



7167

Ref.: NEL/SE/2019-20/

Date – 30/08/2019

To Listing Compliance <b>Bombay Stock Exchange Ltd.</b> 1 <sup>st</sup> Floor, P.J. Towers Dalal Street Fort <u>Mumbai 400 001</u> Scrip code : – 521109	To Listing Compliance <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, ,C-1, Block-G Bandra Kurla Complex Bandra (E) <u>Mumbai 400 051</u> Scrip Code: NAGREEKEXP
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Dear Sir,

**Sub.: Submission of 30<sup>th</sup> Annual report for the year ended on 31<sup>st</sup> March,2019 alongwith Notice of 30<sup>th</sup> Annual General Meeting in compliance of Regulation 34 of the SEBI (LODR) regulations,2015**

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015 as amended , please find enclosed herewith 30<sup>th</sup> Annual Report of the Company for the Financial year 2018-19 alongwith Notice of 30<sup>th</sup> Annual General Meeting scheduled to be held on Friday ,27<sup>th</sup> September, 2019 at 10.30 a.m at Bengal National Chamber of Commerce and Industry, 23 R.N.Mukherjee Road,Kolkata-700001.

The Notice and Annual report is also available on the website of the Company i.e. [www.nagreeka.com](http://www.nagreeka.com)

This is for your information and record.

Thanking you.

Yours truly,

**For Nagreeka Exports Limited**

Gopal Sharma

**Company Secretary**

Encl.: Stated as above

## NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Nagreeka Exports Limited, will be held at Bengal National Chamber of Commerce and Industry, 23, R.N. Mukherjee Road, Kolkata - 700 001, on Friday, the 27th day of September, 2019 at 10.30 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019, the statement of Profit and Loss for the year ended on that date and reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sushil Patwari (DIN00023980), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 3. RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITORS'

To consider and, If thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in terms of Section 148 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof for the time being in force) the remuneration of M/s V. J. Talati & Co., Cost Accountants (Firm Regn No. ROO213) appointed by the Board of Directors as cost Auditors of the Company to conduct the audit of the cost records maintained in respect of all applicable products of the Company for the financial year ending 31st March, 2020, at a remuneration of Rs.75000/- plus taxes and reimbursement of out-of-pocket expenses, be and is hereby ratified".

RESOLVED FURTHER THAT any Directors or the Company Secretary of the Company, be and is hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to the aforesaid resolution."

By order of the Board of Directors

Date: 27.05.2019

Place: Kolkata

**GOPAL SHARMA**  
COMPANY SECRETARY

#### NOTE:

1. **IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING. A PROXY FORM FOR THE MEETING IS ENCLOSED.**
2. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend the Annual General Meeting, pursuant to the provisions of Section 113 of the Companies Act, 2013, along with their respective specimen signature authorizing the representative on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slips together with their copies of Annual Report to the Meeting. Copies of the Annual Report will not be provided at the Meeting venue.
4. Statement pursuant to section 102(1) of the Companies Act, 2013 is annexed and forms part of this Notice.

## NOTICE (Contd.)

5. Brief details of the Directors, who are seeking appointment/ re-appointment, are annexed hereto as per the requirements of Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and clause 1.2.5 of Secretarial Standard 2 issued by ICSI.
6. Pursuant to Section 124 of the Companies Act, 2013 all unclaimed or unpaid dividends upto the financial year ended 31st March, 2011 have been transferred to the Investors Education and Protection Fund established by the Central Government.
7. SEBI has amended Regulation 40 of SEBI Listing Regulation, 2015. Pursuant to this amendment with effect from 1 April 2019, transfer of securities (except transmission or transposition of shares) cannot be processed unless securities are in dematerialized form. Accordingly, the Company has sent letters to members holding shares in physical form advising them to dematerialize their holding. In addition to transferability, dematerialization provides other benefits including easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of certificates and bad deliveries.
8. Pursuant to Section 124 and 125 of the Companies Act, 2013, dividend which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The following are the details of dividends paid by the Company and respective due dates for claim by the shareholders:

Financial year Ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
31/03/2013	24/09/2013	23/09/2020	22/10/2020
31/03/2014	10/09/2014	09/09/2021	08/10/2021

Members who have not encashed their Dividend Warrants for any one or more of the said financial years are requested to make their claims to the Company or to the Registrar & Transfer Agents, Maheshwari Datamatics (P) Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700 001. Phone Nos. 2248-2248, 2243-5809.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, Members are hereby requested to update their PAN and Bank details with M/s. Maheshwari Datamatics Pvt. Ltd., Registrar and Share Transfer Agent of the Company for the purpose of payment of Dividend.

9. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (LODR) Regulations, 2015, the register of members and share transfer books of the Company will remain closed from **21st September, 2019 to 27th September, 2019**, both days inclusive.
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in their address as soon as possible. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Shareholders/ Depositories for depositing of dividends.
11. Members holding shares in electronic form are, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or M/s. Maheshwari Datamatics Pvt. Ltd., Registrar and Share Transfer Agents of the Company..
12. Members holding shares in same name under different folios are requested to apply for the consolidation of such Folios and send the relevant share certificates to Maheshwari Datamatics Pvt. Ltd, Registrar and Share Transfer Agent of the Company.
13. It is observed that few members have still not claimed their new certificate for Equity Shares of Rs. 5/- each. They are once again requested to claim the new certificates for Equity Shares at the Registered Office of the Company or to Maheshwari Datamatics Pvt. Ltd., who are the Company's Registrar and Share Transfer Agent, so as to enable the Company to do the needful.
14. In terms of sections 101 and 136 of the Companies Act, 2013, read with the rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the Registrar and Share Transfer Agent of the Company.

## NOTICE (Contd.)

15. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective depository participant, where shares are held in electronic form. If, however shares are held in physical form, members are advised to register their email address with Maheshwari Datamatics Pvt. Ltd, Registrar and share Transfer agents of the Company.
16. A copy of this notice has been placed on the website of the company and the website of NSDL.
17. Route map for directions to the venue of the meeting as enclosed in this notice is also available on website of the Company i.e. [www.nagreeka.com](http://www.nagreeka.com)
18. Voting through Electronic means
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2015, as amended from time to time and Regulation 42 of SEBI (LODR) Regulations, 2015 and secretarial Standards on General Meeting SS-2 issued by the Institute of Company Secretaries of India, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the members to cast their vote electronically on the resolutions mentioned in the Notice of 30th Annual General Meeting of the Company.
  - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - iii. The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to vote.
  - iv. The remote e-voting period commences on 24th September, 2019 (9:00 am) and ends on 26th September, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - v. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e 20th September, 2019 only shall be entitled to avail the facility of e-voting and attend/vote at the AGM.
  - vi. Any person who acquires shares of the Company and become member of the Company after dispatch of Notice of AGM and holding shares as of the cut-off date i.e 20th September, 2019 can obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [compsect.nel@nagreeka.com](mailto:compsect.nel@nagreeka.com) . However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - vii. The instructions for e-voting are as under:
    - Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
    - Step 2 : Cast your vote electronically on NSDL e-Voting system.Details on Step 1 to Login to NSDL e-Voting system is given below:
    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

## NOTICE (Contd.)

### 4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

### 5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

### 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

### 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

### 8. Now, you will have to click on "Login" button.

### 9. After you click on the "Login" button, Home page of e-Voting will open.

### Details on Step 2 to cast your vote electronically on NSDL e-Voting system is given below:

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

## NOTICE (Contd.)

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [gk.sons@hotmail.com](mailto:gk.sons@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [atevoting@nsdl.co.in](mailto:atevoting@nsdl.co.in).
  4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 20th September, 2019.
- viii. Mr. Hari Ram Agarwal, Practicing Chartered Accountant (Membership No. 057625) has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
- ix. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the e-voting facility.
- x. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the company and make, within a period not exceeding 48 (Forty Eight hours) of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, forthwith to the Chairman of the Company or Director authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
- xi. The results shall be declared on or after the AGM of the Company. The results along with the Scrutinizer's Report will be placed on the website of Company i.e [www.nagreeka.com](http://www.nagreeka.com) and on the website of NSDL i.e [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorized by him in writing and shall be communicated to the BSE Limited and National Stock Exchange of India Limited. The resolution shall be deemed to be passed at the AGM of the Company, scheduled to be held on Friday, 27th September 2019.

## NOTICE (Contd.)

19. Brief details of Directors seeking Re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI(LODR) Regulations, 2015.

Name of Director & DIN	<b>1) Mr. Sushil Patwari (DIN 00023980)</b>
Date of Birth	20.09.1954
Date of appointment	31.10.1994
Qualification	B. Com.
Expertise in specific Functional area	Industrialist having rich business experience
List of other Directorship held excluding foreign companies, companies under section 8 of the Companies Act, 2013 and Private Companies.	1. Nagreeka Capital & Infrastructure Ltd. 2. Rupa & Co. Ltd 3. Reliance Processors Ltd 4..Jaidka Motor Co. Ltd
Chairman / Member of the committees of the Board of other Companies in which he is a Director	<b>AUDIT COMMITTEE</b> Rupa & Co Ltd (Member)  <b>STAKEHOLDERS COMMITTEE</b> Nagreeka Capital & Infrastructure Ltd ( Member) Rupa & Co. Ltd ( Chairman)  <b>NOMINATION &amp; REMUNERATION COMMITTEE</b> Nagreeka Capital & Infrastructure Ltd ( Member)
Shareholding in the Company	822623

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

### ITEM NO. 3

The Board, on recommendation of the Audit Committee, approved the appointment of M/s. V J Talati & Co., Cost Accountants (Firm Registration No.:R00213) as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company relating to Textile for the financial year ending 31st March, 2020 at recommended remuneration of Rs.75000/- plus taxes, as applicable. In accordance with the provisions of Section 148 of the Companies Act, 2013 (as amended) read with the Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company in the forthcoming Annual General Meeting.

The Board recommends the Resolution, as set out in Item No. 3 of the Notice convening the forth coming Annual General Meeting, for approval of the Members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

By order of the Board of Directors

Date: 27.05.2019

Place: Kolkata

**GOPAL SHARMA**  
COMPANY SECRETARY

## NAGREEKA EXPORTS LIMITED

REGISTERED OFFICE: 18, R.N. MUKHERJEE ROAD, KOLKATA - 700 001, INDIA  
Phone : 2210-8828, 2248-4922/4943, Email: sushil@nagreeka.com, Website : www.nagreeka.com  
CIN: L18101WB1989PLC046387

### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

D.P.ID*	
Client ID*	

Ledger Folio No.	
No.of Shares held	

Members are  
requested to provide  
their Email Id :

Full Name of the Member (IN BLOCK LETTERS) : \_\_\_\_\_

Full Name of Proxy (IN BLOCK LETTERS) : \_\_\_\_\_  
(to be filled in if Proxy attends instead of the Member)

I / We certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I hereby authorise Nagreeka Exports Limited to send me all Notices, Annual report and other communications at the aforesaid email id.

I / We hereby record my/our presence at the **30th Annual General Meeting of the Company held at Bengal National Chamber of Commerce and Industry**, 23, R.N. Mukherjee Road, Kolkata-700 001, on Friday, the 27th day of September, 2019 at 10.30 a.m.

\_\_\_\_\_  
(Signature of the First holder / Proxy)  
(To be signed at the time of handing  
over this slip)

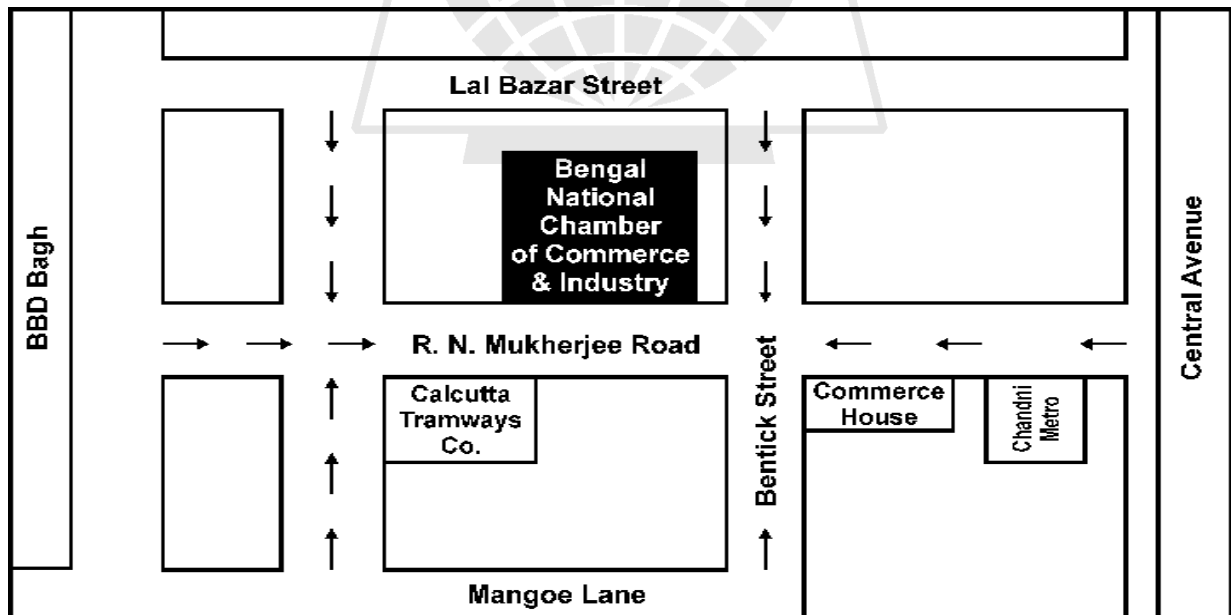
\_\_\_\_\_  
(Signature of the 1st Jointholder)

\_\_\_\_\_  
(Signature of the 2nd Jointholder)

**\*Applicable to Members holding shares in electronic form.**

Note: Members are requested to bring their copies of the Annual Report to the Meeting.

