

Place of signature: Mumbai  
Date: April 25, 2017



## Annexure I to Independent Auditor's Report for the year ended 31st March 2017

[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

- (i) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified during the year by the management. In our opinion, the frequency 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) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. Also, refer note no. 2.9.5 to the standalone financial statements.
- (ii) The inventories (other than lying with third parties) have been physically verified during the year by the management. In respect of inventories lying with the third parties, confirmations have been obtained by the Company and there were no discrepancies. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the requirement of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or securities covered under section 185 and section 186 of the Act. In respect of investments made by the Company, in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act.
- (v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with 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 rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act for any of the products / services of the Company. Accordingly clause (vi) of paragraph 3 the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
  - (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31st March 2017 for a period of more than six months from the date they became payable.
  - (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there is no disputed Sales-tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax as on 31st March, 2017 which have not been deposited except the following disputed dues which have not been deposited since the matters are pending with the relevant forum:



Nature of statute	Nature of dues	Amount ₹	Period to which it relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax and Interest	689,290	Assessment year 2012-2013	CIT (Appeal) – Mumbai
The Income Tax Act, 1961 (*)	Income Tax and Interest	885,540	Assessment year 2011-2012	ITAT – Mumbai
The Income Tax Act, 1961(**)	Income Tax and Interest	6,894,195	Assessment year 2005-2006	Bombay High Court (Appeal filed by the department)
The Income Tax Act, 1961	Income Tax and Interest	501,765	Assessment year 2014-2015	CIT (Appeal) – Mumbai

(\*) Adjusted against the refund of assessment year 2013-14

(\*\*) Adjusted against the refund of assessment year 2007-08

- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks during the year. There are no loans or borrowings from financial institutions / debenture holders / government.
- (ix) During the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- (x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to information and explanation given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.
- (xi) According to the information and explanation given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of the clause (xvi) of the Order are not applicable to the Company.

**For N. A. Shah Associates LLP**

Chartered Accountants  
Firm's registration number  
116560W/W100149

**Milan Mody**

Partner  
Membership number 103286

Place of signature: Mumbai  
Date: April 25, 2017

Effective 14th July 2016,  
N. A. Shah Associates  
– ROF Registration no. BA71407  
converted into  
N. A. Shah Associates LLP  
– LLP Identification no. AAG-7909

**For Jain & Trivedi**

Chartered Accountants  
Firm's registration number  
113496W

**Satish Trivedi**

Partner  
Membership number 38317

Place of signature: Mumbai  
Date: April 25, 2017



## Annexure II to Independent Auditor's Report for the year ended 31st March 2017

[Referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

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

We have audited the internal financial controls over financial reporting of Kewal Kiran Clothing Limited ("the Company"), as of 31st March, 2017, in conjunction with our audit of the standalone 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 (the "Guidance Note"), issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013, to the

extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted



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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

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

#### **For N. A. Shah Associates LLP**

Chartered Accountants  
Firm's registration number  
116560W/W100149

#### **Milan Mody**

Partner  
Membership number 103286

Place of signature: Mumbai  
Date: April 25, 2017

Effective 14th July 2016,  
N. A. Shah Associates  
– ROF Registration no. BA71407  
converted into  
N. A. Shah Associates LLP  
– LLP Identification no. AAG-7909

#### **For Jain & Trivedi**

Chartered Accountants  
Firm's registration number  
113496W

#### **Satish Trivedi**

Partner  
Membership number 38317

Place of signature: Mumbai  
Date: April 25, 2017



# Standalone Balance Sheet

as at 31st March 2017

(₹ in lakhs)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	1,232.50	1,232.50
Reserves and Surplus	2.2	34,572.73	28,641.02
		35,805.23	29,873.52
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	2.11	44.99	-
Other Long-Term Liabilities	2.3	1,439.78	1,713.57
Long-Term Provisions	2.4	7.58	13.00
		1,492.35	1,726.57
<b>Current Liabilities</b>			
Short-Term Borrowings	2.5	4,050.50	2,888.76
Trade Payables	2.6		
- Due to Micro and Small Enterprises		20.46	89.91
- Due to Others		3,926.20	4,598.45
Other Current Liabilities	2.7	2,114.09	1,375.09
Short-Term Provisions	2.8	2,135.17	1,833.51
		12,246.42	10,785.72
<b>Total</b>		<b>49,544.00</b>	<b>42,385.81</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>	2.9		
Tangible Assets (Property Plant & Equipment)		6,615.55	5,923.82
Intangible Assets		49.82	73.58
Capital Work in Progress		724.50	263.56
Intangible Asset under development		2.86	-
		7,392.73	6,260.96
Non Current Investments	2.10	12,283.73	5,876.47
Deferred Tax Assets (Net)	2.11	-	49.78
Long-Term Loans and Advances	2.12	489.28	901.14
Other Non-Current Assets	2.13	27.08	3.72
		20,192.82	13,092.07
<b>Current Assets</b>			
Current Investments	2.14	6,737.65	10,267.79
Inventories	2.15	5,069.96	5,572.69
Trade Receivables	2.16	10,615.41	10,896.61
Cash & Bank Balances	2.17	6,421.14	2,123.05
Short-Term Loans & Advances	2.18	426.30	328.52
Other Current Assets	2.19	80.72	105.08
		29,351.18	29,293.74
<b>Total</b>		<b>49,544.00</b>	<b>42,385.81</b>

Significant accounting policies and notes on accounts

1 &amp; 2

The notes referred to above form integral part of Financial Statements

As per our audit report of even date

For and on behalf of

N. A. Shah Associates LLP

Chartered Accountants

Registration No. :116560W/W100149

Milan Mody

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

For and on behalf of

Jain &amp; Trivedi

Chartered Accountants

Registration No. : 113496W

Satish Trivedi

Partner

Membership No. : 38317

For and on behalf of the Board of Directors of

Kewal Kiran Clothing Limited

Kewalchand P. Jain

Chairman &amp; Managing Director

DIN: 00029730

Bhavin Sheth

Chief Financial Officer

Hemant P. Jain

Whole Time Director

DIN: 00029822

Abhijit Warange

Company Secretary



# Standalone Statement of Profit and Loss

for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>INCOME</b>			
Revenue from Operations (Gross)	2.20	50,297.28	45,828.06
Less: Excise Duty		(1,059.49)	(98.46)
Revenue from Operations (Net)		<b>49,237.79</b>	<b>45,729.60</b>
Other Income	2.21	2,862.64	700.78
		<b>52,100.43</b>	<b>46,430.38</b>
<b>EXPENDITURE</b>			
(Increase) / Decrease in Stocks	2.22	799.15	(1,297.72)
Cost of Material Consumed	2.23	17,782.16	19,729.01
Purchase of Trading Items: Lifestyle Accessories/ Products		1,626.29	1,121.86
Employee Benefit Expenses	2.24	5,956.21	5,107.25
Manufacturing and Operating Expenses	2.25	4,773.77	4,250.93
Administrative and Other Expenses	2.26	3,138.52	2,528.09
Selling and Distribution Expenses	2.27	5,200.64	3,888.78
Finance Expenses	2.28	526.75	333.46
Depreciation/ Amortization	2.9	479.35	416.07
		<b>40,282.84</b>	<b>36,077.73</b>
<b>Net Profit Before Tax</b>		<b>11,817.59</b>	<b>10,352.65</b>
<b>Provisions for Taxation</b>			
Current Tax		3,200.00	3,525.00
Deferred Tax		94.76	44.94
(Excess)/Short provision for taxes of earlier years[net of deferred tax of ₹ Nil (P.Y. ₹ 22.87 lakhs)]		(4.85)	(12.08)
<b>Net Profit for the Year</b>		<b>8,527.68</b>	<b>6,794.79</b>
Earnings per Share - Basic and Diluted (₹) (Face Value of ₹ 10 each fully paid up)		69.19	55.13
Weighted Average Number of Shares used in computing Earnings per Share -Basic and Diluted		12,325,037	12,325,037
Significant accounting policies and notes on accounts	1 & 2		

The notes referred to above form integral part of Financial Statements

**As per our audit report of even date**

**For and on behalf of**  
**N. A. Shah Associates LLP**

Chartered Accountants  
Registration No. :116560W/W100149

**Milan Mody**

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

**For and on behalf of**  
**Jain & Trivedi**

Chartered Accountants  
Registration No. : 113496W

**Satish Trivedi**

Partner

Membership No. : 38317

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

**Kewalchand P. Jain**

Chairman &amp; Managing Director

DIN: 00029730

**Bhavin Sheth**

Chief Financial Officer

**Hemant P. Jain**

Whole Time Director

DIN: 00029822

**Abhijit Warange**

Company Secretary



# Standalone Cash Flow Statement

for the year ended 31st March 2017

(₹ in lakhs)

Particulars	2016-17	2015-16
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Taxes as per Statement of Profit and Loss</b>	<b>11,817.58</b>	<b>10,352.65</b>
Adjustments for:		
Depreciation/ Amortization	479.35	416.07
(Gain)/Loss on Sale / discard of Property plant & equipment (Tangible Assets) (Net)	(27.87)	(65.47)
(Gain)/Loss on Sales/ Redemption of Investments (Net)	(2,729.22)	(457.55)
Sundry Balance (written back)/written off (Net)	(0.58)	(51.36)
Finance Expenses	488.46	296.72
Dividend Income	(17.66)	(43.34)
Provision/(Reversal of provision) for Doubtful Debts , Advances, Deposits and Investments	150.45	20.80
Provision/(Reversal of provision) share of loss in Joint Venture	(6.50)	(36.00)
Provision/(Reversal of provision) for Contingent Rent	1.08	(2.15)
Provision/(Reversal of provision) for Contingencies	5.89	3.01
Provision/(Reversal of provision) for Margin on Sales Return	21.02	14.01
Provision/ (Reversal of Provision) of Exchange Rate Fluctuation (Net)	2.86	4.42
Interest Income	(46.60)	(62.00)
	<b>(1,679.32)</b>	<b>37.16</b>
	<b>10,138.26</b>	<b>10,389.81</b>
<b>Changes in Assets and Liabilities ( Current &amp; Non-current)</b>		
Trade Receivable and Other Assets	124.16	(2,951.22)
Inventories	502.73	(1,531.25)
Trade Payables, Liabilities and Provisions	297.14	1,961.89
	<b>924.03</b>	<b>(2,520.58)</b>
<b>Net Cash Inflow from Operating Activities</b>	<b>11,062.29</b>	<b>7,869.23</b>
Less: Income Tax (paid)/refund (refer note 1 below)	(2,955.45)	(3,182.42)



# Standalone Cash Flow Statement

for the year ended 31st March 2017

(₹ in lakhs)

Particulars	2016-17	2015-16
<b>Net Cash Inflow/(outflow) from Operating Activities</b>	<b>8,106.84</b>	<b>4,686.81</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (including Capital Advances)	(1,487.22)	(1,254.35)
Sale of Fixed Assets	52.84	128.25
Purchase of Investments	(13,323.49)	(1,817.11)
Sales/Redemption of Investments [net of income tax of ₹ 86.71 lakhs (P.Y. ₹126.05 lakhs)]	12,997.28	3,814.42
Bank Deposit offered as Security	(142.97)	(80.19)
Maturity of Bank Deposit offered as Security	137.13	83.98
Dividend Income	17.66	43.34
Interest received on Bank Deposits	68.08	89.13
Less : Income Tax Paid	(16.13)	51.95
	(21.46)	67.67
<b>Net Cash inflow /(Outflow) from Investing Activities</b>	<b>(1,696.82)</b>	<b>986.01</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Working Capital Loan (Net) (Short Term Borrowings)	1,161.74	1,753.46
Interest and Finance Charges	(435.95)	(291.63)
Payment of Dividend (Including Dividend Tax)	(2,818.48)	(9,345.50)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(2,092.69)</b>	<b>(7,883.67)</b>
Net Increase/ (Decrease) in Cash & Cash Equivalents	4,317.34	(2,210.83)
<b>Cash and Cash Equivalents - Opening (refer note 2.17)</b>	<b>2,018.39</b>	<b>4,229.15</b>
	<b>6,335.73</b>	<b>2,018.32</b>
Effect of Exchange Gain/(Loss) on Cash and Cash Equivalents	2.61	(0.06)
<b>Cash and Cash Equivalents - Closing (refer note 2.17)</b>	<b>6,333.11</b>	<b>2,018.39</b>
Significant accounting policies and notes on accounts	1 & 2	

The notes referred to above form integral part of cash flow statement

1. The Aggregate Income Tax paid (net of refund) during the year is ₹ 3,058.29 lakhs (P.Y. ₹ 3,329.93 lakhs).

2. Also refer note 2.46(b).

**As per our audit report of even date****For and on behalf of****N. A. Shah Associates LLP**

Chartered Accountants

Registration No. :116560W/W100149

**Milan Mody**

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

**For and on behalf of****Jain & Trivedi**

Chartered Accountants

Registration No. : 113496W

**Satish Trivedi**

Partner

Membership No. : 38317

**For and on behalf of the Board of Directors of****Kewal Kiran Clothing Limited****Kewalchand P. Jain**

Chairman &amp; Managing Director

DIN: 00029730

**Bhavin Sheth**

Chief Financial Officer

**Hemant P. Jain**

Whole Time Director

DIN: 00029822

**Abhijit Warange**

Company Secretary



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### 1.1. Basis of Preparation of Financial Statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

#### 1.2. Presentation and Disclosure of Financial Statements:

All assets and liabilities have been classified as current & non-current as per company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

#### 1.3. Use of Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### 1.4. Property, plant and equipment (Tangible Assets)

- a) Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and where applicable accumulated impairment losses. Gross carrying amount of all property, plant and equipment are measured using cost model.
- b) Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/ decommissioning of the asset.
- c) Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.
- d) Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.
- e) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.
- f) Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 except certain class of assets specified in table (i) and (ii) below, based on internal assessment estimated by the management of Company, where the useful life is lower than as mentioned in Schedule II.



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

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

Assets	Estimated useful life depreciated on SLM basis
Furniture & fittings at retail stores	5 years
Second hand factory / office building (RCC frame structure)	30 years
Second hand factory / office building (other than RCC frame structure)	5 years
Plant & Machinery at Vapi unit (Washing unit)	7.5 years
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase

ii. Assets whose useful life are reassessed based on transitional provision of Schedule II

Assets	Estimated balance useful life of assets depreciated on SLM basis (as on 1st April 2014)
Factory buildings	18-28 years
Other buildings (RCC structure)	44 – 58 years
Plant & Machinery at Vapi unit (Washing unit)	1 year - 6.5 years
Other Plant and Machinery	1-15 years
Computers	6 months – 2 years
Furniture & fittings	1 – 5 years
Motor vehicles	4-6 years
Windmill	16 years

- g) The range of useful lives of the property, plant and equipment not covered in table (f) (i) & (ii) above and are in accordance with Schedule II are as follows:

Particulars	Useful life
Factory buildings	30 years
Other buildings (RCC structure)	61 years
Plant & Machinery at Vapi unit (Washing unit)	7 years
Other Plant and Machinery	15 years
Computers	3 years
Furniture & fittings	11 years
Motor vehicles	5 years
Windmill	22 years

- h) In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- i) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- j) Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the useful life mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Company does not have right of renewal), the same is amortized over the lease period of land.



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 1.5. Intangible Assets

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

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

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

### 1.6. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided depending on changes in circumstances. After recognition

of impairment loss, the depreciation / amortisation charge for the property, plant and equipment / intangible asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation/ amortization had no impairment loss been recognised in earlier years.

### 1.7. Investments:

- a) Investments are classified into current and long-term investments.
- b) Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.
- c) Current investments are carried at lower of cost and fair value (net asset value in case of units of mutual fund) determined on category wise basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis. Current investments in liquid mutual funds are classified as cash and cash equivalents.
- d) Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III of the Companies Act, 2013
- e) The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- f) Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the Weighted Average method is followed.



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 1.8. Accounting for Interest in Joint Ventures:

#### a) Incorporated Jointly Controlled Entities

- i. Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established.
- ii. Investment in such joint ventures is carried at cost after providing for any diminution in value other than temporary in nature, if any.

### 1.9. Inventories:

- a) The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- b) The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Since the Company is in fashion industry with diverse designs / styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable).
- c) In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.

### 1.10. Revenue Recognition:

- a) Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and are recorded net of sales tax, rebates, trade discounts and sales returns.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

- d) Service income is recognized upon rendering of services. Service income is recorded net of service tax.
- e) Licensing revenue is recognized on accrual basis in accordance with the terms of the relevant agreements. Licensing income is recorded net of sales tax and service tax.
- f) Power generation income is recognized on the basis of electrical units generated and sold in excess of captive consumption and recognized at prescribed rate as per agreement of sale of electricity by the Company. Further, value of electricity generated and captively consumed is netted off from the electricity expenses.
- g) Export incentives principally comprises of Duty Drawback, merchandise exports from India scheme and refund of state levies based on guidelines formulated for the respective scheme by the government authorities. These incentives are recognized as income on accrual basis in Statement of Profit and Loss in only to the extent that realisation/ utilisation is certain.
- h) Rental income on assets given under operating lease arrangements is recognized on straight line basis over the lease term in accordance with terms of agreement. Rental income is recorded net of service tax.

### 1.11. Foreign Currency Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.
- c) Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16-Borrowing Cost.



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 1.12. Borrowing Costs:

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

### 1.13. Employees' Benefits:

#### a) Short term employee benefits

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

#### b) Post-employment benefits

##### i) Defined contribution plan

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

##### ii) Defined benefit plan

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

of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss as income or expense.

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

### 1.14. Operating Lease:

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with the lessor are classified as operating lease.

Rental expenses on assets obtained under operating lease arrangements are recognized on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement.

### 1.15. Taxes on Income:

a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities premium/ retained earnings or other reserves, the corresponding tax effect is also adjusted against the securities premium/ retained earnings or other reserves as the case may be, as per the announcement of Institute of Chartered Accountant of India

b) Provision for current tax is made as per the provisions of Income Tax Act, 1961.

c) Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which



# Standalone

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably/virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### 1.16. Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

### 1.17. Cash Flow Statement:

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

### 1.18. Provisions and Contingent Liabilities:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except (a) retirement benefits and (b) dismantling / decommissioning liabilities that are recognised as cost of Property, Plant and Equipment) and are determined based on best estimate required to

settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

### 1.19. Dividend distribution

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

### 1.20. Earnings per Share:

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

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

### 1.21. Segment Reporting:

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>SHARE CAPITAL</b>	<b>2.1</b>		
Authorized Capital		2,000.00	2,000.00
20,000,000 (P.Y. 20,000,000) Equity shares of ₹ 10 each			
Due is not paid up :			
12,325,037 (P.Y. 12,325,037) Equity shares of ₹ 10 each, fully paid up		1,232.50	1,232.50
		<b>1,232.50</b>	<b>1,232.50</b>

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. 2.1.1

Reconciliation of the shares outstanding at the beginning and at the end of the year 2.1.2

(₹ in lakhs except as otherwise stated)

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of shares	₹	No. of shares	₹
Shares outstanding at the beginning of the year	12,325,037	1,232.50	12,325,037	1,232.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,325,037	1,232.50	12,325,037	1,232.50

Details of the shareholders holding more than 5% shares in the Company 2.1.3

(₹ in lakhs except as otherwise stated)

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of shares held	₹	No. of shares held	₹
Mrs Shantaben P. Jain j/w Mr. Kewalchand P. Jain j/w Mr Hemant P. Jain(equity shares held in their capacity as trustees/beneficiaries of M/s P.K.Jain Family Holding Trust)	6,153,000	49.92	6,153,000	49.92
Mr.Dinesh P Jain	728,831	5.91	728,831	5.91
includes 99,401 (P.Y. 99,401) shares jointly held with Mrs Sangeeta D. Jain				
Mr.Vikas P Jain	721,321	5.85	721,321	5.85
includes 91,836 (P.Y.91,836) shares jointly held with Mrs Kesar V. Jain				
Mr. Hemant P Jain	690,915	5.61	690,915	5.61
includes 77,400 (P.Y.77,400) shares jointly held with Mrs Lata H. Jain				
Mr. Kewalchand P Jain	690,111	5.60	690,111	5.60
includes 76,661(P.Y.76,661) shares jointly held with Mrs Veena K. Jain				
Nalanda India Fund Limited	1,200,000	9.74	1,200,000	9.74

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up.) 2.1.4



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)  
(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>RESERVES AND SURPLUS</b>	<b>2.2</b>		
<b>Securities Premium Reserve</b>			
Opening		8,426.77	8,426.77
Addition / Deduction during the year		-	-
Closing		8,426.77	8,426.77
<b>General Reserve</b>			
Opening Balance		4,522.86	3,843.38
Add: Amount transferred from Balance in the Statement of Profit and Loss		852.77	679.48
		5,375.63	4,522.86
<b>Balance in Statement of Profit and Loss</b>			
Opening balance		12,691.40	15,977.90
Add: Net profit after tax transferred from Statement of Profit and Loss		8,527.68	6,794.79
		21,219.08	22,772.69
<b>Less: Appropriations</b>			
Proposed Dividend		-	184.88
Interim Dividend		2,156.88	7,210.15
Tax on Proposed Dividend		-	37.64
Tax on Interim Dividend		439.09	1,467.82
Tax on Interim Dividend for previous year (on account of increase in surcharge)		-	1.34
Transfer to Business Progressive Fund		500.00	500.00
Transfer to General Reserve		852.77	679.48
		17,270.34	12,691.39
<b>Business Progressive Fund</b>			
Opening Balance		3,000.00	2,500.00
Add: Amount transferred from Balance in the Statement of Profit and Loss		500.00	500.00
		3,500.00	3,000.00
		<b>34,572.73</b>	<b>28,641.02</b>

The Board of Directors have recommended a payment of final dividend of ₹ 1.50 per equity share of ₹ 10/- each for the financial year ended 31st March 2017. The Payment is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. 2.2.1

For the financial year 2016-17, the Board of Directors declared and paid an interim dividend of ₹ 17.5 per equity share of ₹ 10 each. In the previous year 2015-16, the Company had paid interim dividends aggregating to ₹ 58.5 (also includes special dividend of ₹ 35) per equity share of ₹ 10/- each and final dividend of ₹ 1.5 per equity share.