### Route map of AGM Venue





## NAGREEKA EXPORTS LIMITED

REGISTERED OFFICE: 18, R.N. MUKHERJEE ROAD, KOLKATA - 700 001, INDIA  
Phone : 2210-8828, 2248-4922/4943, Email: sushil@nagreeka.com, Website : www.nagreeka.com  
CIN: L18101WB1989PLC046387

### PROXY FORM FORM NO. MGT-11

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

CIN : L18101WB1989PLC046387  
Name of the Company : NAGREEKA EXPORTS LIMITED  
Registered office : 18, R.N. Mukherjee Road, Kolkata- 700 001.

Name of member(s)	
Registered Address	
E-mail ID	
Folio No./ Client ID/ DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, here by appoint:

- (1) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or falling him;
- (2) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or falling him;
- (3) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or falling him;

And whose signature(s) are appended in this form, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Friday, the **27th day of September, 2019** at 10.30 a.m. at Bengal National Chamber of Commerce and Industry, 23, R.N. Mukherjee Road, Kolkata-700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
<b>Ordinary Business :</b>			
1.	Adoption of Audited Financial statements for the year ended 31/03/2019, reports of Board of Directors' and Auditors' thereon.		
2.	Re-appointment of Mr. Sushil Patwari (DIN 0023980), who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business :</b>			
3.	Approval and Ratification of Remuneration payable to Cost Auditor for the Financial Year 2019-20.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix  
Revenue  
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

#### Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

BOARD OF DIRECTORS	:	Mr. Sushil Patwari	— Chairman
		Mr. Sunil Ishwarlal Patwari	— Managing Director
		Mr. Mahendra Ishwarlal Patwari	— Whole-time Director
		Mr. D. Das Choudhary	— Whole-time Director
		Mr. Mohan Kishen Ogra	— Director
		Mr. Bibhuti Charan Talukdar	— Director
		Mr. Rajendra M. Ruia	— Director
		Ms. Surabhi Sangneria	— Director
COMPANY SECRETARY	:	Mr. Gopal Sharma	
CHIEF FINANCIAL OFFICER	:	Mr. Kedar Nath Bansal	
CORPORATE IDENTIFICATION NO.	:	L18101WB1989PLC046387	
BANKERS	:	Canara Bank, Overseas Branch, Kolkata, Mumbai Oriental Bank of Commerce, Mid Corporate Branch, Kolkata State Bank of India, Overseas Branch World Trade Centre, Mumbai Allahabad Bank, Mission Row Branch, Kolkata Karnataka Bank, Overseas Branch, Kolkata	
AUDITORS	:	M/s. B. Nath & Co. Chartered Accountants Shantiniketan Building, 8 Camac Street 2nd Floor, Room No. 4, Kolkata - 700 017	
REGISTRAR & TRANSFER AGENT	:	M/s. Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road Kolkata - 700 001	
REGISTERED OFFICE	:	18, R. N. Mukherjee Road, 3rd Floor Kolkata - 700 001	
CORPORATE OFFICE	:	7, Kala Bhavan, 3, Mathew Road Mumbai - 400 004	
WORKS	:	1. Village Yavluj, Taluka Panhala Dist. Kolhapur (Maharashtra) 2. Plot No. T-48, MIDC, Kagal-Hatkanangale Five Star Industrial Area, Village - Talandage Taluka Hatkanangale, Dist. Kolhapur (Maharashtra)	

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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 30th Annual Report on the affairs of your Company together with the Audited Statements of Accounts for the Year ended March 31, 2019.

### FINANCIAL RESULT

	2018-2019 (Rs. In Lakhs)	2017-2018 (Rs. In Lakhs)
Revenue from Operation	60,648.85	54,744.44
Other Income	130.07	212.70
<b>Total Income</b>	<b>60,778.92</b>	<b>54,957.14</b>
<b>PBIDT</b>	<b>2,118.39</b>	<b>2,421.44</b>
Interest	1,230.66	1,413.39
Depreciation	702.12	676.84
<b>PROFIT BEFORE TAXATION</b>	<b>185.61</b>	<b>331.21</b>
Adjustment of Tax	127.55	-91.76
<b>PROFIT AFTER TAXATION</b>	<b>313.16</b>	<b>239.45</b>
Profit Brought Forward from Previous Year	2,880.01	2,640.56
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>	<b>3,193.17</b>	<b>2,880.01</b>
<b>APPROPRIATIONS</b>		
Proposed Dividend	-	-
Balance carried to Balance Sheet	3,193.17	2,880.01
	<b>3,193.17</b>	<b>2,880.01</b>

### DIVIDEND

Your Directors do not recommend payment of any dividend for the year ended 31st March, 2019 with a view to improving liquidity to meet part of working capital requirement which will increase in the financial year 2019-2020.

### PERFORMANCE REVIEW

Your Company has achieved revenue of Rs.60,648.85 lakhs (previous year Rs. 54,744.44 lakhs) with profit after tax of Rs. 313.16 lakhs (previous year Rs. 239.45 lakhs).

### INDUSTRY SCENARIO

Textile industry is one of the largest industries in India. It is the second largest industry in terms of providing employment opportunities to more than 45 million people in the country. India is the world's second-largest exporter of textiles and apparels, with a massive raw material and manufacturing base. The textile industry is a significant contributor to the economy, both in terms of its domestic share and exports. The Textile Industry contributes about 7 % to industry output, 2% to the GDP and 15 % to the country's total exports earnings.

The failure of the monsoon during sept-18 adversely impacted the crop of cotton for the season 2018-19. This has eroded the traditional pricing advantage of local raw material to the industry during the year.

The GST is fully implemented and should improve the ease of business and overall growth is expected in the years ahead.

### FUTURE PROSPECTS

The growth drivers of the Indian economy are strongly in place. The economy is growing, we have young population, increasing penetration of organized retail, increasing aspirational consumption. Thus the demand for the Textile Industry is expected to keep a healthy rate of growth

## DIRECTORS' REPORT (Contd.)

The government of India has been implementing various policy initiatives and programmes for development of textiles and handicrafts, infrastructure creation, skill development, Integrated Textile Parks and the Technology Up gradation Fund Scheme for training workforce and to encourage private investment in the Indian textile and apparel industry. With all this positive steps and recent trends, the future of Indian textile and clothing industry looks very positive.

### SHARE CAPITAL

During the year under review there has been no changes in Share capital of the Company.

### TRANSFER OF SHARES IN FAVOUR OF INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares on which dividends have not been claimed for 7 consecutive years were required to be transferred in favour of IEPF authority. Accordingly, the Company has transferred 246630 Equity shares in favor of IEPF Authority during the Financial Year 2018-19.

### DIRECTOR'S & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sushil Patwari (DIN 00023980), is liable to retire by rotation and being eligible has offered himself for re-appointment. The Company has received declaration from him specifying his eligibility to be re-appointed as such.

During the period under review, Mr. Mahabir Prasad Periwal (DIN 00008112), an independent Director of the Company has resigned with effect from 27.05.2019 from the post of director of the Company on health ground.

Further, During the period under review, Mr. Jitendra Tiwari, has resigned from the post of Company Secretary and Compliance officer of the Company w.e.f 27.05.2019 and in his place Company has appointed Mr. Gopal Sharma as a Company Secretary and Compliance officer w.e.f 27.05.2019.

The brief resume of the Director seeking re-appointment in the ensuing Annual General Meeting in pursuance of relevant provisions of the Companies Act, 2013 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been given in the notice convening the aforesaid Annual General Meeting.

### COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND PAYMENT OF REMUNERATION

The Company's Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, attributes of independence of Directors and other related matters provided under Section 178(3) of the Companies Act, 2013 are covered in Clause 3 of the Corporate Governance Report which forms part of this report. Further, information about elements of remuneration package of Individual Director is provided in the extract of the Annual Return as per Section 92(3) of the Companies Act, 2013, and is annexed hereto and marked as Annexure "D", in the prescribed Form MGT-9 and forms part of this report. It is also available on the website of the Company.

### DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have given their declarations to the Company that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.

### MANAGEMENT DISCUSSION AND ANALYSIS

As per Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the statement on Management Discussion and Analysis is annexed hereto and marked as Annexure "B".

### CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance, is annexed as part of this Annual Report and marked as Annexure "C". Requisite Certificate from the Auditors of the Company, namely M/s. B. Nath & Co. regarding compliance of Corporate Governance as stipulated under Regulation 34(3)(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to the report of Corporate Governance.

## DIRECTORS' REPORT (Contd.)

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, a detailed report on Corporate Social Responsibility (CSR) is given under Corporate Governance, which forms part of this report. However, your Company was not required to spend any sum on CSR for the financial year 2018-2019 in accordance with the provisions of Section 135 (1) of the Companies Act, 2013.

### MEETINGS OF THE BOARD OF DIRECTORS

During the Financial year 2018-19, 4 (four) Board meetings of the Board of Directors were held, the details of which are given in corporate Governance Report, which forms part of this Report.

### BOARD EVALUATION

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. All the results were satisfactory.

The Board of Directors has expressed its satisfaction with the evaluation process.

One separate meeting of Independent Directors was held on 14.02.2019 during the year 2018-19 which reviewed the performance of the Non - Independent Directors and the Chairman of the Board. It also reviewed the performance of the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the company management and the Board and its members that is necessary for the board to effectively and reasonably perform their duties.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134 (3)(c) of the Companies Act, 2013 and based on the representations received from the management, your Directors state that:

- (a) In the preparation of the annual Financial Statements for the year ended March 31, 2019, the applicable accounting standards have been followed with no 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 a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- (c) the Directors have 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 have prepared the annual Financial Statements on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### MATERIAL CHANGES AFFECTING THE COMPANY

There were no material change and commitment made, affecting the financial position of the Company, between 1st April, 2019 and 27th May, 2019 which is the date of the report.

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

### DEPOSITS

Your Company has not accepted any deposits during the year under review within the meaning of Section 73 of the Companies

## DIRECTORS' REPORT (Contd.)

Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and accordingly no amount was outstanding as on the date of Balance Sheet.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism / Whistle Blower Policy are posted on the website of the Company.

### DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Internal Complaints Committee which has been set up to redress complaints regarding sexual harassment. The following is the summary of sexual harassment complaints received and disposed off during the year:

- i) No. of complaints received : Nil
- ii) No. of complaints disposed off : Nil

All employees (Permanent, Contractual, Temporary, Trainees) are covered under this Act.

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

Details of Loans, Guarantees or Investments covered under section 186 of the Companies Act, 2013 forms part of the Notes to the Financial Statements.

### STATUTORY AUDITORS

M/s. B. Nath & Co., (FRN 307057E), Chartered Accountants, Kolkata were appointed as the Statutory Auditors of the Company for a period of 5 years at 28th Annual General Meeting (AGM) held on 18.09.2017 to hold office from the conclusion of 28th AGM till the conclusion of 33rd Annual General Meeting to be held in the year 2022

### AUDITORS' REPORT

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2019. The statements made by the Auditors in their Report are self- explanatory and do not call for any comments.

### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company had appointed Ms. Rupa Gupta, Practicing Company Secretaries as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed hereto and marked as Annexure "E" and forms part of this Report.

Pursuant to amendments under SEBI Listing Regulations, 2015 and SEBI circular dated 8 February 2019, a certificate on secretarial compliance report as required under regulation 24A is being submitted to stock exchanges as obtained from her for the year 2018-19.

The said Reports does not contain any qualification, reservation or adverse remarks or disclaimer by the Secretarial Auditor.

### COST AUDITORS

Pursuant to provisions of Section 148(1) of the Companies Act, 2013 ,your Board of Directors had appointed M/s. V.J Talati & Co., Cost Accountants (Firm Regn No..ROO213) as Cost Auditor of the Company for conducting the Audit of Cost records for the FY2018-19.The Audit of Cost records is in progress and report will be filed with the authority within the prescribed time period in accordance with the Act and relevant rules made thereunder.A proposal for ratification of remuneration of cost Auditors for the FY 2019-20 will be placed before the members of the Company at the ensuing AGM for ratification/approval.

The Cost records as applicable to the Company are maintained in accordance with the Section 148(1) of the Act.

## DIRECTORS' REPORT (Contd.)

### ANNUAL RETURN EXTRACT

Pursuant to Section. 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details, forming part of extract of the annual return in Form No. MGT - 9, is annexed hereto and Marked as Annexure "F".

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of Companies (Accounts) Rules, 2014 is annexed hereto and marked as Annexure "A" to this report.

### PARTICULARS OF EMPLOYEES

None of the employees are drawing remuneration exceeding Rs.8.50 Lakhs per month or Rs.102.00 Lakhs per year. Hence, details required to be furnished in accordance with Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not applicable.

The information required pursuant to section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of the Employees of the Company in detailed is separately attached and marked as Annexure "D" to this report.

### HEALTH AND SAFETY MEASURES

The Company's primary objectives are to ensure the safety and health of the company's Employees, and to protect company property. The Company strives to provide safe and healthy working environment for all Company Employees

The Company provides health and safety advisory to all workers and employees of the Company. A safe working environment is based on how well the people, in both management and on the factory floor, adhere to and communicate about safety standards..

### SECRETARIAL STANDARDS

The Company has followed the applicable provisions of Secretarial Standard 1 and Secretarial Standard 2 of the Institute of Company Secretaries of India.

### RISK MANAGEMENT

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

### RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on dealing with Related Party Transactions. The Policy is disclosed on the website of the Company.

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year were in the ordinary course of business and on an arms-length basis. There were no material significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large and thus Form AOC-2 is not applicable to the Company.

Audit Committee reviews and approves all the related party transactions and based thereon final approval of the Board is obtained.

The policy on Related Party Transactions as adopted and approved by the Board on 14th February, 2019 is uploaded on the Company's website may be accessed on the Company's website.