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
The Company has augmented "Business Progressive Fund" by ₹ 500 lakhs (P.Y. ₹ 500 lakhs) out of its profits and the aggregate amount of the fund as at year end is ₹ 3,500 lakhs (P.Y. ₹ 3,000 lakhs). This fund has been created with a view to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business, reinforce existing channels of sales etc. The amount of fund is earmarked and invested in mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Accounting Standard (AS) -29 in normal course of business. AS-29 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.	2.2.2		
Accordingly, the Company has opted to create Business Progressive Fund. Further addition to the aforesaid fund shall be reviewed from time to time considering business environment and conditions and the income accrued from the fund. Any accretion to the investment shall be credited to Statement of Profit and Loss.			
<b>OTHER LONG-TERM LIABILITIES</b>	2.3		
Other Liabilities			
Security Deposits		1,439.78	1,713.57
		<b>1,439.78</b>	<b>1,713.57</b>
<b>LONG TERM PROVISIONS</b>	2.4		
Other Long Term Provisions			
Provision for share of loss in joint venture (refer note 2.10.1)		6.50	13.00
Other provisions (rent escalation)		1.08	-
		<b>7.58</b>	<b>13.00</b>
<b>SHORT TERM BORROWINGS</b>	2.5		
<b>Secured Loan</b>			
<b>(Repayable on Demand)</b>			
<b>From Banks</b>			
Cash Credit/Packing Credit		2,899.87	1,251.75
( Secured by pari-passu first charge on Stock and Trade Receivables)			
Preshipment Export Loan		400.63	748.08
( Secured by pari-passu first charge on Stock and Trade Receivables)			
		<b>3,300.50</b>	<b>1,999.83</b>
<b>Unsecured Loan (payable after 30 days)</b>			
Working Capital Loan from Bank		750.00	888.93
		<b>4,050.50</b>	<b>2,888.76</b>
As on Balance sheet date there are no defaults in payment of principal and interest	2.5.1		



# Standalone

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>TRADE PAYABLES</b>	2.6		
a) Micro and Small Enterprises			
Materials		20.46	89.91
b) Other than Micro and Small Enterprises			
Materials		2,559.43	3,406.18
Expenses		1,366.77	1,192.26
		<b>3,946.66</b>	<b>4,688.35</b>
Disclosure U/s 22 of Micro, Small and Medium Enterprises Development Act, 2006	2.6.1		
a) Principal amount remaining unpaid to micro and small enterprises (trade payable)		20.46	89.91
b) Principal amount remaining unpaid to micro and small enterprises (creditors for capital goods)		-	-
c) Principal amount paid beyond due date		-	-
d) Amount of Interest paid u/s 16		-	0.02
e) Amount of Interest due and remaining unpaid		-	-
f) Amount of Interest accrued and remaining unpaid		-	-
g) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the above Act.		-	-
Above information is disclosed to the extent available with the Company			
<b>OTHER CURRENT LIABILITIES</b>	2.7		
Interest Accrued but not Due on Borrowings		1.33	0.12
Unclaimed Dividend		4.91	4.43
Security Deposits		14.60	15.60
Other Payables			
Capital Goods (refer note 2.6.1)		40.86	56.82
Salary and Wages Payable		618.78	510.88
Employee Benefits (refer note 2.7.1)		274.21	259.50
Statutory Liabilities		162.53	149.14
Advance from Customers		996.87	378.60
		<b>2,114.09</b>	<b>1,375.09</b>
Upon the enactment of 'The Payment on Bonus (Amendment) Act, 2015' during the previous year, the Company had made additional provision for bonus amounting to ₹ Nil (P.Y. ₹ 45 lakhs) pertaining to financial year 2014-15. Payment against the provision of ₹ 45 lakhs is not made pending final judgement from judicial authorities.	2.7.1		
<b>SHORT TERM PROVISIONS</b>	2.8		
Provision for Taxations (Net of Advance Tax)		85.89	200.22
Provisions for Dividend & Dividend Distribution Tax		-	222.51
Provision for Margin on Sales Return (refer note 2.45)		95.50	74.48
Provision for Employee Benefits		318.30	143.93
Provision for Contingencies (refer note 2.45)		363.23	379.34
Provision for Excise Duty on Finished Goods (refer note 2.15.1)		23.43	15.38
Other Provisions (Selling & Distribution Expenses) (refer note 2.45)		1,248.82	797.65
		<b>2,135.17</b>	<b>1,833.51</b>



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### FIXED ASSETS 2.9

		Gross Block			Depreciation / Amortisation				Net Block		
		As at 01st April 2016	Additions	Deductions/ Discarded	As at 31st March 2017	As at 01st April 2016	Depreciation	Deductions/ Discarded	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Sr. No.	Description of the Block of Assets										
Property Plant & Equipment (Tangible Assets)											
1	Free Hold Land	1,540.45	62.98	-	1,603.42	-	-	-	-	1,603.42	1,540.45
2	Leasehold Land	235.65	-	-	235.65	22.44	3.06	-	25.49	210.16	213.21
3	Building	4,304.19	198.40	-	4,502.59	1,613.16	113.88	-	1,727.05	2,775.55	2,691.03
4	Furnitures & Fixtures	927.03	-	47.07	879.96	864.46	15.26	47.07	832.65	47.31	62.57
5	Plant and Machinery	2,365.53	755.12	99.95	3,020.70	1,224.72	212.49	77.58	1,359.63	1,661.06	1,140.81
6	Computer	306.76	68.53	52.83	322.46	228.62	52.65	51.68	229.58	92.87	78.15
7	Office Equipments	308.82	42.38	3.70	347.50	252.15	26.38	3.70	274.83	72.67	56.67
8	Vehicles	262.87	39.20	8.47	293.60	121.94	26.18	7.02	141.09	152.51	140.93
Total of Property Plant & equipment (A)		10,251.30	1,166.61	212.02	11,205.89	4,327.49	449.90	187.05	4,590.34	6,615.55	5,923.82
Intangible Assets (other than internally generated)											
1	Software (Acquired)	157.27	5.69	2.19	160.77	90.89	25.85	2.19	114.55	46.22	66.38
2	Membership Rights	18.00	-	-	18.00	10.80	3.60	-	14.40	3.60	7.20
Total of Intangible Assets (B)		175.27	5.69	2.19	178.77	101.69	29.45	2.19	128.95	49.82	73.58
Sr. No.	Description of the Block of Assets	As at 01st April 2016	Additions	Capitalised	As at 31st March 2017					As at 31st March 2017	As at 31st March 2016
Capital Work in Progress (CWIP)											
1	Plant and Machinery	111.26	504.28	382.19	233.35	-	-	-	-	233.35	111.26
2	Building	152.30	549.74	210.89	491.15	-	-	-	-	491.15	152.30
Total CWIP		263.56	1,054.02	593.08	724.50	-	-	-	-	724.50	263.56
Intangible Assets under development											
1	Software (Acquired)	-	2.86	-	2.86	-	-	-	-	2.86	-
Total CWIP (C)		263.56	1,056.88	593.08	727.36	-	-	-	-	727.36	263.56
Grand total (A+B+C)		10,690.13	2,229.18	807.29	12,112.02	4,429.18	479.35	189.24	4,719.29	7,392.73	6,260.96

2.9.1 The Company has given part of the premises under operating lease. The gross carrying amount, accumulated depreciation at the balance sheet date and depreciation recognized in Statement of Profit and Loss for the year of said premises is ₹ 180.86 lakhs, ₹ 61.55 lakhs and ₹ 13.26 lakhs respectively (P.Y. ₹ 29.21 lakhs, ₹ 6.36 lakhs and ₹ 6.21 lakhs).

2.9.2 Building includes the value of 14,000 (P.Y.14,000) share of ₹ 100 each in Synthofine Estate CHS Ltd and value of 10 (P.Y.10) share of ₹ 50 each in Gautam Chemical Industrial Premises CHS Ltd.



# Standalone

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

2.9.3 Balance useful life of membership rights as at year end is 12 months (P.Y. 24 months).

2.9.4 Building includes building constructed on lease hold land having Gross block of ₹ 226.65 lakhs (P.Y. ₹ 226.65 lakhs)

2.9.5 In the year 2014-15, the company has acquired freehold land with integrated structures for a composite value whose conveyance is registered and municipal records updated. The value of the structure is determined based on estimated depreciated value of structures and the balance is considered as the value of the land. In respect of the land, the company has undivided share in land. Also an insignificant portion of land is unlawfully occupied by an illegal occupant and the said occupant had raised some illegal structures which were demolished by the Municipal Corporation during the year under review. The said illegal occupant has filed a suit in the Hon'ble High Court for his alleged claim in respect of the portion of the land illegally occupied by him. The Company has refuted the alleged claim of the illegal occupant and is defending the suit. The Company has filed an Eviction suit against the illegal occupant in the Hon'ble Small Causes Court. Both the said matters are sub-judice. There is insignificant impact of these litigations on the financial position of the company.

2.9.6 Disclosure required as per paragraph 82(b) of Accounting Standard 10-Property Plant & Equipment.

Amount capitalised under building block includes ₹ 198.40 lakhs (P.Y. ₹ NIL) being the amount of capital expenditure incurred on self-constructed assets. Further such amount included under CWIP is aggregating to ₹ 491.15 lakhs (P.Y. ₹ 152.30 lakhs).

### FIXED ASSETS 2.9

Sr. No.	Description of the Block of Assets	Gross Block			Depreciation / Amortisation			Net Block			
		As at 01st April 2015	Additions	Deductions/ Discarded	As at 31st March 2016	As at 01st April 2015	Depreciation / Amortization	Deductions	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
Property Plant & Equipment (Tangible Assets)											
1	Free Hold Land	1,372.10	168.35	-	1,540.45	-	-	-	-	1,540.45	1,372.10
2	Leasehold Land	235.65	-	-	235.65	19.38	3.06	-	22.44	213.21	216.27
3	Building	3,878.93	425.27	-	4,304.19	1,510.08	103.08	-	1,613.16	2,691.03	2,368.84
4	Furnitures & Fixtures	923.70	19.46	16.12	927.03	845.77	34.82	16.12	864.46	62.57	77.93
5	Plant and Machinery	2,269.21	288.63	192.31	2,365.53	1,206.77	149.48	131.53	1,224.72	1,140.81	1,036.29
6	Computer	278.65	71.78	43.67	306.76	230.65	41.63	43.67	228.62	78.15	47.99
7	Office Equipments	270.46	58.03	19.67	308.82	244.42	25.40	17.66	252.15	56.67	52.19
8	Vehicles	263.37	-	0.50	262.87	87.88	34.55	0.50	121.94	140.93	175.49
Total of Tangible Assets		9,492.07	1,031.52	272.27	10,251.30	4,144.95	392.02	209.48	4,327.49	5,923.82	5,347.10
Intangible Assets (other than internally generated)											
1	Software (Acquired)	108.57	48.69	-	157.27	70.44	20.45	-	90.89	66.38	38.14
2	Membership Rights	18.00	-	-	18.00	7.20	3.60	-	10.80	7.20	10.80
Total of Intangible Assets		126.57	48.69	-	175.27	77.64	24.05	-	101.69	73.58	48.94



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Sr. No.	Description of the Block of Assets	As at 01st April 2015	Additions	Capitalised	As at 31st March 2016				As at 31st March 2016	As at 31st March 2015
<b>Capital Work in Progress (CWIP)</b>										
1	Plant and Machinery	50.17	285.41	224.32	111.26	-	-	-	111.26	50.17
2	Building	370.54	201.27	419.51	152.30	-	-	-	152.30	370.54
	<b>Total Tangible CWIP</b>	<b>420.71</b>	<b>486.68</b>	<b>643.83</b>	<b>263.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263.56</b>	<b>420.71</b>
<b>Intangible Assets under development</b>										
1	Software (Acquired)	4.50	2.29	6.79	-	-	-	-	-	4.50
	<b>Total CWIP (C)</b>	<b>425.21</b>	<b>488.97</b>	<b>650.62</b>	<b>263.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263.56</b>	<b>425.21</b>
	<b>Grand total (A+B+C)</b>	<b>10,043.85</b>	<b>1,569.18</b>	<b>922.89</b>	<b>10,690.13</b>	<b>4,222.59</b>	<b>416.07</b>	<b>209.48</b>	<b>4,429.18</b>	<b>5,821.25</b>

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>NON-CURRENT INVESTMENTS</b>	<b>2.10</b>		
<b>Long Term Investments (refer note 1.7(c))</b>			
<b>a ) Trade Investments (Unquoted)</b>			
<b>Investment in Joint Venture White Knitwear Private Limited</b>			
(Refer Note 2.10.1)			
<b>In Equity Shares</b>			
330,000 (P.Y. 330,000) Shares of face value ₹ 10 each, fully paid up.		33.00	33.00
<b>In Preference Shares</b>			
3,125,000 (P.Y. 3,125,000) 9% Cumulative Redeemable Preference Shares of face value of ₹ 10 each fully paid up.		312.50	312.50
<b>b) Other than Trade Investments (Quoted)</b>			
<b>In Equity Shares</b>			
4,512 (P.Y. 4,512) Reliance Power Limited Shares of face value ₹ 10 each fully paid up.		12.69	12.69
Less: Provision for Diminution in value of Investment		(10.14)	(10.14)
		2.55	2.55
7,500 (P.Y. 7,500 ) HCL Technologies Ltd Shares of face value ₹ 2 each fully paid up.		78.13	78.13
Less: Provision for Diminution in value of Investment		(15.77)	-
		62.36	78.13
25,000 (P.Y. 25,000 ) Tech Mahindra Ltd Shares of face value ₹ 5 each fully paid up.		180.58	180.58
Less: Provision for Diminution in value of Investment		(75.83)	-
		104.75	180.58
<b>In Fixed Maturity Plan</b>			
<b>Investment in unquoted Mutual Funds</b>			
<b>In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up</b>			
Birla Sunlife FTP Series Growth		951.06	-
[Units: 9,510,574 (P.Y. NIL)]			
DHFL Pramerica FMP Series 45 Growth		200.00	200.00
[Units: 2,000,000 (P.Y. 2,000,000 )]			
DHFL Pramerica FMP Series 86 Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000 )]			



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
DSP Blackrock FMP-Series 209-37M-Growth [Units: 3,000,000 (P.Y. NIL)]		300.00	-
HDFC FMP 372D Feb 2014-1 Growth [Units: NIL (P.Y. 5,000,000 )]		-	500.00
HDFC FMP 1199D Jan 2017(I) - Growth [Units: 10,000,000 (P.Y. NIL)]		1,000.00	-
HDFC FMP 1178D Feb 2017(I) - Growth [Units: 3,252,951 (P.Y. NIL)]		325.30	-
ICICI Pru FMP Series 79 - 1120D Plan J - Growth [Units: 9,763,702 (P.Y. NIL)]		976.37	-
ICICI Pru FMP Series 80 - 1170D Plan I - Growth [Units: 5,253,506 (P.Y. NIL)]		525.35	-
Kotak FMP Series 187 - Growth [Units: 1,000,000 (P.Y. 1,000,000 )]		100.00	100.00
Kotak FMP Series 202 - Growth [Units: 5,000,000 (P.Y. NIL)]		500.00	-
Principal PNB FMP Series B14 390 Days Growth [Units: Nil (P.Y. 5,000,000 )]		-	500.00
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth [Units: Nil (P.Y. 1,197,116.241 )]		-	119.71
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth [Units: NIL (P.Y. 7,500,000 )]		-	750.00
Reliance Fixed Horizon Fund XXXI - Series 13 - Growth [Units: 15,179,080 (P.Y. NIL )]		1,517.91	-
Reliance Fixed Horizon Fund XXXII - Series 2 - Growth [Units: 1,600,000 (P.Y. NIL )]		160.00	-
Reliance Fixed Horizon Fund XXXII - Series 2 - Regular-Growth [Units: 1,000,000 (P.Y. NIL )]		100.00	-
Reliance Fixed Horizon Fund XXXII - Series 5 - Growth [Units: 2,000,000 (P.Y. NIL )]		200.00	-
Reliance Fixed Horizon Fund XXXIII - Series 2 - Growth [Units: 2,000,000 (P.Y. NIL )]		200.00	-
Reliance Fixed Horizon Fund XXXIII - Series 5 - Growth [Units: 6,006,447.403 (P.Y. NIL )]		600.64	-
Sundaram FTP GJ 3 Year - Growth [Units: NIL (P.Y. 5,000,000 )]		-	500.00
UTI Fixed Term Income Fund Series XIX-XVIII - Growth [Units: NIL (P.Y. 5,000,000 )]		-	500.00
UTI Fixed Term Income Fund Series XXI-VII - Growth [Units: 5,000,000 (P.Y. 5,000,000 )]		500.00	500.00
UTI Fixed Term Income Fund Series XXI-VIII - Growth [Units: 6,000,000 (P.Y. 6,000,000 )]		600.00	600.00
UTI Fixed Term Income Fund Series XXI-X - Growth [Units: 5,000,000 (P.Y. 5,000,000 )]		500.00	500.00
UTI Fixed Term Income Fund Series XXV-VII - Growth		160.00	-



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
[Units: 1,600,000 (P.Y. NIL )]			
UTI Fixed Term Income Fund Series XXV-XII - Growth		200.00	-
[Units: 2,000,000 (P.Y. NIL )]			
UTI Fixed Term Income Fund Series XXVI-I - Growth		301.95	-
[Units: 3,019,459.258 (P.Y. NIL )]			
UTI Fixed Term Income Fund Series XXVI-II - Growth		1,000.00	-
[Units: 10,000,000 (P.Y. NIL )]			
<b>In the units of Fixed Maturity Plan (FMP'S) of ₹ 1000/- each fully paid</b>			
DHFL Pramerica Fixed Duration Fund-Series AF-Growth		300.00	-
[Units: 30,000 (P.Y. NIL)]			
<b>In Portfolio Management Services</b>			
<b>Kotak India Whizdom Fund</b>			
Capital Contribution		50.00	-
		<b>12,283.73</b>	<b>5,876.47</b>
<b>Aggregate Cost (Net of Provisions)</b>			
- Quoted		169.66	261.26
- Unquoted		12,114.07	5,615.21
<b>Aggregate Market / Net asset Value</b>			
- Quoted		182.29	182.15
- Unquoted (units of Mutual fund)		12,746.91	5,985.71
<b>Aggregate Provision for Diminution</b>		101.74	10.14

The Company had invested in aggregate ₹ 345.50 lakhs (P.Y. ₹ 345.50 lakhs) in Joint Venture "White Knitwear Private Limited" (WKPL). The WKPL had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of Knitwear Apparels for exports. However, due to slowdown in international market, SEZ could not operationalize as majority of SEZ members have put-on-hold their operations in SEZ and approached to Gujarat Industrial Development Corporation (GIDC) and State and Central government for de-notification of SEZ.

2.10.1

Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/ Distribution/Policy /13/05 dated 14.03.2013 had de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfilment of conditions stated therein.

Based on GIDC circular on de-notification, WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of land and undertaken to complete the formal procedure for the same, however, Central Government approval is awaited.

Post de-notification joint venture partners shall dispose of the Company/land and building and realize the proceeds to return it to joint venture partners.

No provision for diminution in the value of investment is considered necessary for the year ended 31st March 2017 in view of the value of underlying assets base of joint venture. During the year, the Company has reassessed the brought forward provision of ₹ 13 lakhs (P.Y. ₹ 49 lakhs) for its share of loss in joint venture and has reversed provision of ₹ 6.50 lakhs (P.Y. 36 lakhs) which is no longer required based on audited accounts of the joint venture for the year ended 31st March 2017. Balance provision of ₹ 6.5 lakhs (P.Y. ₹ 13 lakhs) is retained and grouped under 'Long Term Provisions'. (Refer Note 2.4).



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>DEFERRED TAX</b>	2.11		
<b>Deferred Tax Assets:</b>			
Provision made against carrying value of Assets		133.34	176.91
Statutory amounts allowed on payment basis etc.		91.62	28.31
<b>Deferred Tax Liability</b>			
Depreciation/Amortization		269.95	155.44
<b>Net Deferred Tax Asset/(Liabilities)</b>		<b>(44.99)</b>	<b>49.78</b>
Deferred tax asset is recognized only on those timing differences, which reverse in the post tax free period, as Company enjoys exemption under section 80-IA of Income Tax Act, 1961 in respect of revenue generated from Wind Turbine Generator.	2.11		
<b>LONG-TERM LOANS &amp; ADVANCES</b>	2.12		
(Unsecured, considered good)			
Deposits (Net of provision of ₹ 9.86 lakhs (P.Y. ₹ 6.01 lakhs))		129.29	139.39
Capital Advances		192.97	357.80
Loan to Employees		26.05	29.91
Rent Deposits to Related Parties (refer note 2.41(c))		7.83	7.83
Advance Tax / Tax deducted at source (Net of Provision)		111.26	362.46
Prepaid Expenses		21.88	3.75
		<b>489.28</b>	<b>901.14</b>
<b>OTHER NON CURRENT ASSETS</b>	2.13		
(Unsecured considered good)			
Bank Deposits offered as Security		26.26	3.29
Interest receivables on Bank Deposits		0.82	0.43
		<b>27.08</b>	<b>3.72</b>
<b>CURRENT INVESTMENTS</b>	2.14		
(refer note 1.7(c))			
<b>Investment in unquoted Mutual Funds :</b>			
<b>Current portion of Long term investment , in units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up</b>			
Birla Sunlife FTP Series JA Growth		-	500.00
[Units: NIL (P.Y. 5,000,000 )]			
Birla Sunlife FTP Series KD Growth		-	500.00
[Units: NIL (P.Y. 5,000,000 )]			
DSP Blackrock FMP Series 111-12 Month - Growth		-	119.66
[Units: NIL (P.Y. 1,196,613.851 )]			
HDFC FMP 371D Dec 2013-2 Growth		-	300.00
[Units: NIL (P.Y. 3,000,000 )]			
HDFC FMP 369D Jan 2014-1 Growth		-	509.18
[Units: NIL (P.Y. 5,091,849 )]			
HDFC FMP 372D Feb 2014-1 Growth		500.00	-
[Units: 5,000,000 (P.Y. NIL)]			
ICICI Pru FMP Series 68-369D Plan I		-	746.46
[Units: NIL (P.Y. 7,464,604 )]			
ICICI Pru FMP Series 72-368D Plan A		-	200.00
[Units: NIL (P.Y. 2,000,000 )]			



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
IDFC FTP Series 49 Growth		-	200.26
[Units: NIL (P.Y. 2,002,581 )]			
IDFC Yearly Series Interval Fund - Series 1 - Growth		-	1,657.79
[Units: NIL (P.Y. 15,249,970.718 )]			
Kotak FMP Series 111 Growth		-	16.00
[Units: NIL (P.Y. 160,000 )]			
Kotak FMP Series 116 Growth		-	110.00
[Units: NIL (P.Y. 1,100,000 )]			
Kotak FMP Series 128 Growth		-	200.26
[Units: NIL (P.Y. 2,002,583 )]			
Kotak FMP Series 136 Growth		-	500.00
[Units: NIL (P.Y. 5,000,000 )]			
Principal PNB FMP Series B14 390 Days Growth		500.00	-
[Units: 5,000,000 (P.Y. Nil )]			
Reliance Fixed Horizon Fund - XXIV - Series 15 Growth		-	1,150.00
[Units: NIL (P.Y. 11,500,000 )]			
Reliance Yearly Interval Fund - Series 4 - Growth		-	500.00
[Units: NIL (P.Y.Nil)]			
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth		119.71	-
[Units: 1,197,116.241 (P.Y. NIL )]			
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth		750.00	-
[Units: 7,500,000 (P.Y. NIL )]			
Sundaram FTP GJ 3 Year - Growth		500.00	-
[Units: 5,000,000 (P.Y. NIL )]			
UTI Fixed Term Income Fund Series XIX-XVIII - Growth		500.00	-
[Units: 5,000,000 (P.Y. NIL )]			
TATA FMP Series 43 Scheme C Growth		-	110.00
[Units: NIL (P.Y. 1,100,000 )]			
TATA FMP Series 46 Scheme I Growth		-	500.00
[Units: NIL (P.Y. 5,000,000 )]			
<b>In the units of Income Funds of ₹ 10/- each fully paid</b>			
UTI Short Term Income Fund Growth		-	50.00
[Units: NIL (P.Y.: 348,585.093 )]			
SBI Dynamic Bond Fund Growth		-	150.00
[Units: NIL (P.Y.: 967,105.518 )]			
Edelweiss Short Term Income Fund - Growth		-	100.00
[Units: NIL (P.Y.: 709,975.151 )]			
BOI Axa Corporate Credit Spectrum Fund - Growth		200.00	-
[Units: 1,642,184.434 (P.Y.: NIL )]			
HDFC Medium Term Opportunities Fund - Growth		653.10	-
[Units: 3,609,580.445 (P.Y.: NIL )]			
ICICI Pru Regular Savings Fund -Direct - Growth		250.00	-
[Units: 1,464,514.806 (P.Y.: NIL )]			
ICICI Pru Regular Savings Fund - Growth		257.35	-
[Units: 1,442,895.749 (P.Y.: NIL )]			



# Standalone

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
IDFC Credit Opportunities Fund - Growth [Units: 6,030,225.274 (P.Y.: NIL )]		603.02	-
IDFC Corporate Bond Fund -Direct- Growth [Units: 2,008,786.449 (P.Y. 2,008,786.449 )]		200.88	200.88
IDFC Corporate Bond Fund -Regular - Growth [Units: 2,323,070.357 (P.Y. NIL )]		257.35	-
Principal Short Term Income Fund - Growth [Units: 410,650.895 (P.Y.: NIL )]		114.31	-
Tata Short Term Bond Fund - Growth [Units: 481,575.842 (P.Y.: NIL )]		145.30	-
Birla Sunlife Dynamic Bond Fund-Retail Growth [Units: NIL (P.Y. 732,544.24 )]		-	150.94
<b>In the units of Equity Funds of ₹ 10/- each fully paid</b>			
Edelweiss Arbitrage Fund - Div Reinvestment [Units: NIL (P.Y.: 2,627,648.977 )]		-	271.36
Edelweiss Arbitrage Fund - Growth [Units: 7,826,257.707 (P.Y.: 4,441,522.909 )]		961.63	500.00
Edelweiss Absolute Return Fund - Growth [Units: 1,213,592.233 (P.Y.: 1,213,592.233 )]		225.00	225.00
<b>Investment in unquoted Alternate Investment Funds :</b>			
<b>In the units of Income Funds of ₹ 1000/- each fully paid</b>			
Ambit Alpha Fund Scheme I [Units: NIL (P.Y.: 80,000 )]		-	800.00
		<b>6,737.65</b>	<b>10,267.79</b>
Aggregate Cost		6,737.65	10,267.79
Aggregate Market / Net asset Value		7,582.84	11,966.89
Aggregate Provision for diminution		-	-
<b>INVENTORIES</b>	2.15		
(At cost or net realisable value whichever is less)			
Raw material		830.72	522.08
Work-in-progress		1,556.62	2,950.24
Finished goods		2,393.33	1,787.93
Traded goods		153.12	156.01
Packing material & accessories		58.81	103.56
Stores, chemicals and consumables		77.36	52.87
		<b>5,069.96</b>	<b>5,572.69</b>
In terms of Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India (ICAI) excise duty of ₹ 23.43 lakhs (Previous year ₹ 15.38 lakhs) is considered as an element of cost for valuation of finished goods inventory. However this has no impact on the results for the year since the corresponding liability is also provided.	2.15.1		
<b>TRADE RECEIVABLES</b>	2.16		
a) Debtors (Secured against Customer Security Deposit)			
i) Over Six Months from the date they are due for payment		27.86	216.28
ii) Others		686.75	960.09
		<b>714.61</b>	<b>1,176.37</b>