### ACKNOWLEDGEMENT

Your Directors acknowledge the remarkable contribution made by the employees of the company at all levels towards its overall success. The Directors also take this opportunity to place on record their appreciation of all the stakeholders, bankers and members for their continued support to the Company.

For & on behalf of Board of Directors

Date: 27.05.2019

Place: Kolkata

**Sushil Patwari**  
Chairman - 00023980

## ANNEXURE "A" TO DIRECTORS' REPORT

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

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in Annexure -"A" to this report.

#### Form - A

Form for disclosure of particulars with respect to conservation of energy

	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>1. Power Consumption</b>		
i Electricity		
a Purchased units (in lacs)	354.29	362.84
Total amount (Rs. In lacs)	1917.45	2202.89
Rate per unit (Rs.)	5.41	6.07
b Own Generation		
Through Diesel Generator		
Total Unit Generated (In Lacs)	3.02	2.01
Unit per litre of Diesel Oil	4.44	4.33
Cost per Unit (Rs.)	7.32	12.60
ii Coal	335.21	275.12
iii Furnance Oil	Nil	Nil
iv Other Internal Generation	Nil	Nil
<b>2. Consumption per unit of production</b>		
i Electricity unit per kgs. Of yarn	2.75	4.06
ii Furnance Oil	Nil	Nil

#### B. TECHNOLOGY ABSORPTION

##### Effort made in Technology Absorption as per Form - B

Indigenous technology alone is used and Research and Development are carried out by separate Textile Research Association for Textile units, SITRA and BITRA and the Company is a member of these associations.

#### C. TOTAL FOREIGN EXCHANGE EARNED AND USED

	Year Ended 31.03.2019	Year Ended 31.03.2018
Earning	3,55,93,62,362	3,036,032,443
Outgo	7,73,49,455	1,140,92,475

For & on behalf of Board of Directors

Date: 27.05.2019  
Place: Kolkata

**Sushil Patwari**  
Chairman - 00023980



## ANNEXURE “B” TO DIRECTORS’ REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### (1) Economic Scenario

##### (a) Global Economy

Global growth is expected to slow to 2.9 percent in 2019. International trade and investment are moderating, trade tensions remain elevated, and financing conditions are tightening. Amid recent episodes of financial stress, growth in emerging market and developing economies has lost momentum with a weaker-than-expected rebound in commodity exporters accompanied by deceleration in commodity importers. Downside risks have become more acute. Financial market pressures and trade tensions could escalate, denting global activity.

##### (b) Indian Economy

According to the World Bank, India's GDP will grow at 7.3 per cent in 2019-20 in comparison to 6.7% previous year. This will further climb up to 7.5 per cent in the next two financial years. This was because the economic activity continued to recover with strong domestic demand together. Besides, it says that the economy is regaining after a temporary slowdown due to demonetization and the implementation of GST.

#### (2) Industry Structure and Development

The Textile Sector in India ranks next to Agriculture. Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 7 per cent of Industrial Production and around 2% of Gross Domestic Product (GDP) and nearly 15% of the total exports and provides gainful employment to millions of people. Around 35 million people are directly employed in the textile manufacturing activities.

The textile industry occupies a unique place in our country. Textile Industry is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contributor to the country's economy. The Textile and apparel is expected to grow to US\$ 223 billion by the year 2021

#### (3) Opportunities and Threats

The Fundamental Strength of Textile Industry in India is its strong production base with wide range of fibre/yarn. These are natural fibers such as cotton, jute, silk and wool and synthetic/man-made fibers like polyester, viscose, nylon and acrylic. Textile industry is capital- and technology-intensive.

The growth of Indian E-Commerce companies provides opportunities for the Indian textile industry in the domestic as well as international market. Amazon, Flipkart, Jabong and Myntra are the major players in Indian E-Commerce Industry. India's textiles sector is one of the oldest industries in India.

- Adequate Supply of Raw Material
- Stable Long Term Demand
- Increased penetration of organized retail
- Decline in Chinese dominance
- Favorable government initiatives

The Indian textile industry is highly fragmented and is being dominated by the unorganized sector and small and medium industries. The changing government policies at the state and central government levels are posing major challenges to the textile industry. The tax structure GST(Goods and Service Tax) make the garments expensive. Another important threat is

## ANNEXURE “B” TO DIRECTORS’ REPORT (Contd.)

raising interest rates and labor wages and workers' salaries. There is higher level of attrition in the garment industry. Although central government is wooing the foreign investors the investment is coming in the textile industry. In India places such as Bangalore, Mumbai, New Delhi and Tirupur are the hubs of textile garment industries.

- Volatile raw material prices and increasing wages
- Rapidly changing consuming behaviours
- High Power costs and long export lead times
- Maintaining a balance between price quality and demand supply.

### (4) Outlook

India Ratings has maintained a stable outlook for the Indian textile sector for 2019-20 following strong domestic demand, waning impact of the disruptions due to GST and demonetization and rising exports aided by a weak rupee. Textile companies are likely to improve cash-flow from operations in FY 2019-20, as their working capital would stabilize as challenges related to demonetization and the GST subsidy. The sector is likely to continue deleveraging gradually in FY 2019-20 in view of strong annual growth generation and some moderation in the debt level. Liquidity of the majority of players in the sector is likely to remain adequate, along with an improvement in operational cash generation, backed by steady raw material costs and strong demand from end-user segment.

### (5) Management perception of Risk Concern

The prices of raw cotton have a huge impact on the fortunes of the textile industry. The management has evolved adequate strategies including a mix of core position of cotton and calibrated rolling coverage to hedge this risk. Continuous focus on improving operational performance is maintained to counter other cost increases.

### (6) Internal Control System

The Company has an effective and adequate internal control system and procedures which are commensurate with its size and nature of business. The Internal control systems are designed in such way that all the assets are safeguarded and protected against loss and all transactions are authorized, recorded and reported correctly. The Audit Committee monitors and evaluates and reviews the Internal Financial Control systems of the Company. Regular Internal Audits and checks are carried out to provide assurance that the responsibilities at various levels are discharged effectively and that adequate systems are in place.

### (7) Human Resources / Industrial Relations

Employees are the cornerstone of our business success. The Company has a supportive work culture and the employees have a strong affinity to the Company. We have an experienced and qualified workforce across multiple disciplines. We are also led by a dedicated and experienced executive management team that has a median of about 20 years of experience across the trade. Performance management is the key word for the company. Your Company also conducts in house training program at various levels. Industrial relations have been very smooth throughout the year.

### (8) Cautionary Statement:

The report may contain "forward looking statement" that describes our objectives, plan or goals. All these forward looking statements are subject to certain risks and uncertainties including but not limited to Government action, economic development, global and domestic demand-supply conditions, finished goods prices, raw materials etc that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

## ANNEXURE “C” TO DIRECTORS’ REPORT

### REPORT ON CORPORATE GOVERNANCE

To uphold the spirit of best and transparent business governance, the Company actively seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The company conducts business in a manner that is fair and transparent and also perceived to be such by others. In compliance with the requirement of Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, (SEBI (LODR) Regulations, 2015) your company submits the Report on Corporate Governance as under.

#### Kotak Committee on Corporate Governance

With the aim of improving standards of Corporate Governance of listed companies in India, SEBI had formed a Committee on Corporate Governance on 2 June, 2017 under the Chairmanship of Uday Kotak. Based on the report of the Kotak Committee on Corporate Governance, SEBI on 9 May, 2018 amended SEBI Listing Regulations, 2015, some of which became applicable from 1 October 2018 and many from 1 April 2019. Your Company is in compliance with these provisions.

#### 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good Corporate Governance strengthens the Investors trust and ensures long term relationship with other stakeholders which help the Company to achieve its objectives. The core values of Company’s governance process include independence, integrity, accountability, transparency, responsibility and fairness. The Company is committed to assimilate and adopt the best practices of corporate governance. The Company aims to attain the highest standards of corporate governance practices to enhance its value and value of its stakeholders.

#### 2. BOARD OF DIRECTORS

##### COMPOSITION

The Company’s Board at present has Eighte (8) directors comprising of One Executive Chairman, One Managing Director, two Whole Time Directors and four Non-Executive Independent Directors. The numbers of non-executive Directors are more than 50% of total number of Directors and also the strength of Independent Directors is more than 50% of the total number of Directors. The Company has one Woman Director on the Board.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees (in compliance to the requirements of Regulation 26(1) of the SEBI (LODR) Regulations, 2015) across all the companies in which he is a Director. All the Directors have made requisite disclosures regarding committee positions occupied by them in other companies.

The Board met 4 times on 26.05.2018, 13.08.2018, 13.11.2018 and 14.02.2019 during the financial year 2018-19.

The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and also the number of Directorships and committee positions as held by them in other Public Limited Companies as on 31.03.2019 are given below:

Name	Category	No. of Board Meeting held during the Financial Year	No. of Board Meetings attended during 18-19	Whether Attended AGM held on 20.09.18	No. of Directorship in Public Companies (Including this company)	No. of Committee Positions held in Public Companies (including this Company)*		No. of Shares held in the Company as at 31.03.2019
						Member	Chairman	
Mr. Sushil Patwari	Promoter Executive	4	4	Yes	5	5	1	822623
Mr. Sunil Ishwarlal Patwari	Promoter Executive	4	4	No	3	3	1	934900
Mr. Mahendra Ishwarlal Patwari	Promoter Executive	4	4	No	1	0	0	534900
Mr. D. Das Choudhary	Executive	4	4	No	1	0	0	Nil
Mr. M. K. Ogra	Independent	4	4	Yes	5	0	6	Nil
Mr. B. C. Talukdar	Independent	4	4	No	3	6	1	Nil
Mr. M.P. Periwal**	Independent	4	1	Yes	5	1	0	Nil
Mr. R. M. Ruia	Independent	4	4	No	3	0	0	18034
Ms. Surabhi Sangneria	Independent	4	4	No	3	5	0	Nil

## ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

\*Only covers Membership/Chairman of Audit Committee and Stakeholders’ Relationship Committee of other Public Companies including this company.

\*\* Mr. M P Periwal resigned from the Directorship w.e.f 27.05.2019

Policy for familiarization of Independent Directors with the Company objectives including their roles, rights, responsibilities, business model and nature of industry of the Company was duly formulated and implemented.

### SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25(3) of the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February, 2019, to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its’ Committees which are necessary to effectively and reasonably perform and discharge their duties. The performance evaluation of the Independent Directors was carried out by the entire Board which also evaluated the performance of the Board as a whole and also that of the Chairman of the Board. The Board also carried out evaluation of its various Committees and the Directors expressed their satisfaction with the evaluation process.

### 3. COMMITTEES OF THE BOARD

#### A) AUDIT COMMITTEE

The Audit Committee comprises of Four Directors and met Four times during the year, the details of which are given below. The Company Secretary, is the Secretary of the Audit Committee. The terms of reference of the Audit Committee are as contained in Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015.

The Audit Committee met on the following dates during the financial year 2018-19:

25/05/2018	13/08/2018	13/11/2018	14/02/2019
------------	------------	------------	------------

#### ATTENDANCE OF THE AUDIT COMMITTEE MEETING:

Name of the Directors	Category	Number of Meeting Held	Number of Meeting Attended
Mr. M.K.Ogra -Chairman,	Non-Executive, Independent	4	4
Mr. B.C.Talukdar	Non-Executive, Independent	4	4
Mr. Sunil Ishwarlal Patwari	Executive	4	4
Ms. Surabhi Sanganeria	Non-Executive, Independent	4	4

Necessary quorum was present at the meeting. Representatives of Statutory Auditors of the Company were invited to the meetings, as and when required. The Chairman of the Audit Committee was present in the last Annual General Meeting.

#### B) STAKEHOLDERS’ RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of Three Directors and met four times during the year, the details of which are given below. The terms of reference of the said Committee are as contained in Regulation 20 of the SEBI (LODR) Regulations, 2015.

The Committee met on the following dates during the financial year 2018-19:

25/05/2018	13/08/2018	13/11/2018	14/02/2019
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#### ATTENDANCE OF THE STAKEHOLDERS COMMITTEE MEETING:

Name of the Directors	Category	Number of Meeting Held	Number of Meeting Attended
Mr. M. K. Ogra-Chairman	Non-Executive, Independent	4	4
Mr. Sushil Patwari	Executive	4	4
Mr. Sunil Ishwarlal Patwari	Executive	4	4

The Committee is prompt in attending to the requests received for transfers, as well as issue of duplicate certificates. The number of Complaints received during the Financial Year 2018-19 are as under:

Number of complaints received from Investors comprising of Non-receipt of Dividend and Annual Reports , Shares sent for Transfer and Transmission, Complaints received from SEBI, Stock Exchanges and direct from Investors, Registrar of Companies etc.	12
Number of Complaints resolved	12
Number of Complaints pending as on 31.03.2019	NIL

## ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

### C) NOMINATION AND REMUNERATION COMMITTEE

The Committee aligns with the requirements prescribed under the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee of the Board met on 25th May, 2018.

Terms of Reference of the Committee are as under:

The primary purpose of the Committee, among other things, is to determine and propose the following for Board's approval:-

- to identify persons who are qualified to become Directors and also who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- to formulate the criteria for performance evaluation of Independent Directors and the Board;
- to carry out performance evaluation of Independent Directors along with the Board as a whole ;
- to evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors.

The Nomination and Remuneration Committee comprised of the following three Directors of the Company:

1. Mr. Mohan Kishen Ogra	Non Executive - Independent	Chairman
2. Mr. Bibhuti Charan Talukdar	Non Executive - Independent	Member
3. Mr. Mahabir Prasad Periwal*	Non Executive - Independent	Member
4. Mr. Rajendra Mahavir Prasad Ruia**	Non Executive - Independent	Member

\* Mr. M P Periwal resigned from the Directorship w.e.f 27.05.2019

\*\* Mr. Rajendra Mahavir Prasad Ruia have been appointed as a member w.e.f 27.05.2019.

The Company has paid remuneration to Directors including Executive Directors according to approval granted by the members of the Company in the concerned Annual General Meetings.