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
b) Debtors (Unsecured)			
i) Over Six Months from the date they are due for payment			
a) Considered Good		1,117.44	1,324.95
b) Doubtful		212.00	61.24
ii) Others			
a) Considered Good		8,783.36	8,395.29
b) Doubtful		98.00	193.76
		10,210.80	9,975.24
Debtors (Unsecured) considered good includes :	2.16.1		
(1) ₹ 2,096.31 lakhs (P.Y. ₹ 2,008.40 lakhs) where Company holds the bank guarantee.			
(2) ₹ NIL (P.Y. ₹ 4.33 lakhs) receivable from related parties (refer note 2.41(c))			
Less : Provision for Doubtful Debts			
i) Over Six Months from the date they are due for payment		212.00	61.24
ii) Others		98.00	193.76
		310.00	255.00
		10,615.41	10,896.61
<b>CASH &amp; BANK BALANCES</b>	2.17		
<b>Cash &amp; Cash Equivalents</b>			
Cash on Hand		16.09	14.67
Balances with Banks :-			
In Current Accounts		144.29	156.33
In EEFC Account (USD 2,23,840.94) (P.Y. USD 4,354)		150.95	2.89
In Bank Deposits		13.90	353.00
In Bank Deposits with more than 12 months maturity		426.94	5.63
Bank Deposits includes ₹ 434.13 lakhs (P.Y. ₹ 355.62 lakhs) having a maturity period exceeding three months and which are readily convertible into known amounts of cash.	2.17.1		
Others:-			
Liquid Mutual Funds (refer 2.17.2)		5,580.94	1,485.86
		6,333.11	2,018.38
<b>Other Bank Balances</b>			
Earmarked balances in bank			
In Unclaimed Dividend Accounts		4.91	4.43
In Bank Deposits offered as Security (Maturity of Less than 12 Months)		83.12	100.24
		88.03	104.67
		6,421.14	2,123.05
Details of Current Investments in Liquid Mutual Funds (Unquoted) as given below:	2.17.2		
a) Face Value of ₹ 10/- each fully paid up			
Franklin India Ultra Short Bond Fund - Growth		500.00	-
[Units: 2,259,366.203 (P.Y. NIL )]			
HDFC Cash Management Fund -- TP - Growth		200.00	-
[Units: 575,417.033 (P.Y. NIL )]			
HDFC Banking and PSU Debt Fund - Growth		200.00	-
[Units: 1,532,179.602 (P.Y. NIL )]			
HDFC Liquid Fund - Growth		0.00	-



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
[Units: 0.001 (P.Y. NIL )]			
ICICI Pru Ultra Short Term - Growth		300.00	-
[Units: 1,785,278.593 (P.Y. NIL )]			
IIFL Cash Opportunities Fund		200.00	-
[Units: 1,775,347.524 (P.Y. NIL )]			
<b>Total (a)</b>		<b>1,400.00</b>	<b>-</b>
<b>b) Face Value of ₹ 100/- each fully paid up</b>			
Birla Sunlife Savings Fund - Growth		1,131.00	331.00
[Units: 371,478.043 (P.Y. 131,990.410 )]			
Birla Sunlife Treasury Optimizer Plan - Growth		200.00	-
[Units: 96,032.789 (P.Y. NIL)]			
ICICI Pru Flexible Income - Growth		301.73	-
[Units: 98,488.109 (P.Y. NIL )]			
<b>Total (b)</b>		<b>1,632.73</b>	<b>331.00</b>
<b>c) Face Value of ₹ 1,000/- each fully paid up</b>			
Axis Treasury Advantage Fund - Growth		841.91	660.70
[Units: 46,486.382 (P.Y. 46,487.062 )]			
Baroda Pioneer Treasury Advantage Fund - Growth		450.00	-
[Units: 25,056.297 (P.Y. NIL )]			
Kotak Floater Short Term - Growth		144.70	-
[Units: 5,628.3282 (P.Y. NIL )]			
Kotak Low Duration Fund - Growth		520.98	-
[Units: 25,887.578 (P.Y. NIL )]			
Principal Debt Opportunities Fund Corporate Bond Plan - Growth		-	103.53
[Units: NIL (P.Y. 4,713.449 )]			
Principal Low Duration Fund - Growth		200.00	-
[Units: 7,708.116 (P.Y. NIL)]			
Tata Ultra Short Term Fund - Growth		390.63	390.63
[Units: 19,418.844 (P.Y. 19,418.844 )]			
<b>Total (c)</b>		<b>2,548.22</b>	<b>1,154.86</b>
Aggregate Cost (a+b+c)		5,580.95	1,485.86
Aggregate Market / Net asset Value		5,803.88	3,103.96
Aggregate Provision for Diminution		-	-
<b>SHORT-TERM LOANS &amp; ADVANCES</b>	2.18		
(Unsecured, Considered Good)			
Advance to Employee		36.48	40.03
Loans to Employee		18.47	21.53
Advance contribution to gratuity trust (refer note 2.39 (a))		110.96	65.32
Advance to Suppliers		206.78	144.01
Prepaid Expenses		53.61	57.63
		<b>426.30</b>	<b>328.52</b>
<b>OTHER CURRENT ASSETS</b>	2.19		
(Unsecured, Considered Good)			
Interest receivables on Bank Deposits		24.14	46.01
Export Incentive Receivable		44.75	57.14
Other Receivable [sales tax refund receivable, etc.]		11.83	1.93
		<b>80.72</b>	<b>105.08</b>



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>REVENUE FROM OPERATIONS</b>	2.20		
<b>A. Sales Income</b>			
Sales of Apparel and Lifestyle Accessories/Products		49,892.36	45,400.46
Less : Excise duty		1,059.49	98.46
Sales net of tax and duty (refer note 2.20.1)		48,832.87	45,302.00
Sale of Power		5.07	2.77
Sales net of tax and duty (refer note 2.20.1)		<b>48,837.94</b>	<b>45,304.77</b>
<b>Note:-</b>	2.20.1		
Sales (Gross of tax and duty)		51,035.45	46,350.51
Less: Excise duty		1,059.49	98.46
Less: Sales tax		1,143.09	950.05
Sales net of tax and duty		<b>48,832.87</b>	<b>45,302.00</b>
<b>B. Other Operating Income</b>			
Service Income		99.94	105.16
Export Incentives		250.62	228.31
Miscellaneous Operating Income		49.29	91.36
Rent Income		-	-
		<b>399.85</b>	<b>424.83</b>
Total Revenue from Operations		<b>49,237.79</b>	<b>45,729.60</b>
The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock, which has been disclosed as excise duty expense in Statement of Profit and Loss (refer note 2.22).	2.20.2		
<b>OTHER INCOME</b>	2.21		
Interest on Bank Deposits		46.60	62.00
Income from Current Investments and Liquid Mutual Funds:			
Dividend Income		12.86	40.29
Gain on Sales/Redemption of Investments (Net)		110.47	448.16
Income from Long Term Investments			
Dividend on Equity Shares		4.80	3.05
Gain on Redemption of Investments (Net)		2,618.75	9.39
Provision for share of loss in Joint Venture reversed (refer note 2.10.1)		6.50	36.00
Rent Income		6.09	6.31
Gain on Exchange Rate Fluctuation (Net)		28.70	30.11
Gain on Sale of Property plant & Equipment (Tangible Assets) (Net)		27.87	65.47
		<b>2,862.64</b>	<b>700.78</b>
<b>(INCREASE) / DECREASE IN STOCKS</b>	2.22		
<b>Opening stock</b>			
Work - in- progress		2,950.24	1,731.45
Traded goods		156.01	115.14
Finished goods		1,787.93	1,734.49
		<b>4,894.18</b>	<b>3,581.08</b>



# Standalone

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Closing stock</b>			
Work - in- progress		1,556.62	2,950.24
Traded goods		153.12	156.01
Finished goods (Refer note 2.15.1)		2,393.33	1,787.93
		<b>4,103.07</b>	<b>4,894.18</b>
Add/(Less): Variation in Excise Duty on Opening and Closing Stock of Finished goods (Refer note 2.20.2)		(8.04)	(15.38)
(Increase)/Decrease in stocks		<b>799.15</b>	<b>(1,297.72)</b>
<b>COST OF MATERIAL CONSUMED</b>	<b>2.23</b>		
a. Raw Material Consumed:			
Opening stock		522.08	305.21
Add: Purchases		12,592.34	13,589.38
		13,114.42	13,894.59
Less: Resale of Raw Material		85.80	131.92
Less: Closing Stock		830.72	522.08
		<b>12,197.90</b>	<b>13,240.59</b>
b. Semi-Finished Goods		2,315.98	3,208.57
c. Packing Material, Accessories and others		2,480.42	2,488.14
d. Stores, Chemicals and Consumables		787.86	791.71
		<b>17,782.16</b>	<b>19,729.01</b>
<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>2.24</b>		
Salary, Wages etc.		5,083.87	4,293.39
Contribution to Provident and other Funds		395.54	387.95
Bonus and Ex-gratia (refer note 2.7.1)		129.77	167.11
Gratuity (refer note 2.39 (a))		129.23	81.79
Leave Benefits (refer note 2.39(b))		117.85	99.35
Staff Welfare		99.95	77.66
		<b>5,956.21</b>	<b>5,107.25</b>
<b>MANUFACTURING AND OPERATING EXPENSES</b>	<b>2.25</b>		
Embroidery Expenses		355.60	288.23
Electricity Expenses (Net of credit received from Windmill of ₹ 57.75 lakhs (P.Y. ₹ 67.64 lakhs)		154.52	163.16
Factory Rent		23.62	24.03
General Factory Expenses		91.53	57.55
Processing Charges		3,364.97	2,897.40
Fuel Expenses		436.28	459.64
Water Charges		78.43	65.06
Waste Disposal Charges		62.58	43.90
Repairs & Maintenance		192.92	238.70
Repairs & Maintenance (Wind Mill Turbine Expenses)		13.32	13.26
		<b>4,773.77</b>	<b>4,250.93</b>



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>	2.26		
Rent, Rates and Taxes [net of amount written back and including provision for contingency (refer note 2.45)]		146.16	111.48
Communication Expenses		91.83	75.58
Legal and Professional Fees		1,060.66	773.59
Consultancy Fees		95.13	109.80
Printing and Stationery		65.39	60.12
Donations		30.42	25.32
Corporate Social Responsibility (refer note 2.46)		191.35	184.46
Vehicle Expenses		112.93	89.33
Auditors Remuneration (refer note 2.30)		64.40	52.44
Conveyance & Travelling Expenses		50.77	33.90
Electricity Expenses		121.83	149.73
Repairs & Maintenance		369.21	416.68
Directors Sitting Fees		16.80	27.00
Provision for Diminution in value of Investments		91.60	-
General Office Expenses		494.98	393.66
Bad Debts		80.06	-
Less: Provision for Doubtful Debts Utilized		(14.00)	-
Provision for Doubtful Debts		69.00	25.00
		<b>3,138.52</b>	<b>2,528.09</b>
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>	2.27		
Advertisement and Publicity Expenses (Net of recoveries)		1,893.75	1,744.68
Sales Promotion Expenses (Net of recoveries)		168.55	173.20
Discount and Incentive on Sales (net of amount written back)		2,312.60	1,303.62
Octroi, Clearing and Forwarding charges on Sales		260.82	196.63
Tour and Travelling Expenses (Net of recoveries)		435.81	355.26
Commission on Sales		102.20	101.38
Provision for Margin on Sales Return		21.02	14.01
Provision for Contingencies		5.89	-
		<b>5,200.64</b>	<b>3,888.78</b>
<b>FINANCE EXPENSES</b>	2.28		
Bank Charges		14.83	11.10
Finance Charges		223.54	172.20
Interest on Working Capital Loan		288.38	150.16
		<b>526.75</b>	<b>333.46</b>
<b>AGGREGATE AMOUNTS</b>	2.29		
<b>AGGREGATE EXPENSES</b>	2.29.1		
Rent Including Common Area Maintenance Charges		114.39	89.73
Rates & Taxes (net of amount written back and including contingencies)		53.62	46.04
Total Rent, Rates & Taxes		168.01	135.77
Electricity Expenses(net of credit received from windmill)		276.35	312.90
Repair & Maintenance (Building)		504.54	579.32
Repair & Maintenance (Machinery)		70.92	89.32
Insurance Premium		63.38	53.29
General Expenses (Office and factory)		586.51	451.21



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>AGGREGATE AMOUNT WRITTEN BACK</b>	2.29.2		
Provision for deposit written back		-	4.19
Provision for share of loss in Joint Venture reversed (refer note 2.10.1)		6.50	36.00
Sundry balance written back		-	14.91
Discount and Incentive on Sales		-	26.41
		<b>6.50</b>	<b>81.51</b>
<b>AUDITORS REMUNERATION</b>			
As Auditors	2.30	33.35	31.03
For Taxation matters		23.00	17.54
For Others matters		8.05	3.86
For Reimbursement of Expenses		-	0.01
		<b>64.40</b>	<b>52.44</b>
<b>C.I.F.VALUE OF IMPORTS</b>	2.31		
Capital goods		693.46	183.63
Components and Spare parts		10.95	-
Apparel & Life style Accessories/Product		161.53	294.14
Consumable goods		-	0.18
		<b>865.94</b>	<b>477.95</b>
<b>EXPENDITURE IN FOREIGN CURRENCIES</b>	2.32		
Traveling Expenses		12.32	24.21
Advertisement Expenses		9.13	27.17
Legal Expenses		24.09	1.77
Bank Charges		6.57	10.41
Professional & Technical Services		8.72	-
Others		8.41	-
		<b>69.24</b>	<b>63.56</b>
The amounts mentioned above are net of Tax Deducted at source, if any.			
<b>EARNINGS IN FOREIGN CURRENCIES</b>	2.33		
Export of goods (F.O.B. value)		2,034.28	2,980.01
		<b>2,034.28</b>	<b>2,980.01</b>
<b>INDIGENOUS AND IMPORTED CONSUMPTION</b>	2.34		
Indigenous (99.10% (P.Y. 98.18 %) of total consumption)		17,620.63	19,370.06
Imported (0.90% (P.Y. 1.82 %) of total consumption)		161.53	358.95
		<b>17,782.16</b>	<b>19,729.01</b>



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### DETAILS OF MATERIAL CONSUMED

Note 2.35

Particulars	Measure	31st March 2017		31st March 2016	
		Qty	₹ in lakhs	Qty	₹ in lakhs
<b>Material</b>					
Woven Fabric	Mtrs	6,532,209	12,197.36	7,030,770	13,237.24
Knitted Fabric	Kgs	129	0.53	66	3.35
Semi-finished Garments	Pcs	650,922	2,315.98	811,920	3,208.57
Packing material	**	**	892.96	**	830.96
Accessories	**	**	1,587.47	**	1,657.19
Stores, chemicals and consumables	**	**	787.86	**	791.71
<b>Total</b>			<b>17,782.16</b>		<b>19,729.02</b>

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

### QUANTITATIVE AND OTHER DETAILS

Note 2.36

### PARTICULARS OF FINISHED PRODUCTS

(Qty in NOS)

Particulars	Opening Stock		Production	Sales/Captive Consumption		Closing Stock	
	Qty	₹ in lakhs		Qty	₹ in lakhs	Qty	₹ in lakhs
Apparel	354,815	1,787.93	4,725,982	-	4,663,908	416,889	2,393.33
	(347,127)	(1,734.49)	(4,678,638)	-	(4,670,950)	(354,815)	(1,787.93)
Power Generation	-	-	1,087,827	1,087,827	62.81	-	-
	-	-	(1,116,877)	(1,116,877)	(72.71)	-	-

### PARTICULARS OF TRADING ACTIVITIES

(Qty in NOS)

Particulars	Opening Stock		Purchases		Sales		Closing Stock	
	Qty	₹ in lakhs	Qty	₹ in lakhs	Qty	₹ in lakhs	Qty	₹ in lakhs
Trading of Lifestyle Accessories/ Products	129,461	156.01	1,290,475	1,626.29	1,266,966	2,220.69	152,970	153.12
	(87,446)	(115.14)	(939,009)	(1,121.86)	(896,994)	(1,590.15)	(129,461)	(156.01)

Note:

- Figures in brackets indicate previous year's figures
- Sales includes sample distributed free of cost
- Closing stock is after adjusting shortages on physical verification of inventories

### 2.37 CONTINGENT LIABILITIES:

- Disputed demands in respect of income tax not acknowledged as debt – ₹ 20.77 lakhs (P.Y. ₹ 15.74 lakhs).  
In respect of Assessment year 2005-2006, there was tax demand of ₹ 68.94 lakhs (₹ 68.94 lakhs) which had been adjusted by the tax authorities against refund due to the company in respect of other years. During F.Y. 2015-16, the company had received favourable Order passed by the ITAT, Mumbai against which the Income Tax Department has filed the appeal before the Bombay High Court and is under pre-admission stage.

Future cash outflows in respect of above are dependent on outcome of matter under dispute.



# Standalone

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

- b) The Company has purchased capital assets under EPCG license against which the Company has a balance export obligation of ₹ 1,103.79 lakhs (P.Y. 12.60 lakhs). Contingent liability, to the extent of duty saved in respect of EPCG is ₹ 183.97 lakhs (P.Y. 2.10 lakhs). The balance export obligation to be fulfilled as per license is upto year 2021-2023.

As at the year-end, amount of outstanding bonds executed by the Company in favour of customs authority aggregates to ₹ 880.65 lakhs (P.Y. ₹ 251.00 lakhs). Out of these, bonds aggregating to ₹ 180.40 lakhs (P.Y. ₹ 112.57 lakhs) are under the process of discharge from custom authorities.

- c) Bank guarantees of ₹ 73.67 lakhs (P.Y. ₹ 60.09 lakhs)

Note: The Company does not expect any outflow of resources in respect of Para (b) and (c).

### 2.38 ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON

- a) Capital Account and not provided for ₹ 72.74 lakhs (net of advances) (P.Y. ₹ 308.76 lakhs).  
b) Other commitments—Relating to Advertisement contracts aggregating to ₹ 12.65 lakhs (Net of advances) (P.Y. ₹ 116.02 lakhs). Capital Contribution Commitment for investment in India Whizdom Fund (IWF) ₹ 50.00 lakhs (P.Y. Nil). Also Refer Note 2.42 in respect of minimum lease rental payment under non-cancellable operating lease.

### 2.39 EMPLOYEE BENEFITS

#### a) Disclosure in respect of gratuity liability

Reconciliation on Change in Benefit Obligation :	31st March 2017 (₹)	31st March 2016 (₹)
Liability at the beginning of the year	453.05	382.14
Interest Cost	36.24	30.57
Current Service Cost	101.89	83.60
Benefit Paid	(54.09)	(47.51)
Actuarial (gain)/loss on obligations	26.54	4.25
<b>Liability at the end of the year</b>	<b>563.63</b>	<b>453.05</b>

Reconciliation of Fair Value of Plan Assets :	31st March 2017 (₹)	31st March 2016 (₹)
Fair Value of Plan Assets at the beginning of the year	518.37	356.03
Expected Return on Plan Assets	43.65	36.63
Contributions	174.88	173.22
Benefit Paid	(54.09)	(47.51)
Actuarial gain/(loss)	(8.22)	-
<b>Fair Value of Plan Assets at the end of the year</b>	<b>674.59</b>	<b>518.37</b>

Amount recognized in the Balance Sheet :	31st March 2017 (₹)	31st March 2016 (₹)
Liability at the end of the year	563.63	453.05
Fair Value of Plan Assets at the end of the year	674.59	518.37
<b>Net Asset / (Liability) in the Balance Sheet</b>	<b>110.96</b>	<b>65.32</b>



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Gratuity recognized in the Statement of Profit and Loss	31st March 2017 (₹)	31st March 2016 (₹)
Current Service Cost	101.89	83.60
Interest Cost	36.24	30.57
Expected Return on Plan Assets	(43.65)	(36.63)
Actuarial Gain/(Loss)	34.75	4.25
<b>Expense Recognized in Statement of Profit and Loss</b>	<b>129.23</b>	<b>81.79</b>

Principal Assumption used in determining Gratuity liability	31st March 2017 (₹)	31st March 2016 (₹)
Discount Rate	7.20%	8.00%
Expected Rate of return	8.00%	9.00%
Employee Turnover	5-10%	1-3%
Salary Escalation	7.50%	7.50%
Mortality Table	IALM 2006-08 Ult	LIC (1994-96) Ultimate

Other disclosures	31st March 2017 (₹)	31st March 2016 (₹)	31st March 2015 (₹)	31st March 2014 (₹)	31st March 2013 (₹)
Defined benefit obligation	563.63	453.05	382.14	274.97	244.88
Plan assets	674.59	518.37	356.03	261.70	203.08
Surplus/(deficit)	110.96	65.32	(26.11)	(13.27)	(41.80)
Experience adjustments on plan liabilities – loss/ (gain)	(17.89)	4.25	79.77	12.57	(67.70)
Experience adjustments on plan Assets – (loss)/ gain*	(13.68)	-	-	-	-

\* Information is disclosed to the extent available.

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with Life Insurance Corporation of India. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected rate of return on plan assets comprising of Insurance Policy with LIC of India is based on the historical results of returns given by LIC of India.

The Company expects to contribute ₹ 175.00 lakhs (P.Y. ₹ 75.00 lakhs) to gratuity trust for contribution to LIC of India in financial year 2017-18.(Considering proposed increase in limit as per The Payment of Gratuity Act 1972.)

**b) Disclosure in respect of leave entitlement liability:**

Leave entitlement is short term benefit which is recognized as an expense at the un-discounted amount in the year in which the related service is rendered and disclosed under other current liabilities.

**c) Death in service benefit:**

The Company has taken group term policy from an insurance Company to cover its obligation for death in service benefit given to eligible employees. The insurance premium of ₹ 18.93 lakhs (P.Y. ₹ 11.81 lakhs) is recognized in Statement of Profit and Loss.

**d) The Company contributes towards Employees Provident Fund, Employees State Insurance, National pension Scheme and Labour Welfare Fund. The aggregate amount contributed and charged to Statement of Profit and Loss is ₹ 395.54 lakhs (P.Y. ₹ 387.95 lakhs).**



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 2.40 SEGMENT REPORTING :

#### a) Primary segment:

The Company is engaged in the business of manufacturing and marketing of Apparels & trading of Lifestyle Accessories/ Products. The Company is also generating power from Wind Turbine Generator. The power generated from the same is predominantly used for captive consumption. However, the operation of Wind Turbine Segment is within the threshold limit stipulated under AS – 17 “Segment Reporting” and hence it does not require disclosure as a separate reportable segment.

(₹ in lakhs)				
Particulars	Apparel & Life style Accessories/ Products	Other/ Reconciling Item	Unallocated	Total
<b>1. Segment Revenue</b>				
External Net Sales/ Income from Operation	49,232.73	5.07	-	49,237.79
	(45,729.60)	(2.77)	-	(45,732.37)
Add: Inter Segment Revenue	-	57.75	-	57.75
	-	(67.64)	-	(67.64)
Total Segment Revenue	49,232.73	62.81	-	49,295.54
	(45,729.60)	(70.41)	-	(45,800.01)
Eliminations			57.75	57.75
			(67.64)	(67.64)
Total Revenue				49,237.79
				(45,732.38)
<b>2. Segment Result</b>				
Segment Result	9,550.55	40.51	-	9,591.06
	(9,988.49)	(48.17)	-	(10,036.66)
Less : Interest expenditure			487.96	487.96
			(289.22)	(289.22)
Add: Other unallocable income net of unallocable expenditure			2,714.47	2,714.47
			(605.20)	(605.20)
<b>Profit before Tax</b>				11,817.58
				(10,352.65)
Less : Provision For Tax			3,289.90	3,289.90
			(3,557.86)	(3,557.86)
<b>Net Profit</b>				<b>8,527.68</b>
				(6,794.79)



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 3. Other Information

(₹ in lakhs)

Particulars	Apparel & Life style Accessories/ Products	Other/ Reconciling Item	Unallocated	Total
Segment Assets	23,930.25	139.48	25,474.27	49,544.00
	(23,680.74)	(149.68)	(18,555.40)	(42,385.82)
Segment Liabilities	9,544.65	-	4,194.13	13,738.78
	(9,183.26)	(-)	(3,329.04)	(12,512.30)
Depreciation/ Amortization	470.38	8.98	-	479.35
	(407.09)	(8.98)	(-)	(416.07)
Non Cash Expenses other than Depreciation	-	1.04	-	1.04
	(-)	(1.04)	(-)	(1.04)
Capital Expenditure	1,172.28	-	-	1,172.28
	(1,080.20)	(-)	(-)	(1,080.20)

Note: As per the expert advisory opinion, electricity generated from Wind Turbine Generator and used for captive consumption is reduced from the electricity expenses in Statement of Profit and Loss but shown as segment revenue for the purpose of segment reporting as per AS-17 "Segment Reporting".

#### b) Secondary segment (By Geographical segment):

(₹ in lakhs)

Particulars	India	Outside India	Total
Sales / Income from Operations	47,203.51	2,034.28	49,237.79
	(42,752.36)	(2,980.01)	(45,732.37)
Segment Assets *	49,429.60	114.40	49,544.00
	(42,072.82)	(313.00)	(42,385.82)

\*Segment Assets from outside India represents receivables from Export Sales (net of advances in relation to exports). In view of the interwoven / intermix nature of business and manufacturing facility, other information is not ascertainable

(Figures in bracket indicate previous year's figures)

### 2.41 RELATED PARTY DISCLOSURE:

Disclosures as per Accounting Standard (AS-18) – 'Related Party Disclosures' are given below:

#### a) Related Parties where i) control exists and ii) where significant influence exists (with whom transaction have taken place during the year).

##### Joint Ventures:

White Knitwear Private Limited

##### Enterprises where Key Management Personnel (KMP) and their relatives have significant influence:

Enlighten Lifestyle Limited

Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust

Lord Gautam Charitable Foundation

Kewal Kiran Finance Private Limited



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### Key Management Personnel:

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

### Relatives / Other concerns of Key Management Personnel:

Shantaben P. Jain (Mother of Key Management Personnel)  
 Veena K. Jain (Wife of Kewalchand P. Jain.)  
 Lata H. Jain (Wife of Hemant P. Jain)  
 Sangeeta D. Jain (Wife of Dinesh P. Jain)  
 Kesar V. Jain (Wife of Vikas P. Jain)  
 Pankaj K. Jain (Son of Kewalchand P. Jain)  
 Hitendra H. Jain (Son of Hemant P. Jain)  
 Kewalchand P. Jain (HUF)  
 Hemant P. Jain (HUF)  
 Dinesh P. Jain (HUF)  
 Vikas P. Jain (HUF)  
 P.K. Jain Family Holding Trust

### Employee Funds:

Kewal Kiran Clothing Limited – Employee Group Gratuity Scheme.

b)

Nature of Transaction	Enterprises Where KMP & their relatives have significant influence.	Joint Venture	Relatives/ Other Concerns of Key Management Personnel	Directors/Key Management Personnel	Employee Funds
Purchase of Assets & consumables	(17.69)	(-)	(-)	(-)	(-)
Rent Expenses	(-)	(-)	9.18	29.89	(-)
Managerial Remuneration	(-)	(-)	(-)	318.00	(-)
Salary	(-)	(-)	45.00	(318.00)	(-)
Rent Income (exclusive of service tax)	(4.23)	(-)	(-)	(-)	(-)
Dividend Paid	0.44	-	1,199.47	537.92	-
CSR (Donation)	(1.45)	(-)	(3,977.19)	(1,783.64)	(-)
	182.50	-	-	-	-
Contribution to Gratuity Fund	(138.00)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	174.88
Professional fees to Pandya & Co.	(-)	(-)	(-)	3.60	(173.22)
	(-)	(-)	(-)	(-)	-
<b>Outstanding balance as on 31st March 2017</b>					
Trade and Salary Payable	(-)	(-)	20.03	199.00	(-)
	(-)	(-)	(10.82)	(127.20)	(-)
Trade Receivable & Advances	(4.33)	(-)	(-)	(-)	110.96
	(-)	(-)	4.59	3.24	(65.32)
Deposit Receivable	(-)	(-)	(4.59)	(3.24)	(-)
	(-)	(-)	(-)	(-)	(-)
Investments	(-)	345.50	(-)	(-)	(-)
	(-)	(345.50)	(-)	(-)	(-)



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

**c) Disclosure of Related Party Transactions, the amounts of which are in excess of 10% of total related party transactions of the same type:**

Nature of Transaction	Nature of relationship	Name of the related party	Amounts in ₹
Purchase of Assets & consumables	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	-
			(17.69)
		Kewalchand P. Jain	9.98
			(9.98)
		Hemant P. Jain	8.60
			(8.60)
	Key Management Personnel		5.66
Rent Expenses		Dinesh P. Jain	(5.66)
			5.66
		Vikas P. Jain	(5.66)
			9.18
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain	(9.18)
			79.50
		Kewalchand P. Jain	(79.50)
			79.50
		Hemant P. Jain	(79.50)
Managerial Remuneration (Salary)	Key Management Personnel		79.50
		Dinesh P. Jain	(79.50)
			79.50
		Vikas P. Jain	(79.50)
			79.50
Rent Income (exclusive of service tax)	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	-
			(4.23)
			25.00
		Pankaj K. Jain	(24.23)
Salary	Relatives/ Other Concerns of Key Management Personnel		20.00
		Hitendra H. Jain	(18.59)
			0.44
	Enterprises Where KMP & their relatives have significant influence	Kewal Kiran Finance Private Limited	(1.45)
			1,169.07
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain (Trustee/Beneficiary of P. K. Jain Family Holding Trust)	(3,876.39)
			131.12
Dividend Paid		Kewalchand P. Jain	(434.77)
			131.27
		Hemant P. Jain	(435.28)
	Key Management Personnel		138.48
		Dinesh P. Jain	(459.16)
			137.05
		Vikas P. Jain	(454.43)



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Nature of Transaction	Nature of relationship	Name of the related party	Amounts in ₹
Contribution to Gratuity Fund	Employee Funds	Employee Fund	174.88 (173.22)
Corporate Social Responsibility (Donation)	Enterprises where KMP & their relatives have significant influence	Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust	182.50 (123.00)
		Lord Gautam Charitable Foundation	- (15.00)
		Kewalchand P. Jain	40.31 (38.44)
		Hemant P. Jain	33.65 (15.70)
Trade and Salary Payable	Key Management Personnel	Dinesh P. Jain	44.51 (21.82)
		Vikas P. Jain	80.54 (51.24)
		Shantaben P. Jain	14.51 (6.24)
	Relatives of Key Management Personnel	Pankaj K. Jain	2.84 (2.37)
		Hitendra H. Jain	2.68 (2.20)
Trade Receivable	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	- (4.33)
Deposit Receivable	Key Management Personnel	Kewalchand P. Jain	1.62 (1.62)
		Hemant P. Jain	1.62 (1.62)
	Relatives/ Other Concerns of Key Management Personnel	Shantaben P. Jain	4.59 (4.59)
Investments	Joint Ventures	White Knitwear Private Limited	345.50 (345.50)

Following are the Key Managerial Personnel (KMPs) and their relative in accordance with the provisions of the Companies Act, 2013:

1. Bhavin Sheth Chief Financial Officer (w.e.f. 06/02/2016)
2. S. L. Kothari Chief Financial Officer (upto 10/10/2015)
3. Abhijit Warange Company Secretary
4. Amita S Kothari Wife of S.L. Kothari (upto 10/10/2015)



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Disclosure of transactions during the year and year-end balance with above KMP / relative of KMP.

Nature of Transaction	Name of the KMP/Relative	Amounts in ₹
	S.L. Kothari	-
		(48.69)
Managerial Remuneration (Salary)	Bhavin Sheth	46.50
		(9.15)
	Abhijit Warange	30.24
		(30.31)
Dividend Payable	S.L. Kothari	-
		(0.90)
	Amita S Kothari	-
		(1.30)
Outstanding balance as on 31ST March 2017		5.67
Salary Payable	Bhavin Sheth	(2.37)
		4.09
	Abhijit Warange	(3.26)

Note:

- Figures in brackets represents corresponding amount of previous year.
- Above transactions exclude reimbursement of expenses
- In case of KMP under the Companies Act, 2013, managerial remuneration excludes gratuity provision as it is determined on actuarial basis for the company as a whole.

### 2.42 OPERATING LEASE ARRANGEMENTS:

Disclosure as per Accounting Standard (AS-19) – “Leases” are given below:

#### a) As lessee:

Rental expenses of ₹ 88.73 lakhs (P.Y. ₹ 73.01 lakhs) under operating leases have been recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 7.83 lakhs (P.Y. ₹ 3.79 lakhs) based on revenue sharing model.

At Balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows

Particulars	31st March 2017 (₹)	31st March 2016 (₹)
Due not later than one year	79.43	69.13
Due later than one year but not later than five years	180.15	132.81
More than 5 years	-	3.45
<b>Total</b>	<b>259.58</b>	<b>205.39</b>

The above figures include:

- The agreements are executed for the periods of 33 to 108 months with a non-cancellable period at the beginning of the agreement ranging from 12 to 36 months and having a clause for extension of lease period.
- Lease rentals based on estimated date of commencement of lease in cases where the agreements / MOU's have been entered into but the date of commencement of lease is dependent on the date of construction/renovation of premises and based on the commitment for delivery by lessors.



# Standalone

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

- iii. The above-mentioned lease rentals include a lease the period of which is dependent on the occurrence of an event, the date of which is not ascertainable beyond five years. Hence, the lease rentals are considered up to a period of five years only.
- iv. Lease rentals do not include common area maintenance charges and tax payable, if any.
- v. The above details of lease rental obligation exclude the amounts payable by franchisee in accordance with the arrangement with them (a) not later than 1 year ₹ 29.04 lakhs (P.Y. ₹ 54.92 lakhs) (b) between 1 to 5 year ₹ 103.04 lakhs (P.Y. ₹ 125.20 lakhs) (c) more than 5 years ₹ 31.94 lakhs (P.Y. ₹ 59.31 lakhs).

**b) As Lessor:**

Rental income from leasing of property of ₹ 6.09 lakhs (P.Y. ₹ 6.31 lakhs) is recognized in the Statement of Profit and Loss. The lease agreements are of cancellable nature. It includes contingent lease rent of ₹ Nil (P.Y. ₹ 1.93 lakhs) based on revenue sharing model, which is higher of fixed amount or percentage of revenue of lessee. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

### 2.43 JOINT VENTURE INFORMATION:

Details as per Accounting Standard (AS) -27 "Financial Reporting of Interest in Joint Venture" are given below:

(i) Detail of Interest in Joint Venture

Name	Description of Interest	Country of Incorporation	Percentage of interest as on 31-03-2017	Percentage of interest as on 31-03-2016
White Knitwear Private Limited	Equity Shareholding	India	33.33%	33.33%
White Knitwear Private Limited	9% Cumulative Redeemable Preference Shareholding	India	50%	50%

(ii) Company's Interest in the Joint Venture (Audited)

Name	Assets (₹)	Liabilities (₹)	Income (₹)	Expenditure (₹)
White Knitwear Private Limited	235.16 (228.89)	0.33 (0.35)	11.40 (0.13)	5.11 (1.60)

The Company's share in the contingent liability and capital/other commitment of the Joint Venture are ₹ 7.31 lakhs (P.Y. ₹ 35.00 lakhs) and ₹ Nil (P.Y. ₹ Nil) - respectively. The Company's share in contingent liability towards cumulative preference dividend including tax thereon of the Joint Venture aggregates to ₹ 210.69 lakhs (P.Y. ₹ 188.12 lakhs) which is payable to its joint venture partners.

The Company's contingent liability and capital/other commitment in relation to joint venture ₹ Nil (P.Y. ₹ Nil) and ₹ Nil (P.Y. ₹ Nil).



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

**2.44 DISCLOSURE REGARDING DERIVATIVE INSTRUMENT AND UNHEDGED FOREIGN CURRENCY EXPOSURE:**

There are no open derivatives / forward exchange contracts as at year end. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	31-03-2017		31-03-2016	
		Amt. in Foreign Currency	(₹)	Amt. in Foreign Currency	(₹)
Trade Receivables	USD	1,78,348.32	115.62	479,370	317.97
Payable towards	USD	20,000	7762	57,501	38.14
Capital Goods	EURO	93,375		-	
Advance for Capital Goods	EURO	1,82,007	126.02	325,000	244.04
Advance from Customer	USD	1,886.07	1.22	7,202	4.78
Advance to Supplier	USD	-	-	7,986	5.30
Balance in EEFC account	USD	2,32,840.94	150.95	4,354	2.89
Foreign currency in hand	Multiple	-	1.61	-	1.89

Note: The above figures do not include open purchase orders/sales orders.

**2.45 PROVISIONS:**

Disclosure as per Accounting Standard (AS) 29 – Provisions, Contingent Liabilities and Contingent Assets are given below:

Particulars	Provision for Contingencies				Other Provisions (Selling & Distributions Expenses including dealer incentives and discounts)		Provision for margin on sales return	
	Provision for Claims/ Schemes etc		Other Contingencies*					
	31-03-2017 (₹)	31-03-2016 (₹)	31-03-2017 (₹)	31-03-2016 (₹)	31-03-2017 (₹)	31-03-2016 (₹)	31-03-2017 (₹)	31-03-2016 (₹)
Opening Balance	336.88	401.60	42.46	44.92	797.65	709.80	74.48	60.48
Addition	298.22	285.25	5.89	-	2312.61	1303.62	21.02	14.00
Utilization	306.81	349.97	13.40	2.46	1861.44	1189.36	-	-
Reversals	-	-	-	-	-	26.41	-	-
<b>Closing Balance</b>	<b>328.29</b>	<b>336.88</b>	<b>34.94</b>	<b>42.46</b>	<b>1,248.82</b>	<b>797.65</b>	<b>95.50</b>	<b>74.48</b>

\* It comprises of rates & taxes.

The above Provision has been grouped under the head 'Short Term Provisions' in Note 2.8.

The timing of the outflow is dependent on various aspects / fulfillment of conditions and occurrence of events. Such provisions are made based on the past experience and assessment of rates and taxes. However, it is most likely that outflow is expected to be within a period of one year from the date of Balance Sheet.

**2.46 CORPORATE SOCIAL RESPONSIBILITY**

As per Section 135 of the Companies Act, 2013, the company has spent on Corporate Social Responsibility as per its CSR policy.

a) **Gross amount required to be spent by the company during the year is ₹ 191.20 lakhs (P.Y. ₹ 183.61 lakhs)**

b) **Amount spent during the year on:**

(₹ in lakhs)

Sr. No.	Particulars	In Cash	Yet to be paid in	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	191.35	-	191.35
		(184.46)	-	(184.46)

Note: 1 Figures in brackets represents corresponding amount of previous year.

Note: 2 Cash flow from operating activities includes CSR amounting to ₹ 191.35 lakhs (P.Y. ₹ 184.46 lakhs)

c) **Refer note no. 2.41 for transactions with related parties**



# Standalone

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 2.47 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 186(4) OF THE COMPANIES ACT, 2013-

Amount outstanding as at year end

Particulars	31st March 2017 (₹)	31st March 2016 (₹)
Loans given	-	-
Guarantee given	-	-
Investments made*	24,602.32	17,630.12

\*Refer note no. 2.10, 2.14 and 2.17.2

### 2.48 ADDITIONAL INFORMATION AS REQUIRED BY PARA 5 OF GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS (OTHER THAN ALREADY DISCLOSED ABOVE) ARE EITHER NIL OR NOT APPLICABLE.

### 2.49 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below-

Particulars	Specified Bank Notes (SBN) (₹)	* Other Denomination Notes (₹)	Total (₹)
Closing Cash in Hand as on 08.11.2016	71.02	38.02	109.04
(+) Permitted Receipts	-	103.38	103.38
(-) Permitted Payments	-	58.26	58.26
(-) Amount deposited in Banks	71.02	41.34	112.36
Closing Cash in Hand as on 30.12.2016	-	41.80	41.80

\* Considering impracticability and the nature of industry in which the Company operates, denomination wise details are not readily available. Auditors have relied on the information/representation provided by the management.

### 2.50 PREVIOUS YEAR FIGURES ARE REGROUPED OR REARRANGED WHEREVER CONSIDERED NECESSARY.

As per our audit report of even date

For and on behalf of

**N. A. Shah Associates LLP**

Chartered Accountants

Registration No. :116560W/W100149

**Milan Mody**

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

For and on behalf of

**Jain & Trivedi**

Chartered Accountants

Registration No. : 113496W

**Satish Trivedi**

Partner

Membership No. : 38317

For and on behalf of the Board of Directors of

**Kewal Kiran Clothing Limited**

**Kewalchand P. Jain**

Chairman & Managing Director

DIN: 00029730

**Bhavin Sheth**

Chief Financial Officer

**Hemant P. Jain**

Whole Time Director

DIN: 00029822

**Abhijit Warange**

Company Secretary



# Independent Auditor's Report on Consolidated Financial Statements

TO  
THE MEMBERS OF  
KEWAL KIRAN CLOTHING LIMITED

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Kewal Kiran Clothing Limited (hereinafter referred to as "the Parent Company") and its jointly controlled company (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group including its jointly controlled 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. The respective Board of Directors of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These respective financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the auditor (one of us) of the jointly controlled company in terms of their report referred to in paragraph of 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as



at 31st March, 2017, and their consolidated profit and its consolidated cash flows for the year ended on that date.

### OTHER MATTER

The accompanying consolidated financial statements include Parent Company's proportionate share of assets of ₹ 235.16 lakhs and liabilities of ₹ 0.33 lakhs as at 31st March 2017, and total revenue of ₹11.40 lakhs and net cash inflow of ₹0.39 lakhs for the year ended on that date, in respect of one jointly controlled company. The financial statement of jointly controlled company have been audited by one of us, whose financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled company, and our report in terms of section 143 (3) of the Act, in so far as it relates to the aforesaid jointly controlled company, is based solely on the report of such auditor of jointly controlled company.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 of aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the auditor of jointly controlled company;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated 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 of the Parent Company as on 31st March 2017 taken on record by the Board of Directors of the Parent Company and the report of the statutory auditor of the jointly controlled company which is incorporated in India, none of the directors are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect to adequacy of internal financial controls system over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report given in Annexure I; 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 and based on the report of auditor of jointly controlled company:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 2.9.5 and 2.29 (a) to the consolidated financial statements;
  - ii. The Group 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 Parent Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund in case of jointly controlled company.
  - iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management – Refer Note 2.40 to the consolidated financial statements.

#### For N. A. Shah Associates LLP

Chartered Accountants  
Firm's registration number  
116560W/W100149

#### Milan Mody

Partner  
Membership number 103286

Place of signature: Mumbai  
Date: April 25, 2017

Effective 14th July 2016,  
N. A. Shah Associates  
– ROF Registration no. BA71407  
converted into  
N. A. Shah Associates LLP  
– LLP Identification no. AAG-7909

#### For Jain & Trivedi

Chartered Accountants  
Firm's registration number  
113496W

#### Satish Trivedi

Partner  
Membership number 38317

Place of signature: Mumbai  
Date: April 25, 2017



## Annexure I to Independent Auditor's Report for the year ended 31st March 2017

[Referred to in paragraph 1 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Kewal Kiran Clothing Limited ("the Parent company") and its jointly controlled company (collectively referred to as "the Group"), as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent company and its jointly controlled company are responsible for laying down and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note"), issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Group'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 Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed

under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the auditor (one of us) of the jointly controlled company in terms of their report referred to in paragraph of 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial control over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding



the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated 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 Parent Company and its jointly controlled company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Group 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.

#### **OTHER MATTER**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a jointly controlled company is based on corresponding reports of the auditor of such company.

##### **For N. A. Shah Associates LLP**

Chartered Accountants  
Firm's registration number  
116560W/W100149

##### **Milan Mody**

Partner  
Membership number 103286

Place of signature: Mumbai  
Date: April 25, 2017

Effective 14th July 2016,  
N. A. Shah Associates  
– ROF Registration no. BA71407  
converted into  
N. A. Shah Associates LLP  
– LLP Identification no. AAG-7909

##### **For Jain & Trivedi**

Chartered Accountants  
Firm's registration number  
113496W

##### **Satish Trivedi**

Partner  
Membership number 38317

Place of signature: Mumbai  
Date: April 25, 2017



# Consolidated Balance Sheet

as at 31st March 2017

Corporate Identification Number: L18101MH992PLC065136

(₹ in lakhs)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	1,232.50	1,232.50
Reserves and Surplus	2.2	34,572.73	28,641.23
		35,805.23	29,873.73
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	2.11	44.99	-
Other Long-Term Liabilities	2.3	1,439.78	1,713.57
Long-Term Provisions	2.4	1.08	-
		1,485.85	1,713.57
<b>Current Liabilities</b>			
Short-Term Borrowings	2.5	4,050.50	2,888.76
Trade Payables	2.6		
- Due to Micro and Small Enterprises		20.46	89.91
- Due to Others		3,926.51	4,598.77
Other Current Liabilities	2.7	2,114.11	1,375.11
Short-Term Provisions	2.8	2,135.16	1,833.52
		12,246.74	10,786.07
<b>Total</b>		<b>49,537.82</b>	<b>42,373.37</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>	2.9		
Tangible Assets (Property Plant & Equipment)		6,615.68	5,923.95
Intangible Assets		49.82	73.58
Capital Work in Progress		724.50	263.56
Intangible Asset under development		2.86	-
		7,392.86	6,261.09
Non Current Investments	2.10	12,042.43	5,635.17
Deferred Tax Assets(Net)	2.11	-	49.78
Long-Term Loans and Advances	2.12	494.05	905.90
Other Non-Current Assets	2.13	27.08	3.72
		19,956.42	12,855.66
<b>Current Assets</b>			
Current Investments	2.14	6,781.30	10,317.07
Inventories	2.15	5,069.96	5,572.69
Trade Receivables	2.16	10,615.40	10,896.61
Cash & Bank Balances	2.17	6,421.72	2,123.26
Short-Term Loans & Advances	2.18	426.70	328.93
Other Current Assets	2.19	266.32	279.15
		29,581.40	29,517.71
<b>Total</b>		<b>49,537.82</b>	<b>42,373.37</b>

Significant accounting policies and notes on accounts

1 &amp; 2

The notes referred to above form integral part of Consolidated Financial Statements

As per our audit report of even date

For and on behalf of

N. A. Shah Associates LLP

Chartered Accountants

Registration No. :116560W/W100149

Milan Mody

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

For and on behalf of

Jain &amp; Trivedi

Chartered Accountants

Registration No. : 113496W

Satish Trivedi

Partner

Membership No. : 38317

For and on behalf of the Board of Directors of

Kewal Kiran Clothing Limited

Kewalchand P. Jain

Chairman &amp; Managing Director

DIN: 00029730

Bhavin Sheth

Chief Financial Officer

Hemant P. Jain

Whole Time Director

DIN: 00029822

Abhijit Warange

Company Secretary



# Consolidated Statement of Profit and Loss

for the year ended 31st March 2017

Corporate Identification Number: L18101MH992PLC065136

(₹ in lakhs)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>INCOME</b>			
Revenue from Operations (Gross)	2.20	50,297.32	45,828.06
Less: Excise Duty		(1,059.49)	(98.46)
Revenue from Operations (Net)		<b>49,237.83</b>	<b>45,729.60</b>
Other Income	2.21	2,867.51	700.91
		<b>52,105.34</b>	<b>46,430.50</b>
<b>EXPENDITURE</b>			
(Increase) / Decrease in Stocks	2.22	799.16	(1,297.72)
Cost of Material Consumed	2.23	17,782.15	19,729.01
Purchase of Trading Items: Lifestyle Accessories/ Products		1,626.29	1,121.86
Employee benefit expenses	2.24	5,956.41	5,107.45
Manufacturing and Operating Expenses	2.25	4,773.77	4,250.93
Administrative and Other Expenses	2.26	3,143.42	2,529.48
Selling and Distribution Expenses	2.27	5,200.64	3,888.78
Finance Expenses	2.28	526.75	333.46
Depreciation/ Amortization	2.9	479.36	416.07
		<b>40,287.95</b>	<b>36,079.32</b>
<b>Net Profit Before Tax</b>		<b>11,817.39</b>	<b>10,351.19</b>
<b>Provisions for Taxation</b>			
Current Tax		3,200.00	3,525.00
Deferred Tax		94.76	44.94
(Excess)/Short provision for taxes of earlier years[net of deferred tax of ₹ Nil (P.Y. ₹ 22.87 lakhs)]		(4.85)	(12.08)
<b>Net Profit for the Year</b>		<b>8,527.48</b>	<b>6,793.33</b>
Earnings per Share - Basic and Diluted (₹) (refer note 2.38)		69.16	55.09
(Face Value of ₹ 10 each fully paid up)			
Significant accounting policies and notes on accounts	1 & 2		