Given below are the details of remuneration to Directors during the financial year 2018-19:

Name of Directors	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Commission (for 2018-19 paid during the year ) (Rs.)
1. Mr. Sushil Patwari	NIL	36,00,000/-	NIL	NIL
2. Mr. Sunil Ishwarlal Patwari	NIL	36,00,000/-	NIL	NIL
3. Mr. Mahendra Ishwarlal Patwari	NIL	36,00,000/-	NIL	NIL
4. Mr. Debabrata Das Choudhary	NIL	16,65,000/-	NIL	NIL
5. Mr. Mohan Kishen Ogra	73,500/-	NIL	NIL	NIL
6. Mr. Bibhuti Charan Talukdar	50,000/-	NIL	NIL	NIL
7. Mr. Rajendra Mahavir Prasad Ruia	30,000/-	NIL	NIL	NIL
8. Mr. Mahavir Prasad Periwal*	19,000/-	NIL	NIL	NIL
9. Ms. Surabhi Sangneria	53,500/-	NIL	NIL	NIL

\* Mr. M P Periwal resigned from the Directorship w.e.f 27.05.2019

Non-executive Directors are paid remuneration by way of sitting fees. The Company pays remuneration to its Executive Chairman/ Managing / Whole Time Directors by way of salary and perquisites. Remuneration is paid as approved by the Remuneration Committee, Board of Directors and shareholders. The Board, on the recommendations of the Remuneration Committee, approves the annual increments. The appointment / reappointment of Managing / Whole Time Directors are contractual and subject to termination by three months' notice in writing on either side.

### D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has formed Corporate Social Responsibility (CSR) Committee with the following Directors as per the requirements of Section 135 of the Companies Act, 2013:

1. Mr. Sushil Patwari	Chairman	Executive
2. Mr. Sunil Ishwarlal Patwari	Member	Executive
3. Mr. Mohan Kishen Ogra	Member	Non-executive Independent

## ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

The main focus of the Company in the CSR activities is as under :-

- (i) Work actively in areas of Eradication of extreme hunger and poverty;
- (ii) Provide opportunity and financial assistance for the Promotion of education;
- (iii) Promoting gender equality and empowering women;
- (iv) Rural development.

There was no meeting of CSR Committee during the year under review as the Company was not hit by any of the criteria as stated in Section 135 of the Companies Act, 2013 and hence your Company did not spend any sum on CSR related activities in 2018-19.

### PREVENTION OF INSIDER TRADING CODE:

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management level and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed on time as per Clause 4 of the Schedule B to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. During the year under review, SEBI has amended SEBI (Prohibition of Insider Trading) Regulations, 2015. To comply with said amendment effective from 1 April, 2019, the Board of Directors has changed required policies accordingly. The Company has appointed the Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

### 4. SUBSIDIARY

The Company does not have any subsidiary Company.

### 5. DETAILS OF NON- COMPLIANCE BY THE COMPANY IN THE LAST THREE YEARS

Your Company has complied with all the relevant requirements of the Listing Agreement with the Stock Exchanges and SEBI Regulations. No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any other Statutory Authority in connection with violation of Capital Market norms, rules, regulations, etc. in the last three years.

### 6. DETAILS OF GENERAL MEETINGS

A. Locations, Date and Time of last three Annual General Meetings held are as under:

Sl. No.	Year	Location	AGM / EGM	Date	Day	Time	No. of Special Resolution Passed
1.	2017-18	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	29th A.G.M	20.09.18	Thursday	10.30 am	5
2.	2016-17	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	28th A.G.M	18.09.17	Monday	10.30 am	1
3.	2015-16	Bengal National Chambers of Commerce and Industry, 23, R. N. Mukherjee Road, Kolkata - 700 001	27th A.G.M	29.09.16	Thursday	10.30 am	Nil

No item was passed by any resolution through postal ballot during the financial year 2018-19.

At the forthcoming Annual General Meeting, there is no item in the Agenda which needs approval by way of Special Resolution through Postal Ballot.

## ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

### 7. DISCLOSURES

- (i) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management Staffs as defined in Regulation 23 of the SEBI (LODR) Regulations, 2015, where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- (ii) The particulars of transactions between the Company and its related parties in accordance with Accounting Standard 18 are set out in Note No.34 to the Accounts. These transactions are in the ordinary course and are not likely to have any conflict with the interest of the Company.
- (iii) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- (iv) Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to Board Members. These procedures are periodically reviewed to ensure that executive management controls risks through means properly defined.
- (v) No penalties or strictures have been imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- (vi) Management Discussion and Analysis forms part of the Annual Report to the members and it includes discussion on matters as required under the provisions of uniform listing agreement with stock exchange.

### 8. CODE OF CONDUCT OF DIRECTORS AND SENIOR MANAGEMENT STAFF

The Company adopted a Code of Conduct for its Directors and Senior Management Staff. The Code has also been posted on the company's website.

### 9. CEO/ CFO CERTIFICATION

A Certificate duly signed by the Mr. Sunil Ishwarlal Patwari, Managing Director (DIN 00024007) and Mr. Kedar Nath Bansal, CFO of the Company, relating to Financial Statements and Internal Controls and Internal Control Systems for financial reporting as per the format provided in Regulation 17(8) of the SEBI (LODR) Regulations, 2015 was placed before the Board, which took the same on record.

### 10. GENERAL SHAREHOLDER INFORMATION:

#### I. 30th ANNUAL GENERAL MEETING

Day, Date, and Time	27th September, 2019 at 10.30 AM
Venue	Bengal National Chamber of Commerce & Industry 23, R N Mukerjee Road, Kolkata-700001

#### II. FINANCIAL YEAR AND TENTATIVE FINANCIAL CALENDER

The Financial Year of the Company is April 1 to March 31.

Tentative Financial Reporting for the Financial Year 2019-20 is as under:

Result of Quarter ending June 30, 2019	On or before August 14, 2019
Result of Quarter ending September 30, 2019	On or before November 14, 2019
Result of Quarter ending December 31, 2019	On or before February 14, 2020
Result of Quarter ending March 31, 2020	On or before May 30, 2020
Annual General Meeting for the year ending March 31, 2020	On or before September 30, 2020

#### III. BOOK CLOSURE DATE

The Register of members and share Transfer books will remain closed from 21st September, 2019 to 27th September, 2019 (Both days Inclusive) for the purpose of Annual General Meeting.

## ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)

### 11. LISTING ON STOCK EXCHANGES

Name of Stock Exchange	Code
BSE Limited	521109
National Stock Exchange of India Limited	NAGREEKEXP

The Company has paid the annual listing fees for the year 2019-20 to the above said stock exchanges within the due time.

### 12. PLANT LOCATION

Plant No.	ADDRESS
1	Village Yavluj, Taluka Panhala, Dist . Kolhapur, Maharashtra
2	Plot No. T-48, MIDC, KAGAL-Hatkanangale Five Star Industrial Area Village : Talandage Taluka Hatkanangale, Dist. Kolhapur (Maharashtra)

### 13. MEANS FOR COMMUNICAION

The quarterly results are published in the leading English daily Newspaper (The Echo of India) and Bengali Newspapers (Arthik Lipi).

### 14. DEMATERIALISATION OF SHARES

As on 31st March, 2019, 97.87 % of the Equity Share Capital comprising 1,22,33,262 shares are in dematerialized form. Under the depository system the International Securities Identification Number (ISIN) allotted to the company's shares is INE123B01028.

### 15. CERTIFICATES FROM PRACTISING COMPANY SECRETARY

1. Mr.Vivek Mishra,( CP No 17218) Practicing Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. This certificate is annexed to the Annual Report as Annexure ‘G’.
2. In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Ms. Rupa Gupta (CP No.11691) Practicing Company Secretaryconfirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2019.

### 16. ADDRESS FOR CORRESPONDENCE

For any assistance regarding transfer or transmissions of shares, change of address, non-receipt of dividends and Annual report, issue of duplicate share certificates, dematerialization and other query relating Shares of the Company investor may please write on the following address given below:

<p>Maheshwari Datamatics (P) Ltd., Unit : Nagreeka Exports Ltd 23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700 001. Phone Nos. 2248-2248, 2243-5029, Fax No. (033) 2248-4787, E-mail ID: mdpldc@yahoo.com Website: www.mdpl.in</p>	<p>The Company Secretary Nagreeka Exports Limited, 18, R. N. Mukherjee Road, Kolkata - 700 001. Phone No. 2248-4922, 2248-4943, Fax No. (033) 2248-1693 E-mail ID: compsect.nel@nagreeka.com Website : www.nagreeka.com</p>
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## ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

### DISTRIBUTION OF SHARE HOLDING PATTERN BY SIZE AS ON 31.03.2019

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1) 1 to 50	1155	13.4209	26977	0.2158
2) 51 to 100	4705	54.6712	466516	3.7322
3) 101 to 150	174	2.0218	23524	0.1882
4) 151 to 250	841	9.7723	170132	1.3611
5) 251 to 500	827	9.6096	329877	2.6391
6) 501 to 5000	788	9.1564	1191726	9.5340
7) 5001 and Above	118	1.3479	10290948	82.3296
<b>TOTAL</b>	<b>8606</b>	<b>100.00</b>	<b>12499700</b>	<b>100.00</b>

### DISTRIBUTION OF SHARE HOLDING BY VALUE AS ON 31.03.2019

Nominal Value of (Rs.)	No. of Shareholders	Percentage	Amount	Percentage
1) Upto 5000	8146	94.6549	6935875	11.0977
2) 5001 to 10000	189	2.1961	1453595	2.3258
3) 10001 to 20000	114	1.3247	1682475	2.6920
4) 20001 to 30000	53	0.6158	1295160	2.0723
5) 30001 to 40000	18	0.2092	624795	0.9997
6) 40001 to 50000	16	0.1859	730115	1.1682
7) 50001 to 100000	30	0.3486	2202525	3.5241
8) Above 100000	40	0.4648	47573960	76.1202
<b>TOTAL</b>	<b>8606</b>	<b>100.00</b>	<b>62498500</b>	<b>100.00</b>

### CATEGORY OF SHAREHOLDERS AS ON 31.03.2019 :

Category	No. of Shares Held	Percentage of shareholding
<b>A. PROMOTER'S HOLDING</b>		
(a) Individual / Huf	4503523	36.03
(b) Bodies Corporate	2105186	16.84
<b>Sub-Total(A)</b>	<b>6608709</b>	<b>52.87</b>
<b>B. PUBLIC HOLDING</b>		
<b>1. INSTITUTIONS</b>		
(a) Mutual Funds and UTI	1600	0.01
(b) Banks/ Financial Institutions	200	0.00
(c) FIs	0	0
(d) Qualified Foreign Investor	0	0
<b>Sub- Total(B)(1)</b>	<b>1800</b>	<b>0.01</b>

## ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

### CATEGORY OF SHAREHOLDERS AS ON 31.03.2019:

Category	No. of Shares Held	Percentage of shareholding
<b>2. NON-INSTITUTIONALS</b>		
(a) Bodies Corporate (Including NBFC Registered RBI)	2267138	18.14
(b) Individuals		
(i) Individual shareholders holding nominal share capital Upto Rs. 2 Lakh.	3056528	24.45
(ii) Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	130522	1.05
(c) IEPF	246630	1.97
(i) Non- Resident Individuals	148825	1.19
(ii) Clearing Member	39548	0.32
<b>Sub-Total(B)(2)</b>	<b>5889191</b>	<b>47.12</b>
<b>Sub-Total(B-B1+B2)</b>	<b>5890991</b>	<b>47.13</b>
<b>Grand Total (A+B+C)</b>	<b>12499700</b>	<b>100.00</b>

### 16. MARKET PRICE DATA (Rs.)

MONTH	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr'2018	38.45	27.35	28.10	27.00
May'2018	35.45	26.05	32.30	29.25
Jun'2018	34.10	23.05	26.00	24.50
Jul'2018	30.45	23.45	27.00	24.15
Aug'2018	30.00	24.75	28.90	25.85
Sep'2018	34.00	23.00	26.50	23.00
Oct'2018	26.50	20.70	25.00	23.50
Nov'2018	28.00	23.25	24.00	23.85
Dec'2018	25.00	21.80	24.50	23.55
Jan'2019	31.55	21.25	22.70	21.50
Feb'2019	24.45	19.05	22.25	21.00
Mar'2019	26.75	20.40	24.00	22.00

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 27.05.2019

**Mr. Sushil Patwari**  
Chairman - 00023980

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**ANNEXURE “C” TO DIRECTORS’ REPORT (Contd.)**

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**DECLARATION ON CODE OF CONDUCT**

A Code of Conduct for the Directors and Senior Management Personnel exists for the Company, duly approved by the Board of Directors of the Company. As stipulated under the provisions of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the Financial Year ended 31st March, 2019.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 27.05.2019

**Mr. Sushil Patwari**  
Chairman - 00023980

**AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE**

TO THE MEMBERS

**NAGREEKA EXPORTS LIMITED**

We have examined the compliance of conditions of corporate governance by Nagreeka Exports Limited, for the year ended on 31st March, 2019, as per the relevant provisions of Securities and Exchange Board (Listing Obligations and Disclosures Requirements) Regulation, 2015 [SEBI (LODR) Regulations, 2015].

The compliance of conditions of corporate governance is the responsibility of the Company’s management. Our examination was limited to the procedures and implementation thereof, in accordance with the guidance note on Corporate Governance Certificate issued by the ICAI, adopted by the Company for ensuring compliance conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders’ grievance Committee.

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

For **B NATH & CO.**  
Chartered Accountants  
Firm’s Registration No. 307057E

**(CA. GAURAV MORE)**  
Partner  
M. No. 306466

Place : Kolkata  
Date : 27th May, 2019

## CEO / CFO CERTIFICATE

Ref: Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Board of Directors  
**Nagreeka Exports Limited**  
18, R.N. Mukherjee Road,  
Kolkata - 700 001

We, Sunil Ishwarlal Patwari, Managing Director and Kedar Nath Bansal, Chief Financial Officer of the Company hereby certify that:

A. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.

D. We have indicated to the Auditors and Audit Committee that there are no:

1. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

SUNIL  
ISHWARLAL  
PATWARI  
Digitally signed by  
SUNIL ISHWARLAL  
PATWARI  
DN: cn=SUNIL ISHWARLAL  
PATWARI, o=Nagreeka Exports Limited

Place : Kolkata  
Date : 27th May, 2019

**Sunil Patwari**  
Managing Director

**Kedar Nath Bansal**  
Chief Financial Officer

## ANNEXURE “D” TO DIRECTORS’ REPORT

Statement under Section 197(12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19	Mr. Sushil Patwari Mr. Sunil Ishwarlal Patwari Mr. Mahendra Ishwarlal Patwari Mr. D. Das Choudhary	27.33 : 1 27.33 : 1 27.33 : 1 12.64 : 1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the financial year 2017-18 Director : Mr. Sushil Patwari, Executive Chairman Mr. Sunil Ishwarlal Patwari, MD Mr. Mahendra Ishwarlal Patwari, WTD Mr. D. Das Choudhary, WTD C.F.O. : Mr. Kedar Nath Bansal C.S. : Mr. Jitendra Tiwari		Unchanged Unchanged Unchanged Unchanged Unchanged Unchanged
(iii)	The percentage increase in the median remuneration of employees in the financial year;		3.80
(iv)	The number of permanent employees on the rolls of company		871
(v)	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the last financial year on an average 7.75% increase on salaries was made to employees other than the managerial personnel against No increase of the Managerial remunerations. The same is based on the remuneration policy of the Company rewarding persons as per their contributions to the company's success and responsibility sharing..	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

**ANNEXURE “E” TO DIRECTORS’ REPORT (Contd.)**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Nagreeka Exports Limited**  
18, R. N. Mukherjee Road  
3rd Floor, Kolkata- 700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nagreeka Exports e Limited (CIN : L18101WB1989PLC046387)(hereinafter called ‘the Company’). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company 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, the explanations and clarifications given to us and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2019 according to the provisions of :

- I. The Companies Act, 2013 (the Act) and the rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit period).
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 :
  - b. The Securities and Exchange Board of India (Substantial Acquisitions of shares and Takeovers) Regulations, 2011;
  - c. Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 2015
  - d. The Securities and Exchange Board of India(Issue of Capital and Disclosure Requirements)Regulations, 2009 ; (Not applicable to the Company during the Audit period)
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the Audit period)
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period).
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

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**ANNEXURE “E” TO DIRECTORS’ REPORT (Contd.)**

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- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period)

**VI. Other applicable Acts :-**

- a. The Factories Act, 1948
- b. The Employee Provident Fund Act (EPF) Act, 1952
- c. Payment of Bonus Act, 1965
- d. The Maharashtra Labour Welfare Fund Act, 1953
- e. The Maharashtra Shops & Establishment Act, 1948
6. The Maharashtra Value Added Tax, 2002
7. The Sexual Harassment of women at workplace(prevention, prohibition & Redressal )Act,2013

**We have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited and NSE Limited.

During the period under review, the company has complied with the mostly provisions of the Act, Rules, Regulations, Guidelines, standards etc.

**I further report that:**

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

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

The minutes of the Board Meetings have not identified any dissent by members of the Board; hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

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

I further report that during the audit period no events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standard.

**CS Rupa Gupta**  
Practicing Company Secretary  
ACS No. 29332  
C P No. 11691

Place : Kolkata  
Date : 20th May, 2019

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.

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**ANNEXURE - "E"**

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To,  
The Members,  
**Nagreeka Exports Limited,**  
18, R. N. Mukherjee Road  
3rd Floor, Kolkata-700001

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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**CS Rupa Gupta**  
Practicing Company Secretary  
ACS No. 29332  
C P No. 11691

Place : Kolkata  
Date : 20th May, 2019



## ANNEXURE “G” TO DIRECTORS’ REPORT (Contd.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Nagreeka Exports Limited**  
18, R. N. Mukherjee Road  
3rd Floor, Kolkata- 700001

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nagreeka Exports Limited having CIN: L18101WB1989PLC046387 and having registered office at 18, R.N.Mukherjee Road, 3rd Floor, Kolkata - 700001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority except Mr.NIL (DIN) who has been debarred/disqualified by [give name of Statutory Authority and reason].

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sushil Patwari	00023980	06/03/1989
2.	Mahendra Ishwarlal Patwari	00024002	01/07/2004
3	Sunil Ishwarlal Patwari	00024007	02/05/1989
4	Bibhuti Charan Talukdar	00024015	30/06/2005
5	Mohan Kishen Ogra	01081215	30/06/2001
6	Rajendra Mahavir Prasad Ruia	01300823	31/07/2008
7	Surabhi Sanganeria	06987772	13/11/2014
8.	Debabrata Das Choudhary	07479334	25/05/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Vivek Mishra**  
Membership No. F8540  
C P No. 17218

Place : Kolkata  
Date : 18th May, 2019

## ANNEXURE - "F" TO DIRECTORS' REPORT

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31/03/2019

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

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L18101WB1989PLC046387  
ii) Registration Date : 06/03/1989  
iii) Name of the Company : NAGREEKA EXPORTS LIMITED  
iv) Category / Sub-Category of the Company : Public Company  
v) Address of the Registered office and contact details: 18, R. N. Mukherjee Road, Kolkata - 700 001.  
vi) Whether listed company : Yes  
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Maheswari Datamatics Pvt. Ltd., 23, R. N. Mukherjee Road 5th Floor, Kolkata - 700 001.

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cotton Yarn spinning	13119	98.78%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NO HOLDING/ SUBSIDIARY/ ASSOCIATE COMPANIES

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

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2018)				No. of Shares held at the end of the year (As on 31-March-2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/ HUF	4474800	0	4474800	35.7993	4503523	0	4503523	36.0290	0.2297
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	2105186	0	2105186	16.8419	2105186	0	2105186	16.8419	0.0000
e) Banks/Fi									
f) Any other									
<b>Sub-total (A)(1)</b>	<b>6579986</b>	<b>0</b>	<b>6579986</b>	<b>52.6412</b>	<b>6608709</b>	<b>0</b>	<b>6608709</b>	<b>52.8709</b>	<b>0.2297</b>

## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>
<b>Total shareholding of Promoter</b>									
<b>(A)=(A)(1)+(A)(2)</b>	<b>6579986</b>	<b>0</b>	<b>6579986</b>	<b>52.6412</b>	<b>6608709</b>	<b>0</b>	<b>6608709</b>	<b>52.8709</b>	<b>0.2297</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	1100	2200	3300	0.0264	1600	0	1600	0.0128	-0.0136
b) Banks/FI	100	200	300	0.0024	0	200	200	0.0016	-0.0008
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	0	300	300	0.0024	0	0	00	0.0000	-0.0024
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds/Pension Funds									
Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-total(B)(1):-</b>	<b>1200</b>	<b>2700</b>	<b>3900</b>	<b>0.0312</b>	<b>1600</b>	<b>200</b>	<b>1800</b>	<b>0.0144</b>	<b>-0.0168</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	2322399	1701	2324100	18.5932	2262435	401	2262836	18.1031	-0.4901
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2464165	398553	2862718	22.9023	2515992	225737	2741729	21.9344	-0.9679
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	428901	0	428901	3.4313	445321	00	445321	3.5627	0.1314

## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

c) Others (Specify)									
Non Resident Indians	105434	119000	224434	1.7955	108725	40100	148825	1.1906	-0.6049
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	71442	0	71442	0.5715	39548	0	39548	0.3164	-0.2551
Trusts									
Foreign Bodies-D R									
NBFCs registered with RBI	4219	0	4219	0.0338	4302	0	4302	0.0344	0.0006
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education & Protection Fund Authority	0	0	0	0.0000	246630	0	246630	1.9731	1.9731
<b>Sub-total(B)(2):-</b>	<b>5396560</b>	<b>519254</b>	<b>5915814</b>	<b>47.3276</b>	<b>5622953</b>	<b>266238</b>	<b>5889191</b>	<b>47.1147</b>	<b>-0.2129</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5397760</b>	<b>521954</b>	<b>5919714</b>	<b>47.3588</b>	<b>5624553</b>	<b>266438</b>	<b>5890991</b>	<b>47.1291</b>	<b>-0.2297</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>11977746</b>	<b>521954</b>	<b>12499700</b>	<b>100.0000</b>	<b>12233262</b>	<b>266438</b>	<b>12499700</b>	<b>100.0000</b>	<b>0.0000</b>

### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	DADRA EXIMP PVT LTD	2105186	16.8419	0.000	2105186	16.8419	0.000	0.0000
2	SUNIL ISHWARLAL PATWARI	934900	7.4794	0.000	934900	7.4794	0.000	0.0000
3	SUSHIL PATWARI	793900	6.3354	0.000	822623	6.5811	0.000	0.2297
4	MAHENDRA ISHWARLAL PATWARI	534900	4.2793	0.000	534900	4.2793	0.000	0.0000
5	SATISH ISHWARLAL PATWARI	533000	4.2641	0.000	533000	4.2641	0.000	0.0000
6	MINAKSHI PATWARI	389600	3.1169	0.000	389600	3.1169	0.000	0.0000
7	ISHWARLALMAHENDRA KUMAR (HUF)	262500	2.1001	0.000	262500	2.1001	0.000	0.0000
8	ISHWARLAL SATISH KUMAR (HUF)	195000	1.5600	0.000	195000	1.5600	0.000	0.0000
9	ISHWARLAL PATWARI & SONS (HUF)	155000	1.2400	0.000	155000	1.2400	0.000	0.0000
10	SUSHIL PATWARI (HUF)	150000	1.2000	0.000	150000	1.2000	0.000	0.0000

## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

11	RASHI SARAF	100000	0.8000	0.000	100000	0.8000	0.000	0.0000
12	ANITA PATWARI	90000	0.7200	0.000	90000	0.7200	0.000	0.0000
13	USHA PATWARI	86000	0.6880	0.000	86000	0.6880	0.000	0.0000
14	ISHWAR LAL SUSHIL KUMAR (HUF)	70000	0.5600	0.000	70000	0.5600	0.000	0.0000
15	SUNIL PATWARI (HUF)	70000	0.5600	0.000	70000	0.5600	0.000	0.0000
16	SARITA PATWARI	70000	0.5600	0.000	70000	0.5600	0.000	0.0000
17	RAHUL PATWARI	20000	0.1600	0.000	20000	0.1600	0.000	0.0000
18	PRATYUSH PATWARI	20000	0.1600	0.000	20000	0.1600	0.000	0.0000
	<b>TOTAL</b>	<b>6579986</b>	<b>52.6412</b>	<b>0.0000</b>	<b>6608709</b>	<b>52.8709</b>	<b>0.000</b>	<b>0.2297</b>

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

Sl. No.	Name	Shareholding at the beginning 01.04.18 end of the year 31.03.19		Shareholding during the year [01.04.18 to 31.03.19]	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	DADRA EXIMP PVT LIMITED				
	01-04-18	2105186	16.8419		
	31-03-19	2105186	16.8419	2105186	16.8419
2	ISHWAR LAL SATISH KUMAR (HUF)				
	01-04-18	195000	1.5600		
	31-03-19	195000	1.5600	195000	1.5600
3	ISHWAR LAL MAHENDRA KUMAR (HUF)				
	01-04-18	262500	2.1001		
	31-03-19	262500	2.1001	262500	2.1001
4	ISHWAR LAL & SONS (HUF)				
	01-04-18	155000	1.2400		
	31-03-19	155000	1.2400	155000	1.2400
5	ISHWAR LAL SUSHIL KUMAR (HUF)				
	01-04-18	70000	0.5600		
	31-03-19	70000	0.5600	70000	0.5600
6	USHA PATWARI				
	01-04-18	86000	0.6880		
	31-03-19	86000	0.6880	86000	0.6880

## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

7	SUSHIL PATWARI (HUF)				
	01-04-18	150000	1.2000		
	31-03-19	150000	1.2000	150000	1.2000
8.	SUNIL ISHWARLAL PATWARI				
	01-04-18	70000	0.5600		
	31-03-19	70000	0.5600	70000	0.5600
9.	MINAKSHI PATWARI (HUF)				
	01-04-18	389600	3.1169		
	31-03-19	389600	3.1169	389600	3.1169
10	SUSHIL PATWARI				
	01-04-18	793900	6.3514		
	06-04-18-Transfer	28723	0.2298	822623	6.5811
	31-03-19	822623	6.5811	822623	6.5811
11	SATISH PATWARI				
	01-04-18	533000	4.2641		
	31-03-19	533000	4.2641	533000	4.2641
12.	MAHENDRA PATWARI				
	01-04-18	534900	4.2793		
	31-03-19	534900	4.2793	534900	4.2793
13	ANITA PATWARI				
	01-04-18	90000	0.7200		
	31-03-19	90000	0.7200	90000	0.7200
14.	SUNIL PATWARI				
	01-04-18	934900	7.4794		
	31-03-19	934900	7.4794	934900	7.4794
15.	SARITA PATWARI				
	01-04-18	70000	0.5600		
	31-03-19	70000	0.5600	70000	0.5600
15.	RASHI SARAF				
	01-04-18	100000	0.8000		
	31-03-19	100000	0.8000	100000	0.8000
17.	RAHUL PATWARI				
	01-04-18	20000	0.1600		
	31-03-19	20000	0.1600	20000	0.1600
18.	PRATYUSH PATWARI				
	01-04-18	20000	0.1600		
	31-03-19	20000	0.1600	20000	0.1600

## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [01.04.18]/end of the year [31.03.19]		Shareholding during the year [01.04.18 to 31.03.19]	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	PANKAJ JAYANTILAL PATEL				
	01-04-2018	40000	0.3200		
	31-03-2019	40000	0.3200	40000	0.3200
2	NARENDRA M RUIA				
	01-04-2018	32500	0.2600		
	31-03-2019	32500	0.2600	32500	0.2600
3	ALPS VINIYOG PRIVATE LIMITED				
	01-04-2018	421756	3.3741		
	31-03-2019	421756	3.3741	421756	3.3741
4	FOUJDAR SWATI AVINASH				
	01-04-2018	30402	0.2432		
	31-03-2019	30402	0.2432	30402	0.2432
5	SANJAY I PARIKH				
	01-04-2018	29000	0.2320		
	28/09/2018 - Transfer	-10000	0.0800	19000	0.1520
	31-03-2019	19000	0.1520	19000	0.1520
6	SHREE VINIYOG PRIVATE LIMITED				
	01-04-2018	348400	2.7873		
	31-03-2019	348400	2.7873	348400	2.7873
7	SRI KRISHNA VINIYOG PRIVATE LIMITED				
	01-04-2018	454636	3.6372		
	31-03-2019	454636	3.6372	454636	3.6372
8	HARSHA HITESH JAVERI				
	01-04-2018	43472	0.3478		
	31-03-2019	43472	0.3478	43472	0.3478
9	TANVI JIGNESH MEHTA				
	01-04-2018	45000	0.3600		
	06/07/2018 - Transfer	-45000	0.4095	0	0.0000

## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

	17/08/2018 - Transfer	47300	0.3784	47300	0.3784
	16/11/2018 - Transfer	250	0.0020	47550	0.3804
	30/11/2018 - Transfer	-2300	0.0184	45250	0.3621
	07/12/2018 - Transfer	-500	0.0040	44750	0.3580
	22/03/2019 - Transfer	-2700	0.0216	42050	0.3364
	29/03/2019 - Transfer	-1000	0.0080	41050	0.3284
	31-03-2019	41050	0.3284	41050	0.3284
10	SWAVIN BUSINESS CONSULTANTS PVT. LTD.				
	01-04-2018	84983	0.6799		
	31-03-2019	84983	0.6799	84983	0.6799
11	LAKECITY VENTURES PVT LTD				
	01-04-2018	814823	6.5187		
	31-03-2019	814823	6.5187	814823	6.5187
12	Gopal Jhunjhunwala				
	01-04-2018	45000	0.3600		
	31-03-2019	45000	0.3600	45000	0.3600
13	NILESHKUMAR MULJIBHAI KOTHARI				
	01-04-2018	36097	0.2888		
	31-03-2019	36097	0.2888	36097	0.2888
14	B.LAVANYA . . #				
	01-04-2018	40000	0.3200		
	05/10/2018 - Transfer	-5000	0.0400	35000	0.2800
	31-03-2019	35000	0.2800	35000	0.2800
15	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS *				
	01-04-2018	0	0.0000		
	30/11/2018 - Transfer	243977	1.9523	243977	1.9523
	07/12/2018 - Transfer	2653	0.0212	246630	1.9731
	31-03-2019	246630	1.9731	246630	1.9731

\* Not in the list of Top 10 shareholders as on 01/04/2018 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.



## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

### v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning [01/Apr/18]/end of the year [31/Mar/19]		Cumulative Shareholding during the year [01/Apr/18 to 31/Mar/19]	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	RAJENDRA MAHAVIR PRASAD RUIA				
	1/04/2018	18034	0.1443		
	31/03/2019	18034	0.1443	18034	0.1443
2	SUSHIL PATWARI				
	1/04/2018	793900	6.3514		
	06/04/2018-Transfer	28723	0.2298		
	31/03/2019	822623	6.5812	822623	6.5812
3.	MAHENDRA ISHWARLAL PATWARI				
	1/04/2018	534900	4.2793		
	31/03/2019	534900	4.2793	534900	4.2793
4.	SUNIL ISHWARLAL PATWARI				
	1/04/2018	934900	7.4794		
	31/03/2019	934900	7.4794	934900	7.4794

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15596.07	670.50	-	16266.57
ii) Interest due but not paid	-	-	-	NIL
iii) Interest accrued but not due	-	-	-	NIL
<b>Total (i+ii+iii)</b>	<b>15596.07</b>	<b>670.50</b>	<b>-</b>	<b>16266.57</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	132.60	119.05	-	251.65
• Reduction	-	-	-	-
<b>Net Change</b>	<b>132.60</b>	<b>119.05</b>	<b>-</b>	<b>251.65</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15728.67	789.55	-	16518.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>15728.67</b>	<b>789.55</b>	<b>-</b>	<b>16518.22</b>

## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

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

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Sushil Patwari	Mr. Sunil Patwari, MD	Mr. Mahendra Patwari, WTD	Mr. D. Das Choudhary, WTD	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profit in lieu of salary under section 17(3) of Income tax Act 1961	36.00	36.00	36.00	16.65	124.65
		-	-	-	-	-
		-	-	-	-	-
2.	Stock Option	-	-	-	-	
3.	Sweat Equity	-	-	-	-	
4.	Commission - as % of profit - others, specify...	-	-	-	-	
5.	Others, please specify	-	-	-	-	
	<b>Total (A)</b>	<b>36.00</b>	<b>36.00</b>	<b>36.00</b>	<b>16.65</b>	<b>124.65</b>
	Ceiling as per the Act	84.00	84.00	84.00	84.00	336

#### B. Remuneration to other directors :

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. M. K. Ogra	Mr. B. C. Talukdar	Mr. R. M. Ruia	Mr. M. P. Periwal	Ms. S. Sangneria	
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	0.735	0.50	0.30	0.19	0.535	2.26
		-	-	-	-	-	-
		-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.735</b>	<b>0.50</b>	<b>0.30</b>	<b>0.19</b>	<b>0.535</b>	<b>2.26</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>-</b>
	<b>Total (B)=(1+2)</b>	<b>0.735</b>	<b>0.50</b>	<b>0.30</b>	<b>0.19</b>	<b>0.535</b>	<b>2.26</b>
	Total Managerial Remuneration*	-	-	-	-	-	126.91
	Overall Ceiling as per the Act	-	-	-	-	-	-

## ANNEXURE - "F" TO DIRECTORS' REPORT (Contd.)

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB : (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Key managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, '61 (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	2.19	13.72	15.91
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify			
5.	Others, please specify	-	-	-
	Total 1.96	2.19	13.72	15.91

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

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

By order of the Board of Directors

**Sushil Patwari**

(Chairman - 00023980)

Place : Kolkata

Date : 27.05.2019

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF "NAGREEKA EXPORTS LIMITED"

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying standalone financial statements of Nagreeka Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

#### Key Audit Matters

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

Sr. No.	Key Audit Matter (KAM)	Auditor's Response
1	<ul style="list-style-type: none"> <li>The Company is subject to a number of legal and tax related claims which have been disclosed / provided for in the financial statements based on the facts and circumstances of each case</li> <li>Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</li> </ul>	<p>Our audit procedures included the following:-</p> <ul style="list-style-type: none"> <li>Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls we have performed tests of controls.</li> <li>Obtained the summary of Company's legal and tax cases and critically assessed management's position through discussions with the Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss.</li> <li>Engaged tax specialists to technically appraise the tax positions taken by management with respect to local tax issues.</li> <li>Assessed whether management assessment of similar cases is consistent across the divisions or that differences in positions are adequately justified.</li> </ul>

## INDEPENDENT AUDITORS' REPORT (Contd.)

		<ul style="list-style-type: none"> <li>Assessed the relevant disclosures made within the financial statements to address whether they appropriately reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards</li> </ul>
2	<p>Recoverability of unutilized Minimum Alternate Tax (MAT) credits</p> <ul style="list-style-type: none"> <li>As of March 31, 2019, the Company has recognized MAT credits of Rs. 355.28 Lakhs, included under deferred tax assets that can be utilized against future tax liabilities.</li> <li>The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves judgement regarding the future profitability and the likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain. Accordingly, the same is considered as a key audit matter</li> </ul>	<p>Our audit procedures included the following:-</p> <ul style="list-style-type: none"> <li>Obtained and analysed the future projections estimated by management, assessing the key assumptions used, including the analysis of the consistency of the actual results obtained by the various segments with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections, and the reasonableness of the future cash flow projections and the consistency of those projections with those used in other areas of estimation such as those used for assessing the recoverability of assets.</li> <li>Tested the completeness and accuracy of the MAT credits</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged With Governance for the Standalone Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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

## INDEPENDENT AUDITORS' REPORT (Contd.)

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.

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

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

## INDEPENDENT AUDITORS' REPORT (Contd.)

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note No 30 to the Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **B NATH & CO.**  
Chartered Accountants  
Firm Registration No. 307057E

**(CA. GAURAV MORE)**  
Partner  
M. No. 306466

Place : Kolkata  
Date : 27th May, 2019

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## **ANNEXURE - “A” TO THE AUDITORS’ REPORT**

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

We have audited the internal financial controls over financial reporting of Nagreeka Exports Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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



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**ANNEXURE TO THE AUDITORS' REPORT (Contd.)**

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dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kolkata  
Date : 27th May, 2019

For **B NATH & CO.**  
Chartered Accountants  
Firm Registration No. 307057E

**(CA. GAURAV MORE)**  
Partner  
M. No. 306466

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## ANNEXURE - “B” TO THE AUDITORS’ REPORT

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**The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the period ended March 31, 2019, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) As per information and explanation given to us by the management, all the title deeds of the immovable properties are held in the name of the Company;
- (ii) As explained to us inventories were physically verified during the period by the management at reasonable intervals;
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph iii(a), iii(b) and iii(c) of the Order are not applicable to the Company and hence, not commented upon;
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with the provision of section 185 of the Act, with respect to the Loans and Investment made. In regards to section 186 of the Act, Company has not given loans, guarantees or provided any securities to other in excess of hundred percent of free reserves and thus provision of section has been complied with;
- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(v) of the Order is not applicable to the Company;
- (vi) According to the information and explanations given to us, in our opinion, the Company have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete;
- (vii) According to the information and explanation given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they become payable.
  - c) Details of dues of Income Tax, Service Tax, Sales Tax and Custom Duty which have not been deposited as at March 31, 2019 on account of dispute are given below:

**ANNEXURE - "B" TO THE AUDITORS' REPORT**

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Period to which the Amount relates	Forum Where dispute is Pending
Income tax Act, 1961	Income Tax	5.67	AY 2005-2006	High Court
Finance Act, 1994	Service Tax	3.71	2010-2011	CCE (Appeals)
MVAT Rules 2005	Sales Tax	80.13	2009-2010	JC Sales Tax
Custom Act 1962	Custom Duty	389.32	2013-2014	CESTAT Kolkata

- (viii) The Company has not defaulted in repayment of dues to financial institutions, banks during the period.
- (ix) According to information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year ended March 31, 2019. Accordingly paragraph 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the period, nor have we been informed of such case by the management;
- (xi) According to information and explanation given to us, the Company has paid managerial remuneration within the limit specified under section 197 of the Companies Act, 2013;
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and hence the paragraph 3(xii) is not applicable;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards;
- (xiv) According to information and explanation given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review;
- (xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the paragraph 3(xv) is not applicable the Company;
- (xvi) In our opinion and on the basis of information and explanation given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B NATH & CO.**  
Chartered Accountants  
Firm Registration No. 307057E

**(CA. GAURAV MORE)**  
Partner  
M. No. 306466

Place : Kolkata  
Date : 27th May, 2019

## BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	Note No.	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>ASSETS</b>			
<b>(1) Non Current Assets</b>			
a Property, Plant and Equipment	3	1,299,077,931	1,342,043,838
b Capital Work in progress	3	-	-
c Financial Assets			
(i) Investments	4	136,040,349	195,862,120
(ii) Long Term Loans & Advances	5	10,317,941	9,439,300
(iii) Other Non Current Financial Assets	6	12,259,197	15,552,158
d Deferred tax Assets (Net)	7	-	-
e Other Non Current Assets	8	42,661,736	43,341,028
<b>Total Non Current Assets [ a to e ]</b>		<b>1,500,357,154</b>	<b>1,606,238,444</b>
<b>(2) Current Assets</b>			
a Inventories	9	799,008,211	867,987,560
b Financial Assets			
(i) Trade Receivables	10	261,626,847	264,915,482
(ii) Cash & Cash Equivalents	11	43,845,228	3,682,485
(iii) Bank balances other than (ii) above	12	435,996	619,984
(iv) Short Term Loans & Advances	5	18,402,776	26,431,297
(v) Other Current Financial Assets	6	73,612,492	69,001,981
c Other Current Assets	8	883,006,473	666,476,029
<b>Total Current Assets [ a to c ]</b>		<b>2,079,938,023</b>	<b>1,899,114,818</b>
<b>TOTAL ASSETS [ (1) + (2) ]</b>		<b>3,580,295,177</b>	<b>3,505,353,262</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(3) Equity</b>			
a Equity Share Capital	13	62,550,000	62,550,000
b Other Equity	14	1,059,557,294	1,072,937,195
<b>Total Equity [ a to b ]</b>		<b>1,122,107,294</b>	<b>1,135,487,195</b>
<b>Liabilities</b>			
<b>(4) Non-Current Liabilities</b>			
a Financial Liabilities			
(i) Long Term Borrowings	15	228,258,454	256,887,915
(ii) Other Non Current Financial Liabilities	16	-	-
b Provisions	17	1,921,233	1,921,233
c Deferred Tax Liabilities (Net)	7	209,761,105	222,516,545
<b>Total Non Current Liabilities [ a to c ]</b>		<b>439,940,792</b>	<b>481,325,693</b>
<b>(5) Current Liabilities</b>			
a Financial Liabilities			
(i) Short Term Borrowings	15	1,423,563,559	1,369,768,679
(ii) Trade Payables	18	186,041,008	106,282,158
(iii) Other Current Financial Liabilities	16	305,787,364	310,762,465
b Other Current Liabilities	19	29,222,493	22,786,019
c Provisions	17	73,632,667	78,941,053
<b>Total Current Liabilities [ a to c ]</b>		<b>2,018,247,091</b>	<b>1,888,540,374</b>
<b>TOTAL EQUITY AND LIABILITIES [ 3 + 4 + 5 ]</b>		<b>3,580,295,177</b>	<b>3,505,353,262</b>

Significant Accounting Policies and Notes on Accounts

1 TO 47

The above Balance Sheet should be read in conjunction with accompanying notes

As per our separate report attached.