The notes referred to above form integral part of Consolidated financial Statements

**As per our audit report of even date****For and on behalf of****N. A. Shah Associates LLP**

Chartered Accountants

Registration No. :116560W/W100149

**Milan Mody**

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

**For and on behalf of****Jain & Trivedi**

Chartered Accountants

Registration No. : 113496W

**Satish Trivedi**

Partner

Membership No. : 38317

**For and on behalf of the Board of Directors of****Kewal Kiran Clothing Limited****Kewalchand P. Jain**

Chairman &amp; Managing Director

DIN: 00029730

**Bhavin Sheth**

Chief Financial Officer

**Hemant P. Jain**

Whole Time Director

DIN: 00029822

**Abhijit Warange**

Company Secretary



# Consolidated Cash Flow Statement

for the year ended 31st March 2017

Corporate Identification Number: L18101MH992PLC065136

(₹ in lakhs)

Particulars	2016-17 (Amount)	2015-16 (Amount)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Taxes as per Statement of Profit and Loss</b>	<b>11,817.39</b>	<b>10,351.19</b>
Adjustments for:		
Depreciation/ Amortization	479.36	416.07
(Gain)/Loss on Sale / discard of Property plant & equipment (Tangible Assets) (Net)	(27.87)	(65.47)
(Gain)/Loss on Sales/ Redemption of Investments (Net)	(2,740.59)	(457.68)
Sundry Balance (written back)/written off (Net)	(0.58)	(51.36)
Finance Expenses	488.46	296.72
Dividend Income	(17.66)	(43.34)
Provision/(Reversal of provision) for Doubtful Debts, Advances, Deposits and Investments	150.45	20.80
Provision/(Reversal of provision) share of loss in Joint Venture	-	(36.00)
Provision/(Reversal of provision) for Contingent Rent	1.08	(2.15)
Provision/(Reversal of provision) for Contingencies	5.89	3.01
Provision/(Reversal of provision) for Margin on Sales Return	21.02	14.01
Provision/ (Reversal of Provision) of Exchange Rate Fluctuation (Net)	2.86	4.42
Interest Income	(46.60)	(62.00)
	<b>(1,684.18)</b>	<b>37.03</b>
	<b>10,133.21</b>	<b>10,388.22</b>
<b>Changes in Assets and Liabilities (Current &amp; Non-current)</b>		
Trade Receivable and Other Assets	112.63	(2,951.22)
Inventories	502.73	(1,531.24)
Trade Payables, Liabilities and Provisions	297.12	1,963.53
	<b>912.48</b>	<b>(2,518.92)</b>
<b>Net Cash Inflow from Operating Activities</b>	<b>11,045.69</b>	<b>7,869.31</b>
Less: Income Tax (paid)/refund (refer note 1 below)	(2,955.45)	(3,182.48)
<b>Net Cash Inflow/(outflow) from Operating Activities</b>	<b>8,090.24</b>	<b>4,686.83</b>



# Consolidated Cash Flow Statement

for the year ended 31st March 2017

Corporate Identification Number: L18101MH992PLC065136

(₹ in lakhs)		
Particulars	2016-17 (Amount)	2015-16 (Amount)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (including Capital Advances)	(1,487.22)	(1,254.35)
Sale of Fixed Assets	52.84	128.25
Purchase of Investments	(13,323.49)	(1,817.11)
Sales/Redemption of Investments [net of income tax of ₹ 86.71 lakhs (P.Y. ₹126.05 lakhs)]	13,014.28	3,814.42
Bank Deposit offered as Security	(142.97)	(80.19)
Maturity of Bank Deposit offered as Security	137.13	83.98
Dividend Income	17.66	43.34
Interest received on Bank Deposits	68.08	89.13
Less : Income Tax Paid	(16.13)	51.95
	(21.46)	67.67
<b>Net Cash inflow /(Outflow) from Investing Activities</b>	<b>(1,679.81)</b>	<b>986.01</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Working Capital Loan (Net) (Short Term Borrowings)	1,161.74	1,753.45
Interest and Finance Charges	(435.95)	(291.62)
Payment of Dividend (Including Dividend Tax)	(2,818.48)	(9,345.50)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(2,092.69)</b>	<b>(7,883.67)</b>
Net Increase/ (Decrease) in Cash & Cash Equivalents	4,317.73	(2,210.83)
<b>Cash and Cash Equivalents - Opening (refer note 2.17)</b>	<b>2,018.58</b>	<b>4,229.31</b>
	<b>6,336.31</b>	<b>2,018.48</b>
Effect of Exchange Gain/(Loss) on Cash and Cash Equivalents	2.61	(0.10)
<b>Cash and Cash Equivalents - Closing (refer note 2.17)</b>	<b>6,333.70</b>	<b>2,018.58</b>
Significant accounting policies and notes on accounts	1 & 2	

The notes referred to above form integral part of consolidated cash flow statement

1. The Aggregate Income Tax paid (net of refund) during the year is ₹3,058.29 lakhs (P.Y. ₹3,329.93 lakhs).

## As per our audit report of even date

### For and on behalf of

**N. A. Shah Associates LLP**

Chartered Accountants

Registration No. :116560W/W100149

### Milan Mody

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

### For and on behalf of

**Jain & Trivedi**

Chartered Accountants

Registration No. : 113496W

### Satish Trivedi

Partner

Membership No. : 38317

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

**Kewal Kiran Clothing Limited**

### Kewalchand P. Jain

Chairman & Managing Director

DIN: 00029730

### Bhavin Sheth

Chief Financial Officer

### Hemant P. Jain

Whole Time Director

DIN: 00029822

### Abhijit Warange

Company Secretary



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

**1. SIGNIFICANT ACCOUNTING POLICIES:****1.1. Basis of Preparation of Consolidated Financial Statements:**

The consolidated financial statements (CFS) comprise of the financial statement of Kewal Kiran Clothing Limited (hereinafter referred to as 'Parent Company') and White Knitwear Private Limited (hereinafter referred to as its Joint Venture/Jointly Controlled Company), collectively referred to as the Group. The CFS are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

**1.2. Principles of Consolidation:**

- a) The financial statements of the Parent Company and its Joint Venture have been consolidated using uniform accounting policies.

- b) The financial statements of the Joint Venture has been consolidated using proportionate consolidation as per AS-27 – "Financial Reporting of Interests in Joint Ventures".

- c) The excess / deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates, on which the investment in such joint venture was made, is recognized in the CFS as Goodwill / Capital reserve.

Goodwill is subsequently measured at cost less any accumulated impairment losses. The carrying value of goodwill is tested for impairment as at each balance sheet date. On disposal of investments in joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The excess of investments in cumulative preference shares of joint venture over the Parent Company's interest in the joint venture is disclosed under note 2.10 of the financial statements.

- d) List of the company (Jointly controlled company) included in the consolidation are mentioned below:-

Joint Venture	Country of Incorporation	Proportion of Ownership interest as on 31st March, 2017	Proportion of Ownership interest as on 31st March, 2016
White Knitwear Private Limited	India	33.33%	33.33%

**1.3. Presentation and Disclosure of Consolidated financial statements:**

All assets and liabilities have been classified as current & non-current as per the Group normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

Based on the nature of products / services and time between acquisition of assets for processing/ rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months however for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

**1.4. Use of Estimates:**

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions

that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of the consolidated financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**1.5. Property, plant and equipment (Tangible Assets)**

- a) Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and where applicable accumulated impairment losses. Gross carrying amount of all property, plant and equipment are measured using cost model.



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

- b) Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/ decommissioning of the asset.
- c) Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.
- d) Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.
- e) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.
- f) Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 except certain class of assets specified in table (i) and (ii) below, based on internal assessment estimated by the management of the Company, where the useful life is lower than as mentioned in Schedule II.

- i. Assets where useful life is lower than useful life mentioned in Schedule II

Assets	Estimated useful life depreciated on SLM basis
Furniture & fittings at retail stores	5 years
Second hand factory / office building (RCC frame structure)	30 years
Second hand factory / office building (other than RCC frame structure)	5 years
Plant & Machinery at Vapi unit (Washing unit)	7.5 years
Individual assets whose cost does not exceed ₹ 5,000	Fully depreciated in the year of purchase

- ii. Assets whose useful life are reassessed based on transitional provision of Schedule II

Assets	Estimated balance useful life of assets depreciated on SLM basis (as on 1st April 2014)
Factory buildings	18-28 years
Other buildings (RCC structure)	44 – 59 years
Plant & Machinery at Vapi unit (Washing unit)	1 year - 6.5 years
Other Plant and Machinery	1-15 years
Computers	6 months – 2 years
Furniture & fittings	1 – 9 years
Motor vehicles	4-6 years
Windmill	16 years

- g) The range of useful lives of the property, plant and equipment not covered in table (f) (i) & (ii) above and are in accordance with Schedule II are as follows:

Particulars	Useful life
Factory buildings	30 years
Other buildings (RCC structure)	61 years
Plant & Machinery at Vapi unit (Washing unit)	7 years
Other Plant and Machinery	15 years
Computers	3 years
Furniture & fittings	11 years
Motor vehicles	5 years
Windmill	22 years



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

- h) In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- i) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- j) Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the useful life mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Parent Company does not have right of renewal), the same is amortized over the lease period of land.

### 1.6. Intangible Assets:

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

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

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

### 1.7. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided depending on changes in circumstances. After recognition of impairment loss, 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 a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation/ amortization had no impairment loss been recognised in earlier years.

### 1.8. Investments:

- a) Investments are classified into current and long-term investments.
- b) Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.
- c) Current investments are carried at lower of cost and fair value (net asset value in case of units of mutual fund) determined on category wise basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis. Current investments in liquid mutual funds are classified as cash and cash equivalents.
- d) Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III of the Companies Act, 2013.



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

- e) The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

- f) Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'Weighted Average' method is followed.

### 1.9. Inventories:

- a) The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- b) The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Since the Parent Company is in fashion industry with diverse designs / styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable).
- c) In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.

### 1.10. Revenue Recognition:

- a) Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and are recorded net of sales tax, rebates, trade discounts and sales returns.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

- d) Service income is recognized upon rendering of services. Service income is recorded net of service tax.

- e) Licensing revenue is recognized on accrual basis in accordance with the terms of the relevant agreements. Licensing income is recorded net of sales tax and service tax

- f) Power generation income is recognized on the basis of electrical units generated and sold in excess of captive consumption and recognized at prescribed rate as per agreement of sale of electricity by the Parent Company. Further, value of electricity generated and captively consumed is netted off from the electricity expenses.

- g) Export incentives principally comprises of Duty Drawback, merchandise exports from India scheme and refund of state levies based on guidelines formulated for the respective scheme by the government authorities. These incentives are recognized as income on accrual basis in Statement of Profit and Loss in only to the extent that realisation/utilisation is certain.

- h) Rental income on assets given under operating lease arrangements is recognized on straight line basis over the lease term in accordance with terms of agreement. Rental income is recorded net of service tax.

### 1.11. Foreign Currency Transactions:

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.
- c) Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16- Borrowing Cost.



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

**1.12. Borrowing Costs:**

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

rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss as income or expense.

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

**1.13. Employees' Benefits:****a) Short term employee benefits**

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

**b) Post-employment benefits****i) Defined contribution plan**

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

**ii) Defined benefit plan**

The Parent Company's obligation towards gratuity liability is funded to an approved gratuity fund, which fully covers the said liability under Cash Accumulation Policy of Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The

**1.14. Operating Lease:**

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with the lessor are classified as operating lease.

Rental expenses on assets obtained under operating lease arrangements are recognized on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement.

**1.15. Taxes on Income:**

a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities premium or retained earnings or other reserves, the corresponding tax effect is also adjusted against the securities premium or retained earnings or other reserves, as the case may be, as per the announcement of Institute of Chartered Accountant of India.

b) Provision for current tax is made as per the provisions of Income Tax Act, 1961.

c) Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date. At each balance sheet date the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably/virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### 1.16. Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term highly liquid investments / mutual funds (with zero exit load at the time of investment) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

### 1.17. Cash Flow Statement:

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

### 1.18. Provisions and Contingent Liabilities:

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can

be made. Provisions are not discounted to its present value (except retirement benefits) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

### 1.19. Dividend distribution

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

### 1.20. Earnings per Share:

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

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

### 1.21. Segment Reporting:

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>SHARE CAPITAL</b>	<b>2.1</b>		
Authorized Capital		2,000.00	2,000.00
20,000,000 (P.Y. 20,000,000) Equity shares of ₹ 10 each			
Issued, subscribed and Paid up :			
12,325,037 (P.Y. 12,325,037) Equity shares of ₹10 each, fully paid up		1,232.50	1,232.50
		<b>1,232.50</b>	<b>1,232.50</b>

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

2.1.1

Reconciliation of the shares outstanding at the beginning and at the end of the year

2.1.2

(₹ in lakhs except as otherwise stated)

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of shares	₹	No. of shares	₹
Shares outstanding at the beginning of the year	12,325,037	1,232.50	12,325,037	1,232.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,325,037	1,232.50	12,325,037	1,232.50

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

2.1.3

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of shares	% of Holding	No. of shares	% of Holding
Mrs Shantaben P. Jain j/w Mr. Kewalchand P. Jain j/w Mr Hemant P. Jain(equity shares held in their capacity as trustees/beneficiaries of M/s P.K.Jain Family Holding Trust)	6,153,000	49.92	6,153,000	49.92
Mr.Dinesh P Jain	728,831	5.91	728,831	5.91
includes 99,401 (P.Y. 99,401) shares jointly held with Mrs Sangeeta D. Jain				
Mr.Vikas P Jain	721,321	5.85	721,321	5.85
includes 91,836 (P.Y.91,836) shares jointly held with Mrs Kesar V. Jain				
Mr. Hemant P Jain	690,915	5.61	690,915	5.61
includes 77,400 (P.Y.77,400) shares jointly held with Mrs Lata H. Jain				
Mr. Kewalchand P Jain	690,111	5.60	690,111	5.60
includes 76,661(P.Y.76,661) shares jointly held with Mrs Veena K. Jain				
Nalanda India Fund Limited	1,200,000	9.74	1,200,000	9.74

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up.)

2.1.4



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>RESERVES AND SURPLUS</b>	<b>2.2</b>		
<b>Securities Premium Reserve</b>			
Opening		8,426.77	8,426.77
Addition / Deduction during the year		-	-
Closing		8,426.77	8,426.77
<b>General Reserve</b>			
Opening Balance		4,522.86	3,843.38
Add: Amount transferred from Balance in the Consolidated Statement of Profit and Loss		852.77	679.48
		5,375.63	4,522.86
<b>Balance in Consolidated Statement of Profit and Loss</b>			
Opening balance		12,691.60	15,979.57
Add: Net profit after tax transferred from Consolidated Statement of Profit and Loss		8,527.48	6,793.33
		21,219.09	22,772.90
<b>Less: Appropriations</b>			
Proposed Dividend		-	184.88
Interim Dividend		2,156.88	7,210.15
Tax on Proposed Dividend		-	37.64
Tax on Interim Dividend		439.09	1,467.82
Tax on Interim Dividend for previous year (on account of increase in surcharge)		-	1.34
Transfer to Business Progressive Fund		500.00	500.00
Transfer to General Reserve		852.78	679.48
		17,270.34	12,691.60
<b>Business Progressive Fund</b>			
Opening Balance		3,000.00	2,500.00
Add: Amount transferred from Balance in the Consolidated Statement of Profit and Loss		500.00	500.00
Loss			
		3,500.00	3,000.00
		<b>34,572.73</b>	<b>28,641.23</b>

The Board of Directors have recommended a payment of final dividend of ₹ 1.50 per equity share of ₹ 10/- each for the financial year ended 31st March 2017. The Payment is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

2.2.1

For the financial year 2016-17, the Board of Directors declared and paid an interim dividend of ₹ 17.5 per equity share of ₹ 10 each. In the previous year 2015-16, the Company had paid interim dividends aggregating to ₹ 58.5 (also includes special dividend of ₹ 35) per equity share of ₹ 10/- each and final dividend of ₹ 1.5 per equity share.

The Company has augmented "Business Progressive Fund" by ₹ 500 lakhs (P.Y. ₹ 500 lakhs) out of its profits and the aggregate amount of the fund as at year end is ₹ 3,500 lakhs (P.Y. ₹ 3,000 lakhs). This fund has been created with a view to maintain normal growth in sluggish market conditions and support superior growth for long term. The said fund shall be for the purpose of launching & promoting new products, advertisement campaigns, promotional schemes and initial support to master stockiest and franchisees for development of retail business, reinforce existing channels of sales etc. The amount of fund is earmarked and invested in mutual funds or any other safe and highly liquid investments. The Company has made adequate provisions in accordance with Accounting Standard (AS) -29 in normal course of business. AS-29 does not permit providing for expenses where present obligation does not exist or there is no fixed commitment.

2.2.2

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



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>OTHER LONG-TERM LIABILITIES</b>	2.3		
Other Liabilities			
Security Deposits		1,439.78	1,713.57
		1,439.78	1,713.57
<b>LONG TERM PROVISIONS</b>	2.4		
Other Long Term Provisions			
Other provisions (rent escalation)		1.08	-
		1.08	-
<b>SHORT TERM BORROWINGS</b>	2.5		
<b>Secured Loan</b>			
<b>(Repayable on Demand)</b>			
<b>From Banks</b>			
Cash Credit/Packing Credit		2,899.87	1,251.76
(Secured by pari-passu first charge on Stock and Trade Receivables)			
Preshipment Export Loan		400.63	748.07
(Secured by pari-passu first charge on Stock and Trade Receivables)			
		3,300.50	1,999.83
<b>Unsecured Loan (payable after 30 days)</b>			
Working Capital Loan from Bank		750.00	888.93
		4,050.50	2,888.76
As on Balance sheet date there are no defaults in payment of principal and interest	2.5.1		
<b>TRADE PAYABLES</b>	2.6		
a) Micro and Small Enterprises			
Materials		20.46	89.91
b) Other than Micro and Small Enterprises			
Materials		2,559.43	3,406.18
Expenses		1,367.08	1,192.59
		3,946.97	4,688.68
<b>OTHER CURRENT LIABILITIES</b>	2.7		
Interest accrued but not due on borrowings		1.33	0.12
Unclaimed Dividend		4.91	4.43
Security Deposits		14.60	15.60
Other Payables			
Capital Goods		40.86	56.82
Salary and Wages payable		618.81	510.90
Employee Benefits (refer note 2.7.1)		274.20	259.50
Statutory Liabilities		162.53	149.14
Advance from Customers		996.87	378.60
		2,114.11	1,375.11
Upon the enactment of 'The Payment on Bonus (Amendment) Act, 2015' during the previous year, the Company had made additional provision for bonus amounting to ₹ Nil (P.Y. ₹ 45 lakhs) pertaining to financial year 2014-15. Payment against the provision of ₹ 45 lakhs is not made pending final judgement from judicial authorities.	2.7.1		



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>SHORT TERM PROVISIONS</b>	2.8		
Provision for Taxations (Net of Advance Tax)		85.89	200.22
Provisions for Dividend & Dividend Distribution Tax		-	222.51
Provision for Margin on Sales Return (refer note 2.37)		95.50	74.48
Provision for Employee Benefits		318.30	143.93
Provision for Contingencies (refer note 2.37)		363.23	379.34
Provision for Excise Duty on Finished Goods (refer note 2.15.1)		23.43	15.38
Other Provisions (Selling & Distribution Expenses) (refer note 2.37)		1,248.81	797.66
		2,135.16	1,833.52

### FIXED ASSETS 2.9

Sr. No.	Description of the Block of Assets	Gross Block				Depreciation / Amortisation			Net Block		
		As at 01st April 2016	Additions	Deductions/ Discarded	As at 31st March 2017	As at 01st April 2016	Depreciation	Deductions/ Discarded	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Property Plant & Equipment (Tangible Assets)											
1	Free Hold Land	1,540.45	62.98	-	1,603.43	-	-	-	-	1,603.43	1,540.45
2	Leasehold Land	235.65	-	-	235.65	22.44	3.06	-	25.49	210.16	213.22
3	Building	4,304.19	198.40	-	4,502.59	1,613.16	113.88	-	1,727.05	2,775.55	2,691.03
4	Furnitures & Fixtures	927.03	-	47.07	879.96	864.46	15.26	47.07	832.65	47.31	62.57
5	Plant and Machinery	2,365.53	755.12	99.95	3,020.70	1,224.72	212.49	77.58	1,359.63	1,661.06	1,140.81
6	Computer	308.97	68.53	52.83	324.67	230.71	52.65	51.68	231.68	92.99	78.26
7	Office Equipments	308.82	42.38	3.70	347.50	252.15	26.38	3.70	274.83	72.67	56.67
8	Vehicles	263.06	39.20	8.47	293.79	122.11	26.18	7.02	141.27	152.52	140.95
	Total of Property Plant & equipment (A)	10,253.71	1,166.61	212.02	11,208.30	4,329.76	449.91	187.05	4,592.62	6,615.68	5,923.95
Intangible Assets (other than internally generated)											
1	Software (Acquired)	157.27	5.69	2.19	160.77	90.89	25.85	2.19	114.55	46.22	66.38
2	Membership Rights	18.00	-	-	18.00	10.80	3.60	-	14.40	3.60	7.20
	Total of Intangible Assets (B)	175.27	5.69	2.19	178.77	101.69	29.45	2.19	128.95	49.82	73.58



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Sr. No.	Description of the Block of Assets	As at 01st April 2016	Additions	Capitalised	As at 31st March 2017				As at 31st March 2017	As at 31st March 2016
<b>Capital Work in Progress (CWIP)</b>										
1	Plant and Machinery	111.26	504.28	382.19	233.35	-	-	-	233.35	111.26
2	Building	152.30	549.74	210.89	491.15	-	-	-	491.15	152.30
	<b>Total CWIP</b>	<b>263.56</b>	<b>1,054.02</b>	<b>593.08</b>	<b>724.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>724.50</b>	<b>263.56</b>
<b>Intangible Assets under development</b>										
1	Software (Acquired)	-	2.86	-	2.86	-	-	-	2.86	-
	<b>Total CWIP (C)</b>	<b>263.56</b>	<b>1,056.88</b>	<b>593.08</b>	<b>727.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>727.36</b>	<b>263.56</b>
	<b>Grand total (A+B+C)</b>	<b>10,692.54</b>	<b>2,229.18</b>	<b>807.29</b>	<b>12,114.43</b>	<b>4,431.45</b>	<b>479.36</b>	<b>189.24</b>	<b>4,721.57</b>	<b>7,392.86</b>
									<b>6,261.09</b>	

- 2.9.1 The Company has given part of the premises under operating lease. The gross carrying amount, accumulated depreciation at the balance sheet date and depreciation recognized in Statement of Profit and Loss for the year of said premises is ₹ 180.86 lakhs, ₹ 61.55 lakhs and ₹ 13.26 lakhs respectively (P.Y. ₹ 29.21 lakhs, ₹ 6.36 lakhs and ₹ 6.21 lakhs).
- 2.9.2 Building includes the value of 14,000 (P.Y.14,000) share of ₹ 100 each in Synthofine Estate CHS Ltd and value of 10 (P.Y.10) share of ₹ 50 each in Gautam Chemical Industrial Premises CHS Ltd.
- 2.9.3 Balance useful life of membership rights as at year end is 12 months (P.Y. 24 months).
- 2.9.4 Building includes building constructed on lease hold land having Gross block of ₹ 226.65 lakhs (P.Y. ₹ 226.65 lakhs).
- 2.9.5 In the year 2014-15, the company has acquired freehold land with integrated structures for a composite value whose conveyance is registered and municipal records updated. The value of the structure is determined based on estimated depreciated value of structures and the balance is considered as the value of the land. In respect of the land, the company has undivided share in land. Also an insignificant portion of land is unlawfully occupied by an illegal occupant and the said occupant had raised some illegal structures which were demolished by the Municipal Corporation during the year under review. The said illegal occupant has filed a suit in the Hon'ble High Court for his alleged claim in respect of the portion of the land illegally occupied by him. The Company has refuted the alleged claim of the illegal occupant and is defending the suit. The Company has filed an Eviction suit against the illegal occupant in the Hon'ble Small Causes Court. Both the said matters are sub-judiced. There is insignificant impact of these litigations on the financial position of the company.
- 2.9.6 Disclosure required as per paragraph 82(b) of Accounting Standard 10-Property Plant & Equipment  
Amount capitalised under building block includes ₹ 198.40 lakhs (P.Y. ₹ NIL) being the amount of capital expenditure incurred on self-constructed assets. Further such amount included under CWIP is aggregating to ₹ 491.15 lakhs (P.Y. ₹ 152.30 lakhs).



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### FIXED ASSETS 2.9

Sr. No.		Description of the Block of Assets	Gross Block			Depreciation / Amortisation			Net Block	
			As at 01st April 2015	Additions	Deductions/ Discarded	As at 31st March 2016	As at 01st April 2015	Depreciation / Amortization	Deductions	As at 31st March 2016
Property Plant & Equipment (Tangible Assets)										
1	Free Hold Land	1,372.10	168.35	-	1,540.45	-	-	-	-	1,540.45
2	Leasehold Land	235.65	-	-	235.65	19.38	3.06	-	22.44	213.22
3	Building	3,878.93	425.27	-	4,304.19	1,510.08	103.08	-	1,613.16	2,691.03
4	Furnitures & Fixtures	923.70	19.46	16.12	927.03	845.77	34.82	16.12	864.46	62.57
5	Plant and Machinery	2,269.21	288.63	192.31	2,365.53	1,206.77	149.48	131.53	1,224.72	1,140.81
6	Computer	280.85	71.78	43.67	308.97	232.75	41.63	43.67	230.71	78.26
7	Office Equipments	270.46	58.03	19.67	308.82	244.42	25.40	17.66	252.15	56.67
8	Vehicles	263.56	-	0.50	263.06	88.05	34.56	0.50	122.11	140.95
Total of Tangible Assets (A)		9,494.46	1,031.52	272.26	10,253.71	4,147.22	392.02	209.48	4,329.76	5,923.95
Intangible Assets (other than internally generated)										
1	Software (Acquired)	108.58	48.69	-	157.27	70.44	20.45	-	90.89	66.38
2	Membership Rights	18.00	-	-	18.00	7.20	3.60	-	10.80	7.20
Total of Intangible Assets (B)		126.58	48.69	-	175.27	77.64	24.05	-	101.69	73.58
Capital Work in Progress (CWIP)										
1	Plant and Machinery	50.17	285.41	224.32	111.26	-	-	-	-	111.26
2	Building	370.54	201.27	419.51	152.30	-	-	-	-	152.30
Total Tangible CWIP		420.71	486.68	643.83	263.56	-	-	-	-	263.56
Intangible Assets under development										
1	Software (Acquired)	4.50	2.29	6.79	-	-	-	-	-	-
Total CWIP (C)		425.21	488.97	650.62	263.56	-	-	-	-	263.56
Grand total (A+B+C)		10,046.24	1,569.18	922.88	10,692.54	4,224.86	416.07	209.48	4,431.45	6,261.09



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>NON CURRENT INVESTMENTS</b>	<b>2.10</b>		
<b>Long Term Investments (refer note 1.8(d))</b>			
<b>a) Trade Investments (Unquoted)</b>			
Investment in Joint Venture White Knitwear Private Limited			
<b>In Preference Shares</b>			
1,041,700 (P.Y. 1,041,700) 9% Cumulative Redeemable Preference Shares of face value of ₹10 each fully paid up.		104.17	104.17
<b>b) Other than Trade Investments (Quoted)</b>			
<b>In Equity Shares</b>			
4,512 (P.Y. 4,512) Reliance Power Limited Shares of face value ₹ 10 each fully paid up.		12.69	12.69
Less: Provision for Diminution in value of Investment		(10.14)	(10.14)
		2.55	2.55
7,500 (P.Y. 7,500) HCL Technologies Ltd Shares of face value ₹ 2 each fully paid up.		78.13	78.13
Less: Provision for Diminution in value of Investment		(15.77)	-
		62.36	78.13
25,000 (P.Y. 25,000) Tech Mahindra Ltd Shares of face value ₹ 5 each fully paid up.		180.58	180.58
Less: Provision for Diminution in value of Investment		(75.83)	-
		104.75	180.58
<b>In Government Securities</b>			
Government and Trust securities		0.03	0.03
<b>In Fixed Maturity Plan</b>			
<b>Investment in unquoted Mutual Funds</b>			
<b>In units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up</b>			
Birla Sunlife FTP Series Growth		951.06	-
[Units: 9,510,574 (P.Y. NIL)]			
DHFL Pramerica FMP Series 45 Growth		200.00	200.00
[Units: 2,000,000 (P.Y. 2,000,000)]			
DHFL Pramerica FMP Series 86 Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000)]			
DSP Blackrock FMP-Series 209-37M-Growth		300.00	-
[Units: 3,000,000 (P.Y. NIL)]			
HDFC FMP 372D Feb 2014-1 Growth		-	500.00
[Units: NIL (P.Y. 5,000,000)]			
HDFC FMP 1199D Jan 2017(I) - Growth		1,000.00	-
[Units: 10,000,000 (P.Y. NIL)]			
HDFC FMP 1178D Feb 2017(I) - Growth		325.30	-
[Units: 3,252,951 (P.Y. NIL)]			
ICICI Pru FMP Series 79 - 1120D Plan J - Growth		976.37	-
[Units: 9,763,702 (P.Y. NIL)]			
ICICI Pru FMP Series 80 - 1170D Plan I - Growth		525.35	-
[Units: 5,253,506 (P.Y. NIL)]			
Kotak FMP Series 187 - Growth		100.00	100.00
[Units: 1,000,000 (P.Y. 1,000,000)]			
Kotak FMP Series 202 - Growth		500.00	-



# Consolidated

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
[Units: 5,000,000 (P.Y. NIL)]			
Principal PNB FMP Series B14 390 Days Growth		-	500.00
[Units: Nil (P.Y. 5,000,000)]			
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth		-	119.71
[Units: Nil (P.Y. 1,197,116.241)]			
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth		-	750.00
[Units: NIL (P.Y. 7,500,000)]			
Reliance Fixed Horizon Fund XXXI - Series 13 - Growth		1,517.90	-
[Units: 15,179,080 (P.Y. NIL)]			
Reliance Fixed Horizon Fund XXXII - Series 2 - Growth		160.00	-
[Units: 1,600,000 (P.Y. NIL)]			
Reliance Fixed Horizon Fund XXXII - Series 2 - Regular-Growth		100.00	-
[Units: 1,000,000 (P.Y. NIL)]			
Reliance Fixed Horizon Fund XXXII - Series 5 - Growth		200.00	-
[Units: 2,000,000 (P.Y. NIL)]			
Reliance Fixed Horizon Fund XXXIII - Series 2 - Growth		200.00	-
[Units: 2,000,000 (P.Y. NIL)]			
Reliance Fixed Horizon Fund XXXIII - Series 5 - Growth		600.64	-
[Units: 6,006,447.403 (P.Y. NIL)]			
Sundaram FTP GJ 3 Year - Growth		-	500.00
[Units: NIL (P.Y. 5,000,000)]			
UTI Fixed Term Income Fund Series XIX-XVIII - Growth		-	500.00
[Units: NIL (P.Y. 5,000,000)]			
UTI Fixed Term Income Fund Series XXI-VII - Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000)]			
UTI Fixed Term Income Fund Series XXI-VIII - Growth		600.00	600.00
[Units: 6,000,000 (P.Y. 6,000,000)]			
UTI Fixed Term Income Fund Series XXI-X - Growth		500.00	500.00
[Units: 5,000,000 (P.Y. 5,000,000)]			
UTI Fixed Term Income Fund Series XXV-VII - Growth		160.00	-
[Units: 1,600,000 (P.Y. NIL)]			
UTI Fixed Term Income Fund Series XXV-XII - Growth		200.00	-
[Units: 2,000,000 (P.Y. NIL)]			
UTI Fixed Term Income Fund Series XXVI-I - Growth		301.95	-
[Units: 3,019,459.258 (P.Y. NIL)]			
UTI Fixed Term Income Fund Series XXVI-II - Growth		1,000.00	-
[Units: 10,000,000 (P.Y. NIL)]			
<b>In the units of Fixed Maturity Plan (FMP'S) of ₹ 1000/- each fully paid</b>			
DHFL Pramerica Fixed Duration Fund-Series AF-Growth		300.00	-
[Units: 30,000 (P.Y. NIL)]			
<b>In Portfolio Management Services</b>			
<b>Kotak India Whizdom Fund</b>			
Capital Contribution		50.00	-
		<b>12,042.43</b>	<b>5,635.17</b>



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>Aggregate Cost (Net of Provisions)</b>			
- Quoted		169.66	261.26
- Unquoted		12,114.07	5,373.88
<b>Aggregate Market / Net asset Value</b>			
- Quoted		182.29	182.15
- Unquoted (units of Mutual fund)		12,746.91	5,985.74
<b>Aggregate Provision for Diminution</b>		101.74	10.14
<b>DEFERRED TAX</b>	2.11		
<b>Deferred Tax Assets:</b>			
Provision made against carrying value of Assets		133.34	176.91
Statutory amounts allowed on payment basis etc.		91.62	28.31
<b>Deferred Tax Liability</b>			
Depreciation/Amortization		269.95	155.44
<b>Net Deferred Tax Asset/(Liabilities)</b>		<b>(44.99)</b>	<b>49.78</b>
Deferred tax asset is recognized only on those timing differences, which reverse in the post tax free period, as Company enjoys exemption under section 80-IA of Income Tax Act, 1961 in respect of revenue generated from Wind Turbine Generator.	2.11		
<b>LONG-TERM LOANS &amp; ADVANCES</b>	2.12		
(Unsecured considered good)			
Deposits (Net of provision of ₹ 9.86 lakhs (P.Y. ₹ 6.01 lakhs))		133.70	143.80
Capital Advances		193.22	358.05
Loan to Employees		26.05	29.92
Rent Deposits to Related Parties (refer note 2.33(c))		7.83	7.83
Advance Tax / Tax deducted at source (Net of Provision)		111.37	362.55
Prepaid Expenses		21.88	3.75
		<b>494.05</b>	<b>905.90</b>
<b>OTHER NON CURRENT ASSETS</b>	2.13		
(Unsecured considered good)			
Bank Deposits offered as Security		26.26	3.29
Interest receivables on Bank Deposits		0.82	0.43
		27.08	3.72
<b>CURRENT INVESTMENTS</b>	2.14		
(refer note 1.8(a))			
<b>Investment in unquoted Mutual Funds :</b>			
<b>Current portion of Long term investment, in units of Fixed Maturity Plans (FMP's) of ₹ 10/- each fully paid up</b>			
Birla Sunlife FTP Series JA Growth		-	500.00
[Units: NIL (P.Y. 5,000,000)]			
Birla Sunlife FTP Series KD Growth		-	500.00
[Units: NIL (P.Y. 5,000,000)]			
DSP Blackrock FMP Series 111-12 Month - Growth		-	119.66
[Units: NIL (P.Y. 1,196,613.851)]			
HDFC FMP 371D Dec 2013-2 Growth		-	300.00
[Units: NIL (P.Y. 3,000,000)]			
HDFC FMP 369D Jan 2014-1 Growth		-	509.18
[Units: NIL (P.Y. 5,091,849)]			



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
HDFC FMP 372D Feb 2014-1 Growth [Units: 5,000,000 (P.Y. NIL)]		500.00	-
ICICI Pru FMP Series 68-369D Plan I [Units: NIL (P.Y. 7,464,604)]		-	746.46
ICICI Pru FMP Series 72-368D Plan A [Units: NIL (P.Y. 2,000,000)]		-	200.00
IDFC FTP Series 49 Growth [Units: NIL (P.Y. 2,002,581)]		-	200.26
IDFC Yearly Series Interval Fund - Series 1 - Growth [Units: NIL (P.Y. 15,249,970.718)]		-	1,657.79
Kotak FMP Series 111 Growth [Units: NIL (P.Y. 160,000)]		-	16.00
Kotak FMP Series 116 Growth [Units: NIL (P.Y. 1,100,000)]		-	110.00
Kotak FMP Series 128 Growth [Units: NIL (P.Y. 2,002,583)]		-	200.26
Kotak FMP Series 136 Growth [Units: NIL (P.Y. 5,000,000)]		-	500.00
Principal PNB FMP Series B14 390 Days Growth [Units: 5,000,000 (P.Y. Nil)]		500.00	-
Reliance Fixed Horizon Fund - XXIV - Series 15 Growth [Units: NIL (P.Y. 11,500,000)]		-	1,150.00
Reliance Yearly Interval Fund - Series 4 - Growth [Units: NIL (P.Y. 4,164,896.586)]		-	500.00
Reliance Fixed Horizon Fund XXVI - Series 12 - Growth [Units: 1,197,116.241 (P.Y. Nil)]		119.70	-
Reliance Fixed Horizon Fund XXVIII - Series 7 - Growth [Units: 7,500,000 (P.Y. NIL)]		750.00	-
Sundaram FTP GJ 3 Year - Growth [Units: 5,000,000 (P.Y. NIL)]		500.00	-
UTI Fixed Term Income Fund Series XIX-XVIII - Growth [Units: 5,000,000 (P.Y. NIL)]		500.00	-
TATA FMP Series 43 Scheme C Growth [Units: NIL (P.Y. 1,100,000)]		-	110.00
TATA FMP Series 46 Scheme I Growth [Units: NIL (P.Y. 5,000,000)]		-	500.00
Reliance Interval Fund II Series 1 Growth [Units: Nil units (P.Y. 900,000)]		-	30.00
Reliance Medium Term Fund - Growth [Units: 3,98,820.202 units (P.Y. 2,03,909.240)]		43.66	19.29
<b>In the units of Income Funds of ₹ 10/- each fully paid</b>			
UTI Short Term Income Fund Growth [Units: NIL (P.Y.: 348,585.093)]		-	50.00
SBI Dynamic Bond Fund Growth		-	150.00



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
[Units: NIL (P.Y.: 967,105,518)]			
Edelweiss Short Term Income Fund - Growth		-	100.00
[Units: NIL (P.Y.: 709,975.151)]			
BOI Axa Corporate Credit Spectrum Fund - Growth		200.00	-
[Units: 1,642,184.434 (P.Y.: NIL)]			
HDFC Medium Term Opportunities Fund - Growth		653.10	-
[Units: 3,609,580.445 (P.Y.: NIL)]			
ICICI Pru Regular Savings Fund -Direct - Growth		250.00	-
[Units: 1,464,514.806 (P.Y.: NIL)]			
ICICI Pru Regular Savings Fund - Growth		257.35	-
[Units: 1,442,895.749 (P.Y.: NIL)]			
IDFC Credit Opportunities Fund - Growth		603.02	-
[Units: 6,030,225.274 (P.Y.: NIL)]			
IDFC Corporate Bond Fund -Direct- Growth		200.88	200.88
[Units: 2,008,786.449 (P.Y. 2,008,786.449)]			
IDFC Corporate Bond Fund -Regular - Growth		257.35	-
[Units: 2,323,070.357 (P.Y. NIL)]			
Principal Short Term Income Fund - Growth		114.31	-
[Units: 410,650.895 (P.Y.: NIL)]			
Tata Short Term Bond Fund - Growth		145.30	-
[Units: 481,575.842 (P.Y.: NIL)]			
Birla Sunlife Dynamic Bond Fund-Retail Growth		-	150.94
[Units: NIL (P.Y. 732,544.24)]			
<b>In the units of Equity Funds of ₹ 10/- each fully paid</b>			
Edelweiss Arbitrage Fund - Div Reinvestment		-	271.36
[Units: NIL (P.Y.: 2,627,648.977)]			
Edelweiss Arbitrage Fund - Growth		961.63	500.00
[Units: 7,826,257.707 (P.Y.: 4,441,522.909)]			
Edelweiss Absolute Return Fund - Growth		225.00	225.00
[Units: 1,213,592.233 (P.Y.: 1,213,592.233)]			
<b>Investment in unquoted Alternate Investment Funds :</b>			
<b>In the units of Income Funds of ₹ 1000/- each fully paid</b>			
Ambit Alpha Fund Scheme I		-	800.00
[Units: NIL (P.Y.: 80,000)]			
		<b>6,781.30</b>	<b>10,317.07</b>
Aggregate Cost		6,781.30	10,317.07
<b>Aggregate Market / Net asset Value</b>		<b>7,628.95</b>	<b>12,180.73</b>
<b>Aggregate Provision for diminution</b>		-	-
<b>INVENTORIES</b>	2.15		
(At cost or net realisable value whichever is less)			
Raw material		830.72	522.08
Work-in-progress		1,556.62	2,950.24



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
Finished goods		2,393.33	1,787.93
Traded goods		153.12	156.01
Packing material & accessories		58.81	103.56
Stores, chemicals and consumables		77.36	52.87
		<b>5,069.96</b>	<b>5,572.69</b>
In terms of Guidance note on Accounting Treatment for Excise Duty issued by the Institute of Chartered Accountants of India (ICAI) excise duty of ₹ 23.43 lakhs (Previous year ₹ 15.38 lakhs) is considered as an element of cost for valuation of finished goods inventory. However this has no impact on the results for the year since the corresponding liability is also provided.	2.15.1		
<b>TRADE RECEIVABLES</b>	2.16		
a) Debtors (Secured against Customer Security Deposit)			
i) Over Six Months from the date they are due for payment		27.86	216.28
ii) Others		686.74	960.09
		<b>714.60</b>	<b>1,176.37</b>
b) Debtors (Unsecured)			
i) Over Six Months from the date they are due for payment			
a) Considered Good		1,117.44	1,324.96
b) Doubtful		212.00	61.24
ii) Others			
a) Considered Good		8,783.36	8,395.29
b) Doubtful		98.00	193.76
		<b>10,210.80</b>	<b>9,975.25</b>
Debtors (Unsecured) considered good includes :	2.16.1		
(1) ₹ 2,096.31 lakhs (P.Y. ₹ 2,008.40 lakhs) where Company holds the bank guarantee.			
(2) ₹ NIL (P.Y. ₹ 4.33 lakhs) receivable from related parties (refer note 2.33(c))			
Less : Provision for Doubtful Debts			
i) Over Six Months from the date they are due for payment		212.00	61.24
ii) Others		98.00	193.76
		<b>310.00</b>	<b>255.00</b>
		<b>10,615.40</b>	<b>10,896.61</b>
<b>CASH &amp; BANK BALANCES</b>	2.17		
<b>Cash &amp; Cash Equivalents</b>			
Cash on Hand		16.11	14.68
Balances with Banks :-			
In Current Accounts		144.87	156.52
In EEFC Account (USD 2,23,840.94) (P.Y. USD 4,354)		150.95	2.89
In Bank Deposits		13.89	353.00
In Bank Deposits with more than 12 months maturity		426.94	5.63
Bank Deposits includes ₹ 434.13 lakhs (P.Y. ₹ 355.62 lakhs) having a maturity period exceeding three months and which are readily convertible into known amounts of cash.	2.17.1		
Others:-			
Liquid Mutual Funds		5,580.94	1,485.86
		<b>6,333.70</b>	<b>2,018.58</b>
<b>Other Bank Balances</b>			



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
Earmarked balances in bank			
In Unclaimed Dividend Accounts		4.91	4.43
In Bank Deposits offered as Security (Maturity of Less than 12 Months)		83.11	100.25
		88.02	104.68
		<b>6,421.72</b>	<b>2,123.26</b>
Details of Current Investments in Liquid Mutual Funds (Unquoted) as given below:	2.17.2		
<b>a) Face Value of ₹ 10/- each fully paid up</b>			
Franklin India Ultra Short Bond Fund - Growth		500.00	-
[Units: 2,259,366.203 (P.Y. NIL)]			
HDFC Cash Management Fund -- TP - Growth		200.00	-
[Units: 575,417.033 (P.Y. NIL)]			
HDFC Banking and PSU Debt Fund - Growth		200.00	-
[Units: 1,532,179.602 (P.Y. NIL)]			
HDFC Liquid Fund - Growth		0.00	-
[Units: 0.001 (P.Y. NIL)]			
ICICI Pru Ultra Short Term - Growth		300.00	-
[Units: 1,785,278.593 (P.Y. NIL)]			
IIFL Cash Opportunities Fund		200.00	-
[Units: 1,775,347.524 (P.Y. NIL)]			
<b>Total (a)</b>		<b>1,400.00</b>	<b>-</b>
<b>b) Face Value of ₹ 100/- each fully paid up</b>			
Birla Sunlife Savings Fund - Growth		1,131.00	331.00
[Units: 371,478.043 (P.Y. 131,990.410)]			
Birla Sunlife Treasury Optimizer Plan - Growth		200.00	-
[Units: 96,032.789 (P.Y. NIL)]			
ICICI Pru Flexible Income - Growth		301.73	-
[Units: 98,488.109 (P.Y. NIL)]			
<b>Total (b)</b>		<b>1,632.73</b>	<b>331.00</b>
<b>c) Face Value of ₹ 1,000/- each fully paid up</b>			
Axis Treasury Advantage Fund - Growth		841.90	660.70
[Units: 46,486.382 (P.Y. 46,487.062)]			
Baroda Pioneer Treasury Advantage Fund - Growth		450.00	-
[Units: 25,056.297 (P.Y. NIL)]			
Kotak Floater Short Term - Growth		144.70	-
[Units: 5,628.3282 (P.Y. NIL)]			
Kotak Low Duration Fund - Growth		520.98	-
[Units: 25,887.578 (P.Y. NIL)]			
Principal Debt Opportunities Fund Corporate Bond Plan - Growth		-	103.53
[Units: NIL (P.Y. 4,713.449)]			
Principal Low Duration Fund - Growth		200.00	-
[Units: 7,708.116 (P.Y. NIL)]			
Tata Ultra Short Term Fund - Growth		390.63	390.63
[Units: 19,418.844 (P.Y. 19,418.844)]			
<b>Total (c)</b>		<b>2,548.21</b>	<b>1,154.86</b>
Aggregate Cost (a+b+c)		5,580.94	1,485.86



# Consolidated

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	As at 31st March 2017	As at 31st March 2016
Aggregate Market / Net asset Value		5,803.88	3,103.96
Aggregate Provision for Diminution		-	-
<b>SHORT-TERM LOANS &amp; ADVANCES</b>	<b>2.18</b>		
(Unsecured, Considered Good)			
Advance to Employee		36.48	40.03
Loans to Employee		18.87	21.95
Advance contribution to gratuity trust (refer note 2.31)		110.96	65.32
Advance to Suppliers		206.78	144.01
Prepaid Expenses		53.61	57.62
		<b>426.70</b>	<b>328.93</b>
<b>OTHER CURRENT ASSETS</b>	<b>2.19</b>		
(Unsecured, Considered Good)			
Interest receivables on Bank Deposits		24.16	46.02
Export Incentive Receivable		44.90	57.30
Asset held for sale [refer note 1.5 (e)]		183.94	172.40
Other Receivable [sales tax refund receivable, etc.]		13.32	3.43
		<b>266.32</b>	<b>279.15</b>

Particulars	Note	For the year ended 31st March 2017 Audited	For the year ended 31st March 2016 Audited
<b>REVENUE FROM OPERATIONS</b>	<b>2.20</b>		
<b>A. Sales Income</b>			
Sales of Apparel and Lifestyle Accessories/Products		49,892.36	45,400.46
Less : Excise duty		(1,059.49)	(98.46)
Sales net of tax and duty (refer note 2.20.1)		48,832.87	45,302.00
Sale of Power		5.07	2.77
Sales net of tax and duty (refer note 2.20.1)		<b>48,837.94</b>	<b>45,304.77</b>
<b>Note:-</b>	<b>2.20.1</b>		
Sales (Gross of tax and duty)		51,035.45	46,350.51
Less: Excise duty		1,059.49	98.46
Less: Sales tax		1,143.09	950.05
Sales net of tax and duty		<b>48,832.87</b>	<b>45,302.00</b>