For and on behalf of the Board of Directors

For **B NATH & CO.**

**SUSHIL PATWARI**

Chairman

Chartered Accountants

(DIN : 00023980)

**FRN 307057E**

**M. K. OGRA**

Director

**(CA. GAURAV MORE)**

(DIN : 01081215)

Partner

**GOPAL SHARMA**

Company Secretary

M. No. 306466

(Mem. No. : A19384)

Place : Kolkata

**K. N. BANSAL**

Chief Financial Officer

Date : 27th May, 2019

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	Note No.	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>INCOME</b>			
I Revenue from operation	20	6,064,884,768	5,474,443,981
II Other Income	21	13,007,014	21,270,191
<b>III Total Revenue (I + II)</b>		<b>6,077,891,782</b>	<b>5,495,714,172</b>
<b>IV EXPENDITURE</b>			
Cost of Material Consumed	2	2,120,383,732	1,872,658,185
Purchase of Traded Goods	23	2,808,176,623	2,489,556,714
Change in inventories of Finished Goods, Stock in Process and Stock in Trade	24	17,824,573	3,442,389
Employees Benefit expenses	25	252,565,146	241,367,273
Finance Costs	26	123,065,889	141,339,100
Depreciation	3	70,212,046	67,683,594
Other Expenses	27	667,102,891	646,545,846
<b>Total Expenses (IV)</b>		<b>6,059,330,899</b>	<b>5,462,593,101</b>
<b>(V) Profit/(Loss) before Exceptional Item &amp; tax (III - IV)</b>		<b>18,560,883</b>	<b>33,121,071</b>
<b>(VI) Exceptional Item</b>		<b>-</b>	<b>-</b>
<b>(VII) Profit/(Loss) Before Tax [ (V) - (VI) ]</b>		<b>18,560,883</b>	<b>33,121,071</b>
<b>(VIII) Tax expenses :</b>			
a Current Tax		5,062,380	2,975,000
b Deferred Tax Liability/ (Assets)		(12,755,440)	9,175,923
c MAT Credit Entitlement		(5,062,380)	(2,975,000)
d Taxes for earlier years			
<b>Total tax Expenses [ a to d ]</b>		<b>(12,755,440)</b>	<b>9,175,923</b>
<b>(IX) Profit / (Loss) for the Period [ (VII) - (VIII) ]</b>		<b>31,316,323</b>	<b>23,945,148</b>
<b>(X) Other Comprehensive Income</b>			
A(i) Items that will not be reclassified subsequently to the statement of Profit and Loss			
a. Fair Value Changes of Investment in Equity Shares		(44,696,225)	10,376,136
b. Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans		-	-
A(ii) Income tax on Items that will not be reclassified subsequently to the statement of Profit and Loss		-	-
B(i) Items that will be reclassified subsequently to the statement of Profit and Loss		-	-
a. Procurement cost of Long Term Debt		-	-
B(ii) Income tax on Items that will be reclassified subsequently to the statement of Profit and Loss		-	-
<b>Total Other Comprehensive Income/(Loss)</b>		<b>(44,696,225)</b>	<b>10,376,136</b>
<b>(XI) Total Comprehensive Income/(loss) for the year [ (IX) + (X) ]</b>		<b>(13,379,902)</b>	<b>34,321,284</b>
<b>(XII) Earning Per Share</b>			
Basic & Diluted (in Rs.)	32	2.51	1.92

As per our separate report attached.

For **B NATH & CO.**

Chartered Accountants

FRN 307057E

(CA. GAURAV MORE)

Partner

M. No. 306466

Place : Kolkata

Date : 27th May, 2019

For and on behalf of the Board of Directors

**SUSHIL PATWARI**

Chairman

(DIN : 00023980)

**M. K. OGRA**

Director

(DIN : 01081215)

**GOPAL SHARMA**

Company Secretary

(Mem. No. : A19384)

**K. N. BANSAL**

Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before extra ordinary items and tax	18,560,883	33,121,071
<b>Additions :</b>		
Depreciation and amortization	70,212,046	67,683,594
Loss/(Profit) on sale / write off of assets	(1,624,482)	1,039,156
Finance Cost	123,065,889	141,339,100
Notional Expenses/(Income) taken into P&L	(147,536)	(72,714)
Dividend Income	(9,026,595)	(18,599,648)
<b>Operating Profit Before Working Capital</b>	<b>201,040,205</b>	<b>224,510,558</b>
<b>Adjusted for :</b>		
(Increase) / Decrease in Trade Receivables	3,288,635	211,014,484
(Increase) / Decrease in Inventories	68,979,350	32,373,450
(Increase) / Decrease in Loans & Other Current financial Assets	3,601,998	(15,897,063)
(Increase) / Decrease in Other Current Assets	(211,915,004)	26,494,502
Increase / (Decrease) in Trade Payables	79,758,850	(176,727,981)
Increase / (Decrease) in Other Current Financial Liabilities	(4,975,101)	(57,844,236)
Increase / (Decrease) in Other Current Liabilities	6,436,474	(19,288,636)
Increase / (Decrease) in Provisions	(5,308,386)	(4,856,960)
<b>Cash Generated from Operation</b>	<b>140,907,019</b>	<b>219,778,118</b>
Less : Direct Taxes Paid / Refund Received	4,613,437	5,532,443
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b>136,293,582</b>	<b>214,245,675</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Capital Expenditure on Fixed Assets, Including Capital Advances	(29,418,523)	(72,637,021)
Sale of Fixed Assets	3,796,866	1,470,850
Sale of Non-Current Investments	15,125,546	-
Dividend Received	9,026,595	18,599,648
(Increase)/Decrease in Non Current Financial Assets	3,292,961	6,443,948
(Increase)/Decrease in Non Current Assets	(53,816)	(2,164,615)
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>1,769,630</b>	<b>(48,287,190)</b>
<b>C. CASH FLOW FROM FINANCEING ACTIVITIES :</b>		
Issue of Preference Share	-	100,000,000
Net Increase in Long Term borrowings	(28,629,461)	(29,983,091)
Net increase / (decrease) in working capital borrowings	53,794,880	(104,683,877)
Finance Cost	(123,065,889)	(141,339,100)
<b>Net Cash Flow from / (used in) Financing Activities</b>	<b>(97,900,470)</b>	<b>(176,006,068)</b>
Net Increase / (Decrease) in cash & cash Equivalents (A+B+C)	40,162,743	(10,047,582)
Cash & Cash equivalents at the beginning of the year	3,682,485	13,730,067
Cash & Cash equivalents at the end of the year	43,845,228	3,682,485

The Accompanying notes are forming part of the Financial Statements

As per our separate report attached.

For **B NATH & CO.**

Chartered Accountants

FRN 307057E

(CA. GAURAV MORE)

Partner

M. No. 306466

Place : Kolkata

Date : 26th May, 2018

For and on behalf of the Board of Directors

**SUSHIL PATWARI**

Chairman

(DIN : 00023980)

**M. K. OGRA**

Director

(DIN : 01081215)

**GOPAL SHARMA**

Company Secretary

(Mem. No. : A19384)

**K. N. BANSAL**

Chief Financial Officer

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

### A. EQUITY SHARE CAPITAL

(in Rs.)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
At the beginning of the year	62,550,000	62,550,000
Add: Addition during the year	-	-
At the End of the year	62,550,000	62,550,000

### B. OTHER EQUITY

(in Rs.)

PARTICULARS	RESERVE & SURPLUS					OCI	Total Equity
	Capital Reserve	General Reserve	Share Premium Reserve	Share Forfeiture Reserve A/c.	Retained Earnings	Equity Instruments through OCI	
Balance as at 31st March 2018	3,000,000	548,655,966	218,363,589	103,000	286,080,535	16,734,105	1,072,937,195
Profit/(Loss) for the year	-	-	-	-	31,316,324	-	31,316,324
Comprehensive Income/(Loss) of Year						(44,696,225)	(44,696,225)
Profit on Sale of Investment					15,037,546	(15,037,546)	-
Balance as at 31st March 2019	3,000,000	548,655,966	218,363,589	103,000	332,434,405	(42,999,666)	1,059,557,294

#### Description of reserves in statement of changes in equity

i) **Capital Reserve:**

Reserve created out of subsidy received at the time of startup, it's a free reserve hence will be used as per provision of the act.

ii) **General Reserve:**

General reserve is created and utilised in compliance with the provisions of the Act.

iii) **Share Premium Account:**

This reserve is used to record the premium on issue of shares. The reserve is available for utilisation in accordance with the provisions of the Act.

iv) **Share Forfeiture Reserve A/c:**

Represents the Paid up capital of share forfeited, will be used as per provision of the act.

v) **Retained Earnings:**

Retained earnings represents accumulated profits earned by the company and remaining undistributed as on date.

vi) **Equity Instruments through OCI:**

Represents unrealized income w.r.t. MTM of Investment. Will be used upon disposal of investments.

As per our separate report attached.

For **B NATH & CO.**

Chartered Accountants

FRN 307057E

(CA. GAURAV MORE)

Partner

M. No. 306466

Place : Kolkata

Date : 27th May, 2019

For and on behalf of the Board of Directors

**SUSHIL PATWARI**

Chairman

(DIN : 00023980)

**M. K. OGRA**

Director

(DIN : 01081215)

**GOPAL SHARMA**

Company Secretary

(Mem. No. : A19384)

**K. N. BANSAL**

Chief Financial Officer

## NOTES to the Financial Statements for the year ended 31st March, 2019

### 1(a). COMPANY OVERVIEW:

The Company was incorporated on 6th March, 1989 under the laws of republic of India and has its registered office at Kolkata, West Bengal. The company is engaged in manufacturing and export of cotton yarn and other various merchandise. The shares of the company are listed in National Stock Exchange & Bombay Stock Exchange. Company has set up 100% export oriented unit with the state of art, Plant with manufacturing capacity of 55440 spindles at Kolhapur in Maharashtra. The company has also set up yarn dying and cotton bleaching plant at Kagal Kolhapur. The Company was also awarded International standard Organization certificate for export performance. The company's marketing network is spread over in various countries. The Company is also doing trading of cotton yarn and various commodities. The company is Merchant exporter also.

### 1(b). BASIS OF PREPERATION OF FINANCIAL STATEMENT:

The financial statements are prepared as a going concern under historical cost convention on accrual basis, except those with significant uncertainty and in accordance with the Companies Act, 2013 Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles and Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

### 2.1) Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

### 2.2) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost of fixed assets is inclusive of pre-operative expenses (Net of revenue) incurred up to the date of Commissioning of project/plant, exchange losses or gains arising on specific foreign currency loan taken for acquiring the assets.



## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

### 2.3) Capital Work in Progress

All pre-operative expenses incurred on Capital Work in Progress allocated to related fixed assets on Pro-rata Basis.

### 2.4) Depreciation and amortisation of property, plant and equipment and intangible assets

- i) Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act, 2013.
- ii) Lease Hold Land is being amortized over the lease period.
- iii) Intangible assets (computer softwares) are amortised on straight-line method at the rates determined based on estimated useful lives.

### 2.5) Impairment

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### 2.6) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### i) Financial assets

##### Financial assets at amortised cost

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

##### Financial assets measured at fair value

"Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding." "The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments." "Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss."

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination."

### Derecognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### ii) Financial liabilities and equity instruments

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

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## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

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### Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts and interest rate swaps. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

### 2.7) Cash Flow

Cash Flows are reported using Indirect Method, where by profit / (Loss) before extraordinary items and its tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

### 2.8) Valuation of Inventories

Raw Materials : Valued at Cost or Net Realisable Value whichever is lower (Cost is computed using "Weighted Average Cost Method").

Work-in-Progress : Valued at Cost or Net Realisable Value whichever is lower (Cost includes material Cost plus appropriate share of overhead) (Cost is computed Using "Weighted Average Cost Method").

#### Finished goods :

- i) Manufacturing goods :At Cost or Net Realisable Value whichever is lower (Cost includes Cost of Purchase, Conversion Cost, and other Cost i.e. overhead) (Cost is computed using "Weighted Average Cost Method").
- ii) Trading goods : At Cost or Net Realisable Value whichever is lower (Cost is computed using "Specific Identification Method").

Packing Materials : At Cost or Net Realisable Value whichever is lower (Cost is Computed Using "FIFO Method")

Stores & Spare Parts : At Cost or Net Realisable Value whichever is lower (Cost is Computed Using "FIFO Method")

Waste : At Realisable Value

### 2.9) Revenue Recognition

#### Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

#### Sale of Services

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

### 2.10) Provision, Contingent Liabilities & Contingent Assets

Provision involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statement.

### 2.11) Retirement Benefits To Employees

- i) **Leave Encashment:** Accrued liability for leave encashment has been provided for as per management valuation.
- ii) **Gratuity:** Accruing liability for gratuity to employees is covered by the Group Gratuity-Cash – Accumulation Scheme of LIC of India and annual contribution due there under are paid /provided in accordance therewith.

### 2.12) Foreign Currency Transactions

The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-“First time adoption of Indian Accounting Standard” are recognised directly in equity or added/deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

Loans in foreign currency for financing the fixed assets are converted at the prevailing exchange rate on the transaction dates. Liabilities payable in foreign currencies on the date of Balance Sheet are restated and all exchange rate differences arising from such restatement are adjusted with the fixed asset.