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the year ended 31st March 2017 Audited	For the year ended 31st March 2016 Audited
<b>B. Other Operating Income</b>			
Service Income		99.94	105.16
Export Incentives		250.62	228.31
Miscellaneous Operating Income		49.29	91.36
Sundry Balance written back (Net)		0.04	-
		<b>399.89</b>	<b>424.83</b>
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>49,237.83</b>	<b>45,729.60</b>
The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock, which has been disclosed as excise duty expense in Statement of Profit and Loss (refer note 2.22).	2.20.2		
<b>OTHER INCOME</b>	2.21		
Interest on Bank Deposits		46.60	62.00
Income from Current Investments and Liquid Mutual Funds:			
Dividend Income		12.86	40.30
Gain on Sales/Redemption of Investments (Net)		121.84	448.28
Income from Long Term Investments			
Dividend on Equity Shares		4.80	3.05
Gain on Redemption of Investments (Net)		2,618.75	9.39
Provision for share of loss in Joint Venture reversed		-	36.00
Rent Income		6.09	6.31
Gain on Exchange Rate Fluctuation (Net)		28.70	30.11
Gain on Sale of Property plant & Equipment (Tangible Assets) (Net)		27.87	65.47
		<b>2,867.51</b>	<b>700.91</b>
<b>(INCREASE) / DECREASE IN STOCKS</b>	2.22		
<b>Opening stock</b>			
Work - in- progress		2,952.22	1,733.44
Traded goods		156.01	115.13
Finished goods		1,789.57	1,736.13
		<b>4,897.80</b>	<b>3,584.70</b>
<b>Closing stock</b>			
Work - in- progress		1,558.61	2,952.22
Traded goods		153.12	156.01
Finished goods (Refer note 2.15.1)		2,394.97	1,789.57
		<b>4,106.70</b>	<b>4,897.80</b>
Add/(Less): Variation in Excise Duty on Opening and Closing Stock of Finished goods (Refer note 2.20.2)		(8.04)	(15.38)
(Increase)/Decrease in stocks		<b>799.16</b>	<b>(1,297.72)</b>
<b>COST OF MATERIAL CONSUMED</b>	2.23		
<b>a. Raw Material Consumed:</b>			
Opening stock		522.08	305.21
Add: Purchases		12,592.34	13,589.38
		13,114.42	13,894.59
Less: Resale of raw material		85.81	131.92
Less: Closing stock		830.72	522.08
		<b>12,197.89</b>	<b>13,240.59</b>



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the year ended 31st March 2017 Audited	For the year ended 31st March 2016 Audited
b. Semi-Finished Goods		2,315.98	3,208.57
c. Packing Material, Accessories and others		2,480.42	2,488.14
d. Stores, Chemicals and Consumables		787.86	791.71
		<b>17,782.15</b>	<b>19,729.01</b>
<b>EMPLOYEE BENEFIT EXPENSES</b>	2.24		
Salary, Wages etc.		5,084.07	4,293.59
Contribution to Provident and other Funds		395.54	387.95
Bonus and Ex-gratia (refer note 2.71)		129.77	167.11
Gratuity (refer note 2.31 (a))		129.23	81.79
Leave Benefits (refer note 2.31(b))		117.85	99.35
Staff Welfare		99.95	77.66
		<b>5,956.41</b>	<b>5,107.45</b>
<b>MANUFACTURING AND OPERATING EXPENSES</b>	2.25		
Embroidery Expenses		355.60	288.22
Electricity Expenses (Net of credit received from Windmill of ₹ 57.75 lakhs (P.Y. ₹ 67.64 lakhs))		154.52	163.16
Factory Rent		23.62	24.03
General Factory Expenses		91.53	57.55
Processing Charges		3,364.97	2,897.41
Fuel Expenses		436.28	459.64
Water Charges		78.43	65.06
Waste Disposal Charges		62.58	43.90
Repairs & Maintenance		192.92	238.70
Repairs & Maintenance (Wind Mill Turbine Expenses)		13.32	13.26
		<b>4,773.77</b>	<b>4,250.93</b>
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>	2.26		
Rent, Rates and Taxes [net of amount written back and including provision for contingency]		146.15	111.48
Communication Expenses		91.83	75.58
Legal and Professional Fees		1,060.79	773.71
Consultancy Fees		95.13	109.80
Printing and Stationery		65.38	60.12
Donations		30.42	25.32
Corporate social responsibility		191.35	184.46
Vehicle Expenses		112.93	89.33
Auditors Remuneration		64.58	52.57
Conveyance & Travelling Expenses		50.78	33.92
Electricity Expenses		121.83	149.73
Repairs & Maintenance		369.21	417.73
Directors Sitting Fees		16.80	27.00
Provision for Diminution in value of Investments		91.60	-
General Office Expenses		499.58	393.73
Bad Debts		80.06	-



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Particulars	Note	For the year ended 31st March 2017 Audited	For the year ended 31st March 2016 Audited
Less: Provision for Doubtful Debts		(14.00)	-
Provision for Doubtful Debts Utilized		69.00	25.00
Loss on sale/discard of Fixed Assets (Net)		-	-
		<b>3,143.42</b>	<b>2,529.48</b>
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>	<b>2.27</b>		
Advertisement and Publicity Expenses (Net of recoveries)		1,893.75	1,744.68
Sales Promotion Expenses (Net of recoveries)		168.55	173.20
Discount and Incentive on Sales (net of amount written back)		2,312.60	1,303.62
Octroi, clearing and forwarding charges on Sales		260.82	196.63
Tour and Travelling Expenses (Net of recoveries)		435.81	355.26
Commission on Sales		102.20	101.38
Provision for Margin on Sales Return		21.02	14.01
Provision for Contingencies		5.89	-
		<b>5,200.64</b>	<b>3,888.78</b>
<b>FINANCE EXPENSES</b>	<b>2.28</b>		
Bank Charges		14.83	11.10
Finance Charges		223.54	172.20
Interest on Working Capital Loan		288.38	150.16
		<b>526.75</b>	<b>333.46</b>

### 2.29 CONTINGENT LIABILITIES:

- a) Disputed demands in respect of income tax not acknowledged as debt by the Parent Company of ₹ 20.77 lakhs (P.Y. ₹ 15.74 lakhs).

In respect of Assessment year 2005-2006, there was tax demand of ₹ 68.94 lakhs (₹ 68.94 lakhs) which had been adjusted by the tax authorities against refund due to the Parent Company in respect of other years. During F.Y. 2015-16, the Parent Company had received favourable Order passed by the ITAT, Mumbai against which the Income Tax Department has filed the appeal before the Bombay High Court and is under pre-admission stage.

Future cash outflows in respect of above are dependent on outcome of matter under dispute

- b) The Parent Company has purchased capital assets under EPCG license against which the Parent Company has a balance export obligation of ₹ 1,103.79 lakhs (P.Y. 12.60 lakhs). Contingent liability, to the extent of duty saved in respect of EPCG is ₹ 183.97 lakhs (P.Y. 2.10 lakhs). The balance export obligation to be fulfilled as per license is upto year 2021-2023.

As at the year-end, amount of outstanding bonds executed by the Parent Company in favour of customs authority aggregates to ₹ 880.65 lakhs (P.Y. ₹ 251.00 lakhs). Out of these, bonds aggregating to ₹ 180.40 lakhs (P.Y. ₹ 112.57 lakhs) are under the process of discharge from custom authorities.

- c) Bank guarantees issued by the Parent Company of ₹ 73.67 lakhs (P.Y. ₹ 60.09 lakhs)
- d) The Parent company's contingent liability and capital/other commitment in relation to joint venture ₹ Nil and ₹ Nil.

Note: No outflow of resources is expected in respect of Para (b) and (c).



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 2.30 ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON (PARENT COMPANY):

- a) Capital Account and not provided for ₹ 72.74 lakhs (net of advances) (P.Y. ₹ 308.76 lakhs).
- b) Other commitments—Relating to Advertisement contracts aggregating to ₹ 12.65 lakhs (Net of advances) (P.Y. ₹ 116.02 lakhs). Capital Contribution Commitment for investment in India Whizdom Fund (IWF) ₹ 50.00 lakhs (P.Y. Nil). Also Refer Note 2.34 in respect of minimum lease rental payment under non-cancellable operating lease.

### 2.31 EMPLOYEE BENEFITS (PARENT COMPANY):

- a) Disclosure in respect of gratuity liability

Reconciliation on Change in Benefit Obligation :	31st March 2017 (₹)	31st March 2016 (₹)
Liability at the beginning of the year	453.05	382.14
Interest Cost	36.24	30.57
Current Service Cost	101.89	83.60
Benefit Paid	(54.09)	(47.51)
Actuarial (gain)/loss on obligations	26.53	4.25
<b>Liability at the end of the year</b>	<b>563.63</b>	<b>453.05</b>

Reconciliation of Fair Value of Plan Assets :	31st March 2017 (₹)	31st March 2016 (₹)
Fair Value of Plan Assets at the beginning of the year	518.37	356.03
Expected Return on Plan Assets	43.65	36.63
Contributions	174.88	173.22
Benefit Paid	(54.09)	(47.51)
Actuarial gain/(loss)	(8.22)	-
<b>Fair Value of Plan Assets at the end of the year</b>	<b>674.59</b>	<b>518.37</b>

Amount recognized in the Balance Sheet :	31st March 2017 (₹)	31st March 2016 (₹)
Liability at the end of the year	563.63	453.05
Fair Value of Plan Assets at the end of the year	674.59	518.37
<b>Net Asset / (Liability) in the Balance Sheet</b>	<b>110.96</b>	<b>65.32</b>

Gratuity recognized in the Statement of Profit and Loss	31st March 2017 (₹)	31st March 2016 (₹)
Current Service Cost	101.89	83.60
Interest Cost	36.24	30.57
Expected Return on Plan Assets	(43.65)	(36.63)
Actuarial Gain/(Loss)	34.75	4.25
<b>Expense Recognized in Statement of Profit and Loss</b>	<b>129.23</b>	<b>81.79</b>



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Principal Assumption used in determining Gratuity liability	31st March 2017 (₹)	31st March 2016 (₹)
Discount Rate	7.20%	8.00%
Expected Rate of return	8.00%	9.00%
Employee Turnover	5-10%	1-3%
Salary Escalation	7.50%	7.50%
Mortality Table	IALM 2006-08 Ult	LIC (1994-96) Ultimate

Other disclosures*	31st March 2017 (₹)	31st March 2016 (₹)
Defined benefit obligation	563.63	453.05
Plan assets	674.59	518.37
Surplus/(deficit)	110.96	65.32
Experience adjustments on plan liabilities – loss/ (gain)	(17.89)	4.25
Experience adjustments on plan Assets – (loss)/ gain#	(13.68)	-

\*Details of three years prior to financial year 2015-16 are not disclosed since the Company has prepared CFS for the first time in financial year 2015-16

# Information is disclosed to the extent available.

100% of the plan assets held by gratuity trust comprises of employees group gratuity scheme with Life Insurance Corporation of India. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected rate of return on plan assets comprising of Insurance Policy with LIC of India is based on the historical results of returns given by LIC of India.

The Parent Company expects to contribute ₹ 175.00 lakhs (P.Y. ₹ 75.00 lakhs) to gratuity trust for contribution to LIC of India in financial year 2017-18. (Considering proposed increase in limit as per The Payment of Gratuity Act 1972.)

**b) Disclosure in respect of leave entitlement liability:**

Leave entitlement is short term benefit which is recognized as an expense at the un-discounted amount in the year in which the related service is rendered and disclosed under other current liabilities.

**c) Death in service benefit:**

The Parent Company has taken group term policy from an insurance Company to cover its obligation for death in service benefit given to eligible employees. The insurance premium of ₹ 18.93 lakhs (P.Y. ₹ 11.81 lakhs) is recognized in Statement of Profit and Loss.

**d) The Parent Company contributes towards Employees Provident Fund, Employees State Insurance, National Pension Scheme and Labour Welfare Fund. The aggregate amount contributed and charged to Statement of Profit and Loss is ₹ 395.54 lakhs (P.Y. ₹ 387.95 lakhs).**



# Consolidated

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 2.32 SEGMENT REPORTING :

#### a) Primary segment:

The Parent Company is engaged in the business of manufacturing and marketing of Apparels & trading of Lifestyle Accessories/Products. The Company is also generating power from Wind Turbine Generator. The power generated from the same is predominantly used for captive consumption. However, the operation of Wind Turbine Segment is within the threshold limit stipulated under AS – 17 “Segment Reporting” and hence it does not require disclosure as a separate reportable segment.

Particulars	Apparel & Life style Accessories/ Products	Other/ Reconciling Item	Unallocated	Total
<b>1. Segment Revenue</b>				
External Net Sales/ Income from Operation	49,232.73	5.07	-	49,237.80
	(45,726.83)	(2.77)	-	(45,729.60)
Add: Inter Segment Revenue	-	57.75	-	57.75
	-	(67.64)	-	(67.64)
<b>Total Segment Revenue</b>	49,232.73	62.82	-	49,295.55
	(45,726.83)	(70.41)	-	(45,797.24)
Eliminations			57.75	57.75
			(67.64)	(67.64)
<b>Total Revenue</b>				<b>49,237.80</b>
				(45,729.60)
<b>2. Segment Result</b>				
Segment Result	9,550.55	40.51	-	9,591.06
	(9,988.49)	(48.17)	-	(10,036.66)
Less : Interest expenditure			487.96	487.96
			(289.22)	(289.22)
Add: Other unallocable income net of unallocable expenditure			2,714.27	2,714.27
			(605.20)	(605.20)
<b>Profit before Tax</b>				<b>11,817.39</b>
				(10,352.65)
Less : Provision For Tax			3,289.90	3,289.90
			(3,557.86)	(3,557.86)
<b>Net Profit</b>				<b>8,527.68</b>
				(6,794.79)



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 3. Other Information

Particulars	Apparel & Life style Accessories/ Products	Other/ Reconciling Item	Unallocated	Total
Segment Assets	23,930.25	139.48	25,474.27	49,544.00
	(23,680.74)	(149.68)	(18,555.40)	(42,385.82)
Segment Liabilities	9,544.65	-	4,194.13	13,738.78
	(9,183.26)	(-)	(3,329.04)	(12,512.30)
Depreciation/ Amortization	470.38	8.98	-	479.36
	(407.09)	(8.98)	(-)	(416.07)
Non Cash Expenses other than Depreciation	-	1.04	-	1.04
	(-)	(1.04)	(-)	(1.04)
Capital Expenditure	1,172.28	-	-	1,172.28
	(1,588.86)	(-)	(-)	(1,588.86)

Note: As per the expert advisory opinion, electricity generated from Wind Turbine Generator and used for captive consumption is reduced from the electricity expenses in Statement of Profit and Loss but shown as segment revenue for the purpose of segment reporting as per AS-17 "Segment Reporting".

#### b) Secondary segment (By Geographical segment):

Particulars	India	Outside India	Total
Sales / Income from Operations	47,203.51	2,034.28	49,237.79
	(42,755.90)	(2,980.01)	(45,735.91)
Segment Assets *	49,429.60	114.40	49,544.00
	(42,072.82)	(313.00)	(42,385.82)

\*Segment Assets from outside India represents receivables from Export Sales (net of advances in relation to exports). In view of the interwoven / intermix nature of business and manufacturing facility, other information is not ascertainable

(Figures in bracket indicate previous year's figures)

### 2.33 RELATED PARTY DISCLOSURE:

Disclosures as per Accounting Standard (AS-18) – 'Related Party Disclosures' are given below:

#### a) Related Parties where i) control exists and ii) where significant influence exists (with whom transaction have taken place during the year)

**Enterprises where Key Management Personnel (KMP) and their relatives have significant influence:**

Enlighten Lifestyle Limited  
Smt. Jatnobai Karamchandji Ratanparia Chouhan Charitable Trust  
Lord Gautam Charitable Foundation  
Kewal Kiran Finance Private Limited

#### Key Management Personnel of the Parent Company:

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



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### Relatives / Other concerns of Key Management Personnel:

Shantaben P. Jain (Mother of Key Management Personnel)

Veena K. Jain (Wife of Kewalchand P. Jain.)

Lata H. Jain (Wife of Hemant P. Jain)

Sangeeta D. Jain (Wife of Dinesh P. Jain)

Kesar V. Jain (Wife of Vikas P. Jain)

Pankaj K. Jain (Son of Kewalchand P. Jain)

Hitendra H. Jain (Son of Hemant P. Jain)

Kewalchand P. Jain (HUF)

Hemant P. Jain (HUF)

Dinesh P. Jain (HUF)

Vikas P. Jain (HUF)

P.K. Jain Family Holding Trust

### Employee Funds:

Kewal Kiran Clothing Limited – Employee Group Gratuity Scheme.

b)

Nature of Transaction	Enterprises Where KMP & their relatives have significant influence.	Joint Venture	Relatives/ Other Concerns of Key Management Personnel	Key Management Personnel	Employee Funds
Purchase of Assets & consumables	(17.69)	(-)	(-)	(-)	(-)
Rent Expenses	(-)	(-)	(9.18)	(29.89)	(-)
Managerial Remuneration	(-)	(-)	(-)	318.00	(-)
Salary	(-)	(-)	45.00	(-)	(-)
Rent Income (exclusive of service tax)	(4.23)	(-)	(-)	(-)	(-)
Dividend Paid	0.44	-	1,199.47	537.92	-
CSR (Donation)	(138.00)	(-)	(-)	(-)	(-)
Contribution to Gratuity Fund	(-)	(-)	(-)	(-)	174.88
<b>Outstanding balance as on 31st March 2017</b>					
Trade and Salary Payable	(-)	(-)	20.03	199.00	-
Trade Receivable & Advances	(4.33)	(-)	(-)	(-)	110.96
Deposit Receivable	(-)	(-)	4.59	3.24	-
	(-)	(-)	(4.59)	(3.24)	(-)



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

**c) Disclosure of Related Party Transactions, the amounts of which are in excess of 10% of total related party transactions of the same type:**

Nature of Transaction	Nature of relationship	Name of the related party	Amounts in ₹
Purchase of Assets & consumables	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	-
			(17.69)
Rent Expenses	Key Management Personnel	Kewalchand P. Jain	9.98
			(9.98)
		Hemant P. Jain	8.60
			(8.60)
		Dinesh P. Jain	5.66
			(5.66)
		Vikas P. Jain	5.66
			(5.66)
		Relatives/ Other Concerns of Key Management Personnel	9.18
		Shantaben P. Jain	(9.18)
Managerial Remuneration (Salary)	Key Management Personnel	Kewalchand P. Jain	79.50
			(79.50)
		Hemant P. Jain	79.50
			(79.50)
		Dinesh P. Jain	79.50
			(79.50)
		Vikas P. Jain	79.50
			(79.50)
		Relatives/ Other Concerns of Key Management Personnel	25.00
		Pankaj K. Jain	(24.23)
Rent Income (exclusive of service tax)	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	-
			(4.23)
Salary	Relatives/ Other Concerns of Key Management Personnel	Hitendra H. Jain	20.00
			(18.59)
		Enterprises Where KMP & their relatives have significant influence	0.44
		Kewal Kiran Finance Private Limited	(1.45)
Dividend Paid	Key Management Personnel	Relatives/ Other Concerns of Key Management Personnel	1,169.07
		Shantaben P. Jain (Trustee/Beneficiary of P. K. Jain Family Holding Trust)	(3,876.39)
		Kewalchand P. Jain	131.12
			(434.77)
		Hemant P. Jain	131.27
			(435.28)
		Dinesh P. Jain	138.48
			(459.16)
		Vikas P. Jain	137.05
			(454.43)
Contribution to Gratuity Fund	Employee Funds	Employee Fund	174.88
			(173.22)



# Consolidated

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Nature of Transaction	Nature of relationship	Name of the related party	Amounts in ₹
Corporate Social Responsibility (Donation)	Enterprises where KMP & their relatives have significant influence	Smt. Jatnobai Karamchandji	182.50
		Ratanparia Chouhan Charitable Trust	(123.00)
		Lord Gautam Charitable Foundation	-
			(15.00)
Trade and Salary Payable	Key Management Personnel	Kewalchand P. Jain	40.31
			(38.44)
		Hemant P. Jain	33.65
			(15.70)
	Relatives of Key Management Personnel	Dinesh P. Jain	44.51
			(21.82)
		Vikas P. Jain	80.54
			(51.24)
		Shantaben P. Jain	14.51
			(6.24)
Trade Receivable	Enterprises where KMP & their relatives have significant influence	Enlighten Lifestyle Limited	-
			(4.33)
Deposit Receivable	Key Management Personnel	Kewalchand P. Jain	1.62
			(1.62)
	Relatives/ Other Concerns of Key Management Personnel	Hemant P. Jain	1.62
			(1.62)
		Shantaben P. Jain	4.59
Investments	Joint Ventures		(4.59)
		White Knitwear Private Limited	104.17
			(104.17)

Following are the Key Managerial Personnel (KMPs) and their relative in accordance with the provisions of the Companies Act, 2013:

1. Bhavin Sheth Chief Financial Officer (w.e.f. 06/02/2016)
2. S. L. Kothari Chief Financial Officer (upto 10/10/2015)
3. Abhijit Warange Company Secretary
4. Amita S Kothari Wife of S.L. Kothari (upto 10/10/2015)



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

Disclosure of transactions during the year and year-end balance with above KMP / relative of KMP.

Nature of Transaction	Name of the KMP/Relative	Amounts in ₹
	S.L. Kothari	-
		(48.69)
Managerial Remuneration (Salary)	Bhavin Sheth	46.50
		(9.15)
	Abhijit Warange	30.24
		(30.31)
		-
Dividend Paid	S.L. Kothari	(0.90)
		-
	Amita S Kothari	(1.30)
		-
<b>Outstanding balance as on 31st March 2017</b>		<b>5.67</b>
	Bhavin Sheth	(2.37)
Salary Payable		4.09
	Abhijit Warange	(3.26)

Note:

- Figures in brackets represents corresponding amount of previous year.
- Above transactions exclude reimbursement of expenses
- In case of KMP under the Companies Act, 2013, managerial remuneration excludes gratuity provision as it is determined on actuarial basis for the Parent Company as a whole

**2.34 OPERATING LEASE ARRANGEMENTS (PARENT COMPANY):**

Disclosure as per Accounting Standard (AS-19) – “Leases” are given below:

**a) As lessee:**

Rental expenses of ₹ 88.73 lakhs (P.Y. ₹ 73.01 lakhs) under operating leases have been recognized in the Statement of Profit and Loss. It includes contingent lease rent of ₹ 7.83 lakhs (P.Y. ₹ 3.79 lakhs) based on revenue sharing model.

At Balance sheet date, minimum lease payments under non-cancellable operating leases fall due as follows:

Particulars	31st March 2017 (₹)	31st March 2016 (₹)
Due not later than one year	79.43	69.13
Due later than one year but not later than five years	180.15	132.81
More than 5 years	-	3.45
<b>Total</b>	<b>259.58</b>	<b>205.39</b>

The above figures include:

- The agreements are executed for the periods of 33 to 108 months with a non-cancellable period at the beginning of the agreement ranging from 12 to 36 months and having a clause for extension of lease period.
- Lease rentals based on estimated date of commencement of lease in cases where the agreements / MOU's have been entered into but the date of commencement of lease is dependent on the date of construction/renovation of premises and based on the commitment for delivery by lessors.



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

- iii. The above-mentioned lease rentals include a lease the period of which is dependent on the occurrence of an event, the date of which is not ascertainable beyond five years. Hence, the lease rentals are considered up to a period of five years only.
- iv. Lease rentals do not include common area maintenance charges and tax payable, if any.
- v. The above details of lease rental obligation exclude the amounts payable by franchisee in accordance with the arrangement with them (a) not later than 1 year ₹ 29.04 lakhs (P.Y. ₹ 54.92 lakhs) (b) between 1 to 5 year ₹ 103.04 lakhs (P.Y. ₹ 125.20 lakhs) (c) more than 5 years ₹ 31.94 lakhs (P.Y. ₹ 59.31 lakhs).

### b) As Lessor:

Rental income from leasing of property of ₹ 6.09 lakhs (P.Y. ₹ 6.31 lakhs) is recognized in the Statement of Profit and Loss. The lease agreements are of cancellable nature It includes contingent lease rent of ₹ Nil (P.Y. ₹ 1.93 lakhs) based on revenue sharing model, which is higher of fixed amount or percentage of revenue of lessee. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

### 2.35 DETAILS OF PROPORTIONATE SHARE OF JOINT VENTURE COMPANY

The Parent Company's proportionate share in the Assets, Liabilities, Income and Expenses of its Joint Venture company included in this consolidated financial statements are given below:-

#### A)

Particulars	As at 31st March 2017	As at 31st March 2016
<b>I. LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Reserves and Surplus	(6.50)	(12.79)
<b>Current Liabilities</b>		
Trade payables	0.31	0.33
Short-term provisions	0.02	0.02
<b>II. ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	0.12	0.13
Non-current investments	0.03	0.03
Long term loans and advances	4.76	4.76
<b>Current assets</b>		
Current investments	43.66	49.29
Cash and cash equivalents	0.58	0.20
Short-term loans and advances	0.42	0.42
Other current assets	185.59	174.06
Contingent Liabilities (includes ₹ 35.64 lakhs (P.Y. ₹ 31.82 lakhs) towards dividend distribution tax on cumulative dividend on preference shares of the joint venture)	42.95	66.82
Capital Commitment	Nil	Nil



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

**B)**

Statement of Profit and Loss	For the year ended 31st March 2017 ₹	For the year ended 31st March 2016 ₹
<b>INCOME</b>		
Other Income	11.40	0.13
	<b>11.40</b>	<b>0.13</b>
<b>EXPENDITURE</b>		
Employee benefit expense	0.20	0.20
Administrative Expenses	4.90	1.39
Depreciation and amortization expense	-	-
	<b>5.11</b>	<b>1.59</b>
	<b>6.29</b>	<b>(1.46)</b>
<b>Profit before tax</b>		
<b>Provisions for taxation</b>		
Current tax	-	-
Deferred tax	-	-
<b>Profit/(Loss) for the year</b>	<b>6.29</b>	<b>(1.46)</b>

**C)**

The Joint Venture had acquired land in Surat Special Economic Zone (SEZ) and constructed factory building for setting up of manufacturing unit for production of Knitwear Apparels for exports. However, due to slowdown in international market, SEZ could not operationalize as majority of SEZ members have put-on-hold their operations in SEZ and approached to Gujarat Industrial Development Corporation (GIDC) and State and Central government for de-notification of SEZ.

Gujarat Industrial Development Corporation vide its circular No. GIDC/CIR/Distribution/Policy /13/05 dated 14.03.2013 had de-notified the SEZ and conceded the members to convert and use the erstwhile land in SEZ as Domestic Tariff Area (DTA) subject to fulfilment of conditions stated therein.

Based on GIDC circular on de-notification, WKPL vide its letter dated 04.04.13 has consented for de-notification of its plot of land and undertaken to complete the formal procedure for the same, however, Central Government approval is awaited.

Post de-notification joint venture partners shall dispose of the Company/land and building and realize the proceeds to return it to joint venture partners.



# Consolidated

## Notes on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 2.36 DISCLOSURE REGARDING DERIVATIVE INSTRUMENT AND UNHEDGED FOREIGN CURRENCY EXPOSURE (PARENT COMPANY):

There are no open derivatives / forward exchange contracts as at year end. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	31-03-2017		31-03-2016	
		Amt. in Foreign Currency	(₹)	Amt. in Foreign Currency	(₹)
Trade Receivables	USD	1,78,348.32	115.62	479,370	317.97
Payable towards Capital Goods	USD	20,000	77.62	57,501	38.14
	EURO	93,375	-	-	-
Advance for Capital Goods	EURO	1,82,007	126.02	325,000	244.04
Advance from Customer	USD	1,886.07	1.22	7,202	4.78
Advance to Supplier	USD	-	-	7,986	5.30
Balance in EEFC account	USD	2,32,840.94	150.95	4,354	2.89
Foreign currency in hand	Multiple	-	1.61	-	1.89

Note: The above figures do not include open purchase orders/sales orders.

### 2.37 PROVISIONS (PARENT COMPANY):

Disclosure as per Accounting Standard (AS) 29 – Provisions, Contingent Liabilities and Contingent Assets are given below:

Particulars	Provision for Contingencies				Other Provisions (Selling & Distributions Expenses including dealer incentives and discounts)		Provision for margin on sales return	
	Provision for Claims/ Schemes etc		Other Contingencies*					
	31-03-2017 (₹)	31-03-2016 (₹)	31-03-2017 (₹)	31-03-2016 (₹)	31-03-2017 (₹)	31-03-2016 (₹)	31-03-2017 (₹)	31-03-2016 (₹)
Opening Balance	336.88	401.60	42.46	44.92	797.65	709.80	74.48	60.48
Addition	298.22	285.25	5.89	-	2312.61	1303.62	21.02	14.00
Utilization	306.81	349.97	13.40	2.46	1861.44	1189.36	-	-
Reversals	-	-	-	-	-	26.41	-	-
Closing Balance	328.29	336.88	34.94	42.46	1,248.82	797.65	95.50	74.48

\* It comprises of rates & taxes.

The above Provision has been grouped under the head 'Short Term Provisions' in Note 2.8.

The timing of the outflow is dependent on various aspects / fulfillment of conditions and occurrence of events. Such provisions are made based on the past experience and assessment of rates and taxes. However, it is most likely that outflow is expected to be within a period of one year from the date of Balance Sheet.



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 2.38 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD- 20 'EARNINGS PER SHARE' ATTRIBUTABLE TO OWNERS: Earnings per Share (EPS) is calculated as under

Particulars	As at 31st March 2017	As at 31st March 2016
Net Profit as per the Consolidated Statement of Profit and Loss attributable to Owners	8,527.48	6,793.35
Less: Dividend on Preference Shares of Joint Venture*	-	-
Less: Dividend Distribution Tax (DDT) on above *	3.82	3.82
<b>Net Profit for EPS</b>	<b>8,523.66</b>	<b>6,789.53</b>
Weighted-Average Number of Equity Shares for calculation of Basic EPS	123,25,037	123,25,037
Basic EPS (₹)	69.16	55.09
Diluted EPS (₹)	69.16	55.09
Nominal Value of Share (₹)	10.00	10.00

\* No adjustment is required for dividend on preference shares of the joint venture held by the parent company. However adjustment to the extent of DDT on the dividend amount is made for calculating EPS.

### 2.39 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY AND JOINT VENTURE:

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of Consolidated net assets	Net Assets (₹)	As % of Consolidated profit or loss	Profit/(Loss) (₹)
<b>Parent Company</b>				
Kewal Kiran Clothing Limited	100.02	35,811.72	99.93	8521.19
	(100.04)	(29,886.52)	(100.02)	(6,794.79)
<b>Joint Venture (as per proportionate consolidation)</b>				
White Knitwear Private Limited	-0.02	-6.50	0.07	6.29
	(-0.04)	(-12.79)	(-0.02)	(-1.46)
<b>Total</b>	<b>100.00</b>	<b>35,805.22</b>	<b>100.00</b>	<b>8527.48</b>
	(100.00)	(29,873.73)	(100.00)	(6,793.33)

Note: Figures in the bracket represent previous year's figures.



# Consolidated

## Notes

on Accounts for the year ended 31st March 2017

(₹ in lakhs except as otherwise stated)

### 2.40 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Group had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification is given below for the group

Particulars	Specified Bank Notes (SBN) (₹)	* Other Denomination Notes (₹)	Total (₹)
Closing Cash in Hand as on 08.11.2016	71.02	38.02	109.04
(+) Permitted Receipts	-	103.38	103.38
(-) Permitted Payments	-	58.26	58.26
(-) Amount deposited in Banks	71.02	41.34	112.35
Closing Cash in Hand as on 30.12.2016	-	<b>41.80</b>	<b>41.80</b>

\* Considering impracticability and the nature of industry in which the Company operates, denomination wise details are not readily available. Auditors have relied on the information/representation provided by the management.

### 2.41 PREVIOUS YEAR FIGURES ARE REGROUPED OR REARRANGED WHEREVER CONSIDERED NECESSARY.

#### As per our audit report of even date

**For and on behalf of**  
**N. A. Shah Associates LLP**  
Chartered Accountants

Registration No. :116560W/W100149

**Milan Mody**

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

**For and on behalf of**  
**Jain & Trivedi**  
Chartered Accountants  
Registration No. : 113496W

**Satish Trivedi**

Partner

Membership No. : 38317

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

**Kewalchand P. Jain**

Chairman & Managing Director

DIN: 00029730

**Bhavin Sheth**

Chief Financial Officer

**Hemant P. Jain**

Whole Time Director

DIN: 00029822

**Abhijit Warange**

Company Secretary



# Form

## AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

### PART "A": SUBSIDIARIES – NOT APPLICABLE

### PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Venture	White Knitwears Private Limited (WKPL)
1. Latest audited Balance Sheet Date	31/03/2017
2. Shares of Joint Venture held by the company on the year end	
No.	3,30,000
Amount of Investment in Joint Venture	33,00,000
Extend of Holding%	33.33%
3. Description of how there is significant influence	Due to holding of 33.33% equity shares in WKPL
4. Reason why the Joint Venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	2,34,83,111
6. Profit/(Loss) for the year	
(i) Considered in Consolidation	6,29,459
(ii) Not Considered in Consolidation	12,58,919

- Names of associates or joint ventures which are yet to commence operations – Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable

#### As per our audit report of even date

##### For and on behalf of

**N. A. Shah Associates LLP**

Chartered Accountants

Registration No. :116560W/W100149

**Milan Mody**

Partner

Membership No. : 103286

Place: Mumbai

Date: 25th April 2017

##### For and on behalf of

**Jain & Trivedi**

Chartered Accountants

Registration No. : 113496W

**Satish Trivedi**

Partner

Membership No. : 38317

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

**Kewal Kiran Clothing Limited**

**Kewalchand P. Jain**

Chairman & Managing Director

DIN: 00029730

**Bhavin Sheth**

Chief Financial Officer

**Hemant P. Jain**

Whole Time Director

DIN: 00029822

**Abhijit Warange**

Company Secretary



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# Notice

## KEWAL KIRAN CLOTHING LIMITED

Registered Office : Kewal Kiran Estate, 460/7, I. B. Patel Road, Goregaon (East) Mumbai-400 063

**Tel:** +91 22 26814400 **Fax:** +91 22 26814410

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

**CIN:** L18101MH1992PLC065136

**Email:** [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com)

### NOTICE OF 26TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 26th Annual General Meeting of Kewal Kiran Clothing Limited will be held on Thursday, September 7, 2017 at M.C Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg (Behind prince of wales Museum), Mumbai-400001 at 12:00 noon to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2017 including the Audited Balance Sheet as on March 31, 2017 and the Statement of Profit and Loss Account for the financial year ended March 31, 2017 together with the report of the Directors and Auditors thereon.
2. To declare the final dividend and confirm the two interim dividends of ₹ 9/- and ₹ 8.5/- respectively per equity share for the year ended March 31, 2017.
3. To appoint a Director in place of Mr. Dinesh P. Jain, (DIN 00327277) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“Resolved that pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 together with the Companies (Audit and Auditors), Rules 2014 including any amendment, modification, variation or re-enactment thereof and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Khimji Kunverji & Co., Chartered Accountants (Firm Registration No.: 105146W) be and are hereby appointed as Statutory Auditors of the Company, in place of M/s. Jain & Trivedi, Chartered Accountants (Firm registration no. - 113496W) and M/s. N.A. Shah Associates LLP, Chartered Accountants (Firm registration no. - 116560W/W100149) Joint Statutory Auditors of the Company to hold office for a term of five years from the conclusion of this Annual General Meeting

till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 31st Annual General Meeting, at such remuneration as may be mutually decided by the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors

**Abhijit B. Warange**

Vice President – Legal & Company Secretary

Regd. Office: Kewal Kiran Estate  
460/7, I. B. Patel Road,  
Goregaon (E), Mumbai-400 063

Date: July 28, 2017

Place: Mumbai

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. In order to be valid, proxies duly stamped, should be lodged with the Company at its registered office not later than forty eight hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting



3. There are no items of special business to be transacted at the annual general meeting so the statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts is not annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 1, 2017 to Thursday, September 7, 2017, (both days inclusive).
5. The dividend on Equity Shares, if declared at the Annual General Meeting will be payable on or after September 14, 2017 to those members of the Company whose names appear:
  - a) As Beneficial Owners as at the end of business hours on August 31, 2017 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of the shares held in electronic form and
  - b) As members on the Register of Members of the Company as at September 7, 2017 after giving effect to valid transfers in respect of transfer request lodged with the Company on or before the close of business hours on August 31, 2017.
6. The Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the National Electronic Clearing Services (NECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation the Company proposes to implement the NECS facility. Members are requested to provide the Company with NECS mandate for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to coordinate with the bankers only on receipt of the necessary information. The main information required therein is the type of account, name of the bank and the account number. It should be signed by all the holders, as per the specimen signature recorded with the Company/Depository Participant.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ R&T Agent.
8. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
9. In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Jain & Trivedi, Chartered Accountants and M/s. N.A. Shah Associates LLP, Chartered Accountants, Joint Statutory Auditors of the Company shall retire at the conclusion of the Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. Khimji Kunverji & Co., Chartered Accountants (Firm Registration No.: 105146W) as the Statutory Auditors at the Annual General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. Khimji Kunverji & Co., Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Khimji Kunverji & Co., Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.
10. Under Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 23,109/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2008-09 to the IEPF.

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/



unclaimed dividend are also uploaded as per the requirements, on the Company's website [www.kewalkiran.com](http://www.kewalkiran.com). Members, who have not encashed their dividend pertaining to Final Dividend 2009-10 and 1st Interim Dividend 2010-11 and 2nd Interim Dividend 2010-11, are advised to write to the Company immediately claiming dividends declared by the Company.

11. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority.

As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016 or such other extended date as may be notified. The Company also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on November 25, 2016 to such shareholders and uploaded on the Website of the Company viz. [www.kewalkiran.com](http://www.kewalkiran.com) the details of such shareholders and shares due to transfer.

12. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Company's Registrar & Transfer Agents, Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.
13. Members holding shares in physical segment are requested to notify change in their address/status, if any, immediately to the Company's Registrar & Transfer Agents, M/s Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

14. The Company has designated an exclusive e-mail id called [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com) for redressal of shareholder complaints /grievances. In case you have any queries/complaints or grievances then please write to us at [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com)
15. Members who would like to ask any questions on the accounts are requested to send their questions at Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
16. Members are requested to bring their copies of the Annual Report to the Annual General Meeting. Members may also note that the Notice of the 26th Annual General Meeting and Annual Report will be available on the Company's website, [www.kewalkiran.com](http://www.kewalkiran.com) for download and the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours (10.00 am to 1.00 pm) on all working days except Sundays upto and including the date of the Annual General Meeting of the Company.
17. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
18. Electronic copy of Annual Report for the year 2016-17 is being sent to all members whose email IDs are registered with the Company/Depository Participant(s) and have given their positive consent to receive the same through electronic means. Members are also being sent physical copies of the Annual Report in the permitted mode.
19. Electronic copy of the notice of the 26th Annual General Meeting of the company interalia indicating the process and manner of e-voting with attendance slip and proxy form are being sent to all the members whose email IDs are registered with the company/ Depository Participant and have given their positive consent to receive the same through electronic means. Members are also being sent physical copy of the notice of the 26th Annual General Meeting of the company interalia indicating the process and manner of e-voting with attendance slip and proxy form in the permitted mode.
20. Even after registering for e-communication members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the company's investor e-mail id [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com)



21. 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.
22. Voting through Electronic means:
- Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meeting (SS 2) as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 26th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
  - The facility for voting, either through electronic voting system or through ballot shall be made available at the venue of the 26th AGM. The members attending the meeting, who have not already casted their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already casted their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
  - The Company has appointed Mr. Ummedmal P. Jain, Practicing Company Secretary (CP no. 2235) of M/s. U. P. Jain & Co. as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. The instructions for shareholders voting electronically are as under:
- The voting period begins on Monday, September 4, 2017 at 9.00 a.m and ends on Wednesday September 6, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e, Thursday, August 31, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for e-voting thereafter.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).	



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for KEWAL KIRAN CLOTHING LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from google play store. Apple and Windows phone user can download the app from the app store and the windows phone store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - e. The voting rights of Shareholders shall be in proportion to their share of the paid up capital of the Company as on the cut-off date, August 31, 2017.
  - f. The Scrutinizer shall after scrutinizing the votes cast at the AGM (Poll) and through



remote e-voting not later than 48 (forty eight) hours from the conclusion of the AGM, make and submit a consolidated Scrutinizer's Report and submit it to the Chairman or any Director authorized by the Board. The results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company and of CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.

- g. Subject to the receipt of the requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. September 7, 2017.
23. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/reappointment forms an integral part of this notice as is give hereunder:
- A. Profile of Director retiring by rotation and offering for re-appointment:

**1. Mr. Dinesh P. Jain, (DIN : 00327277):**

Born in 1969, Mr. Dinesh Jain joined the business in 1990. Mr. Jain heads the manufacturing operations of the Company. He specializes in Production and HR related issues. Mr. Jain is also responsible for ensuring optimum utilization of production facilities of the Company at its units at Dadar, Goregaon, Daman and Vapi. Mr. Jain is a trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust.

Mr. Jain holds 7,44,831 shares which includes 16,000 shares as a Karta of Dinesh P. Jain (H.U.F)

and 99,401 shares held j/w Sangeeta D. Jain in the company as on the date of this notice. Mr. Dinesh P. Jain, Mr. Kewalchand P. Jain, Mr. Hemant P. Jain and Mr. Vikas P. Jain are brothers. In the financial year under review 4 meeting of the Board of Directors were held and Mr. Dinesh P. Jain has attended all the 4 Board Meetings.

The details of other directorships of Mr. Dinesh P. Jain are as follows:-

Name of the Company	Board Position Held
Enlighten Lifestyle Limited	Director
Kewal Kiran Management Consultancy Limited	Director
Kewal Kiran Realtors and Infrastructures Private Limited	Director
Kewal Kiran Media and Communication Limited	Director
Kewal Kiran Finance Private Limited	Director
Synthofine Chemicals of India Limited	Director
Lord Gautam Charitable Foundation	Director

By order of the Board of Directors

**Abhijit B. Warange**

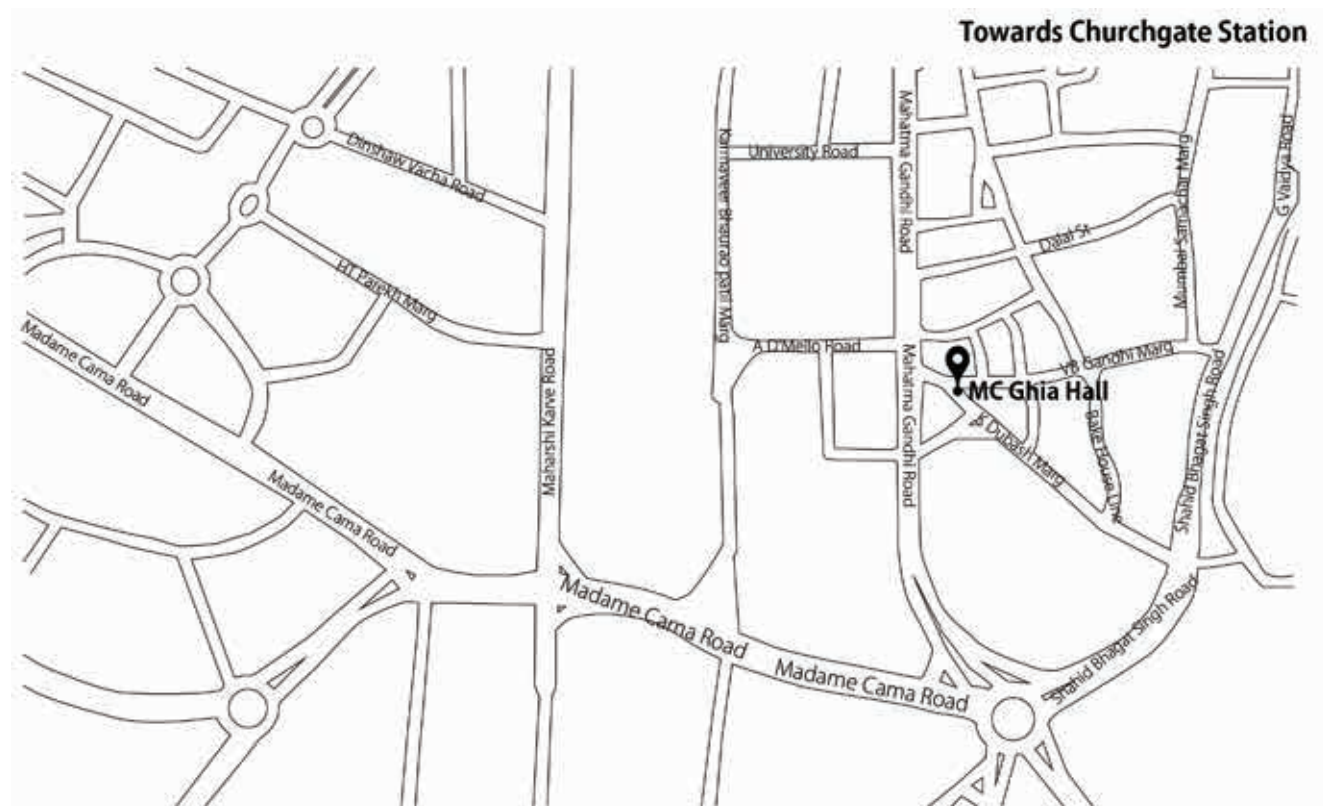
Vice President – Legal & Company Secretary

Regd. Office: Kewal Kiran Estate  
460/7, I. B. Patel Road,  
Goregaon (E), Mumbai-400 063

Date: July 28, 2017  
Place: Mumbai



## ROUTE MAP OF AGM VENUE





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**KEWAL KIRAN CLOTHING LIMITED**

**Registered Office:** Kewal Kiran Estate, 460/7, I. B. Patel Road, Goregaon (East), Mumbai: 400 063

**Corporate Identify Number :** L18101MH1992PLC065136

**Tel:** 91-22-26814400 **Fax:** 91-22-26814410

**Website:** [www.kewalkiran.com](http://www.kewalkiran.com); **email:** [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com)

**ATTENDANCE SLIP**

Folio No. .... No. of shares held. ....

# D.P. Id .....

# Client Id .....

Email ID .....

Name and Address of the shareholder/proxy: .....

I certify that I am a registered shareholder/ proxy of the registered shareholder of the Company.

I hereby record my presence at the 26th Annual General Meeting of the company on Thursday, September 7, 2017 at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum) Mumbai: 400 001 at 12.00 Noon

.....  
Signature of the attending member/proxy

# Applicable for shareholders holding shares in electronic form.

Note:

1. Please sign this attendance slip and hand it over at the verification counter at the entrance of the meeting hall.
2. No gifts/company products shall be given at the meeting.
3. This attendance is valid only in case shares are held on the date of meeting.
4. Only shareholder of the Company and/or their proxy will be allowed to attend the meeting.









**KEWAL KIRAN CLOTHING LIMITED**

**Registered Office:** Kewal Kiran Estate, 460/7, I. B. Patel Road, Goregaon (East), Mumbai: 400 063

**Corporate Identify Number:** L18101MH1992PLC065136

**Tel:** 91-22-26814400 **Fax:** 91-22-26814410

**Website:** [www.kewalkiran.com](http://www.kewalkiran.com); **email:** [grievanceredressal@kewalkiran.com](mailto:grievanceredressal@kewalkiran.com)

**Form No. MGT-11**

**PROXY FORM**

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

Name of the member (s): .....

Registered address: .....

Email Id: .....

Folio / DP ID –Client ID : .....

I/We being the member(s) of Kewal Kiran Clothing Limited holding ..... Equity Shares hereby appoint:

(1) Name: ..... Email ID- .....

Address .....

..... Signature .....or failing him;

(2) Name: ..... Email ID- .....

Address .....

..... Signature .....or failing him;

(3) Name: ..... Email ID- .....

Address .....

..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Thursday, September 7, 2017 at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince Of Wales Museum) Mumbai: 400 001 at 12.00 Noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
<b>ORDINARY BUSINESS</b>	
1	Adoption of Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2017 including the Audited Balance Sheet as on March 31, 2017 and the Statement of Profit and Loss Account for the financial year ended March 31, 2017 together with the report of the Directors and Auditors thereon
2	Declaration of final dividend and confirmation of two interim dividends of ₹ 9/- and ₹ 8.5/- respectively per equity share for the year ended March 31, 2017.
3	Re-appointment of Mr. Dinesh P. Jain (DIN 00327277)) who retires by rotation.
4	Appointment of Khimji Kunverji & Co, Chartered Accountants, as Statutory Auditors and fixing their remuneration.

Signed this ..... day of ..... 2017

Signature of share holder .....

Signature of proxy holder (s) .....

Affix ₹ 1/-  
Revenue  
Stamp



Notes:

1. This Proxy Form in order to be effective should be duly completed and deposited at the Company's Registered Office atleast 48 hours before the commencement of meeting.
2. A Proxy need not be member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. Votes may be cast for or against each resolution.