### 2.13) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

### 2.14) Provision For Current And Deferred Tax

Provision for Current Tax is made on the basis of taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

Deferred Tax resulting from “timing difference” between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

### 2.15) Government Grants / Subsidies / Insurance Claim

Government grants / subsidies / Insurance Claims are recognized when there is reasonable certainty that the same will be received. Revenue grants are recognized in the Profit & Loss Account either as income or deducted from related expenses. Capital grants / subsidies are credited to respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the Capital Reserve.

NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

**NOTE NO. : 3**  
**PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK		
	As at 1st April, 2018	Addition during the year	Adjustment/ Disposed/ Sales	As at 31st March, 2019	As at 31st March, 2018	For the year	Adjustment For Deduction	Depreciation Written back	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Land & Site Development	2,635,829	-	-	2,635,829	-	-	-	-	2,635,829	2,635,829	2,635,829
Land (Lease Hold)	73,883,082	1,605,000	-	75,488,082	3,832,277	575,019	-	-	4,407,295	71,080,787	70,050,805
Office Premises	14,268,713	-	-	14,268,713	5,220,139	222,784	-	-	5,442,923	8,825,790	9,048,574
Factory Building	361,985,659	-	-	361,985,659	121,764,539	11,169,138	-	-	132,933,677	229,051,982	240,221,119
Godown	7,275,714	-	-	7,275,714	2,131,269	227,971	-	-	2,359,239	4,916,475	5,144,445
Plant & Machinery	1,815,021,133	21,766,464	14,655,109	1,822,132,488	846,860,478	51,928,915	12,596,269	-	886,193,125	935,939,364	968,160,656
Furniture & Fixtures	34,033,684	164,342	-	34,198,026	12,651,194	2,564,148	-	-	15,215,341	18,982,685	21,382,490
Air Conditioner	4,201,277	198,628	-	4,399,905	2,180,803	329,482	-	-	2,510,285	1,889,621	2,020,474
Vehicles	22,965,976	4,808,306	371,050	27,403,232	7,898,010	2,298,502	257,507	-	9,939,005	17,464,226	15,067,965
Computer	5,600,441	292,237	-	5,892,678	4,967,345	266,386	-	-	5,233,731	658,947	633,096
Office Equipments	4,902,995	583,545	-	5,486,540	3,914,102	321,000	-	-	4,235,102	1,251,438	988,893
Non Factory Building	8,152,032	-	-	8,152,032	1,884,412	301,839	-	-	2,186,252	5,965,780	6,267,619
Refrigerator	149,312	-	-	149,312	119,746	6,863	-	-	126,610	22,702	29,566
Old Machine in Hand	392,306	-	-	392,306	-	-	-	-	-	392,306	392,306
<b>Grand Total</b>	<b>2,355,468,153</b>	<b>29,418,523</b>	<b>15,026,159</b>	<b>2,369,860,516</b>	<b>1,013,424,314</b>	<b>70,212,046</b>	<b>12,853,775</b>	<b>-</b>	<b>1,070,782,585</b>	<b>1,299,077,931</b>	<b>1,342,043,838</b>
Capital Work in Progress										-	-

**Notes :**

- Office Premises includes Rs.1,500/- towards cost of shares of co-operative society.
- Lease Hold Land includes Rs. 5,000/- towards cost of shares of West Bengal Hosiery Park Infrastructure Ltd.
- Includes Rs. 13,44,034/- (Previous Year 13,44,034/-) on account of adjustment due to transitional provision of schedule II of the Companies Act 2013 as on 1st April, 2014.

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note 4 : INVESTMENTS - NON-CURRENT	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>Investment measured at Cost</b>		
<b>Unquoted, fully paid - up :</b>		
62,500 Tirumala Mart Pvt. Ltd	5,000,000	5,000,000
12,966 Jaidka Motor Co. Ltd of Rs. 10/- each	36,693,780	36,693,780
<b>Total of Investment measured at Cost (A)</b>	<b>41,693,780</b>	<b>41,693,780</b>
<b>Investment measured at Fair Value Through Other Comprehensive Income</b>		
<b>Quoted, fully paid - up:</b>		
115600 Shares Nagreeka Capital & Infrastructure Ltd.	1,491,240	3,999,760
20 Shares of Bajaj Finance Ltd (Previous Year 5820 Shares)	60,500	10,584,252
477600 Shares Vedanta Ltd	88,093,320	134,826,480
<b>In Mutual Fund Quoted:</b>		
47,975.30 Units Sundaram BNP Paribas Equity Multiplier Fund	1,653,853	1,534,845
5420.354 Units Sundaram BNP Paribas Select Mid Cap	2,547,656	2,730,613
50,000 SBI Gold Fund	500,000	492,390
<b>Total of Investment measured at Fair Value Through Other Comprehensive Income (B)</b>	<b>94,346,569</b>	<b>154,168,340</b>
<b>TOTAL INVESTMENTS (A+B)</b>	<b>136,040,349</b>	<b>195,862,120</b>
<b>Aggregate Book value of:</b>		
a) Aggregate Value of Quoted Investments	94,346,569	154,168,340
b) Market Value of Quoted Investments	94,346,569	154,168,340
c) Aggregate Value of Unquoted Investments	41,693,780	41,693,780
<b>4.1 Category-wise Investment - Non-Current</b>		
Financial Assets measured at Cost	41,693,780	41,693,780
Financial Assets measured at Fair Value Through Other Comprehensive Income	94,346,569	154,168,340
<b>Total Investment - Non - Current</b>	<b>136,040,349</b>	<b>195,862,120</b>

Note 5 : LOANS & ADVANCES (Unsecured, considered good)	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>A. NON CURRENT LOANS &amp; ADVANCES</b>		
Security Deposits against Flat	10,317,941	9,439,300
<b>(A)</b>	<b>10,317,941</b>	<b>9,439,300</b>
<b>B. CURRENT LOANS &amp; ADVANCES</b>		
Deposits	3,490,334	12,099,098
Loans & Advances to Employees	14,912,442	14,332,199
<b>(B)</b>	<b>18,402,776</b>	<b>26,431,297</b>
<b>TOTAL LOANS AND ADVANCES (A+B)</b>	<b>28,720,717</b>	<b>35,870,597</b>

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

		As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>Note 6 : OTHER FINANCIAL ASSETS (Unsecured, considered good)</b>			
<b>A. OTHER NON CURRENT FINANCIAL ASSETS</b>			
Deposits with Bank #		12,259,197	15,552,158
	(A)	<u>12,259,197</u>	<u>15,552,158</u>
# Bank Deposits are restricted to use as Kept by bank as Lien towards Margin.			
<b>B. OTHER CURRENT FINANCIAL ASSETS</b>			
Other Receivables		73,612,492	69,001,981
	(B)	<u>73,612,492</u>	<u>69,001,981</u>
<b>TOTAL OTHER FINANCIAL ASSETS</b>	(A+B)	<u>85,871,689</u>	<u>84,554,139</u>

		As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>Note 7 : DEFERRED TAX ASSETS/(LIABILITY) (NET)</b>			
Balance as per last financial statements		222,516,545	213,340,622
Add: Deferred Tax (Asset)/Liability recognised for the year		(12,755,440)	9,175,923
<b>Total</b>		<u>209,761,105</u>	<u>222,516,545</u>

### 7.1 Components of Net Deferred tax liabilities as on the balance sheet date are as follows:

		As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>PARTICULARS</b>			
<b>Deferred tax liabilities on</b>			
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting		212,576,938	225,749,027
Other timing differences		175,104	329,119
	(A)	<u>212,752,042</u>	<u>226,078,146</u>
<b>Deferred tax assets on</b>			
Unabsorbed Depreciation		1,170,655	1,457,203
Other timing differences		1,820,282	2,104,398
	(B)	<u>2,990,937</u>	<u>3,561,601</u>
<b>Net deferred tax (Assets)/liabilities</b>	(A-B)	<u>209,761,105</u>	<u>222,516,545</u>

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note 8 : OTHER ASSETS (Unsecured, considered good)	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>A. OTHER NON CURRENT ASSETS</b>		
Deposits with Govt. Authorities	3,476,053	3,422,237
Prepaid Rent Expenses (FV Measurement A/c Deposits)	3,657,527	4,390,635
MAT Entitlements	35,528,156	35,528,156
<b>(A)</b>	<b>42,661,736</b>	<b>43,341,028</b>
<b>B. OTHER CURRENT ASSETS</b>		
Balance with statutory / government Authority	288,584,413	219,268,258
Prepaid Expenses	14,124,130	11,197,185
Prepaid Rent Expenses (FV Measurement A/c Deposits)	733,108	731,105
Advances against Goods & Expenses	579,564,821	435,279,481
<b>(B)</b>	<b>883,006,473</b>	<b>666,476,029</b>
<b>TOTAL OTHER ASSETS (A+B)</b>	<b>925,668,209</b>	<b>709,817,057</b>

Note 9 : INVENTORIES	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
Raw Material	258,912,599	312,660,687
Work-in-progress	46,927,540	40,463,902
Finished Goods	192,259,155	191,807,724
Stock-in-Trade	248,343,428	276,896,907
Stores, Spares, Packing Material & Fuel	25,305,636	20,632,298
Dyes & Chemicals	6,782,895	8,862,922
Waste Cotton	20,476,958	16,663,120
	<b>799,008,211</b>	<b>867,987,560</b>

Note 10 : TRADE RECEIVABLES	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>Current</b>		
a) Unsecured, considered Good	261,626,847	264,915,482
b) Doubtful	-	-
	261,626,847	264,915,482
Allowance for doubtful debts	-	-
<b>TOTAL TRADE RECEIVABLES</b>	<b>261,626,847</b>	<b>264,915,482</b>
<b>Ageing of receivables that are post due but not impaired</b>		
0-180 Days	250,731,729	258,086,809
>180 Days	10,895,119	6,828,673
<b>TOTAL TRADE RECEIVABLES</b>	<b>261,626,847</b>	<b>264,915,482</b>

- Over Six Months Trade Receivables include a sum of Rs. 26,73,477/- receivable, which is under litigation.
- The credit period on sales of goods ranges from 7 to 120 days without security. No interest is charged on trade receivables upto the end of the credit period.
- The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.



## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note 11 : CASH AND CASH EQUIVALENTS	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
Cash in Hand	2,871,450	2,183,698
Balances with banks		
(i) In current accounts	40,973,778	1,498,787
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>43,845,228</b>	<b>3,682,485</b>

Note 12 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
Unpaid Dividend Account	435,996	619,984
<b>TOTAL BANK BALANCE OTHER THAN NOTE 11 ABOVE</b>	<b>435,996</b>	<b>619,984</b>

Note 13 : SHARE CAPITAL	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>Authorised Share Capital</b>		
2,40,00,000 Equity shares of Rs.5/- each (Previous Year 2,40,00,000)	120,000,000	120,000,000
30,00,000 Preference Shares of Rs. 10/- each (Previous Years 30,00,000)	30,000,000	30,000,000
	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued</b>		
1,25,10,000 Equity shares of Rs. 5/- each (Previous Year 1,25,10,000)	62,550,000	62,550,000
25,00,000 Preference Shares of Rs. 10/- each (Previous Year 25,00,000)	25,000,000	25,000,000
	<b>87,550,000</b>	<b>87,550,000</b>
<b>Subscribed and paid up</b>		
1,24,99,700 Equity shares of Rs. 5/- each (Previous Year 1,24,99,700)	62,498,500	62,498,500
Add : 10,300 Equity Forfeited Shares (Amount originally paidup)	51,500	51,500
	<b>62,550,000</b>	<b>62,550,000</b>

i) Reconciliation of number of Equity Shares and amount Outstanding	31st March, 2019		31st March, 2018	
	Number	Rs.	Number	Rs.
At the beginning of the period/year	12,499,700	62,498,500	12,499,700	62,498,500
At the end of the period/year	12,499,700	62,498,500	12,499,700	62,498,500

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

ii) The details of Shareholders holding more than 5% shares :	31st March, 2019		31st March, 2018	
	Number	% of Holding	Number	% of Holding
<b>Name of the share holder</b>				
Sushil Patwari	822,623	6.58%	793,900	6.35%
Sunil Patwari	934,900	7.48%	934,900	7.48%
Dadra Eximp Pvt. Ltd (Previously Nagreeka Synthetics Pvt. Ltd.)	2,105,186	16.84%	2,105,186	16.84%
Lakecity Ventures Pvt. Ltd	814,823	6.52%	814,823	6.52%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

- iii) The Company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held.
- iv) 15% dividend on preference share will be decided by the Board of Directors as and when declared. Preference Shares Holder shall have the cumulative right to receive dividend as and when declared and shall have preference right of repayment of amount of capital.

Note 14 : OTHER EQUITY		As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
Capital Reserve (as per the Last Financial Statements)	A.	3,000,000	3,000,000
General Reserve (as per the Last Financial Statements)	B.	548,655,966	548,655,966
Share Premium Reserve (as per the Last Financial Statements)	C.	218,363,589	218,363,589
Share Forfeiture Reserve A/c (as per the Last Financial Statements)	D.	103,000	103,000
Retained Earnings	E.	332,434,405	286,080,535
OTHER COMPREHENSIVE INCOME	F.	(42,999,666)	16,734,105
<b>TOTAL OTHER EQUITY</b>	<b>(A to F)</b>	<b>1,059,557,294</b>	<b>1,072,937,195</b>

Note 15 : BORROWINGS		As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>A. NON CURRENT BORROWINGS</b>			
<b>I) SECURED</b>			
Term Loans From Banks	(A)	119,678,098	160,345,711
25,00,000 Non Convertible Cumulative Redeemable Preference Shares	(B)	25,000,000	25,000,000
(Rs. 10 Each Fully Paid Up)			
<b>II) Deferred Payment Liabilities</b>			
Vehicle Loans	(C)	4,625,233	4,492,204
<b>II) UNSECURED</b>			
Loans from Related Parties	(D)	78,955,124	67,050,000
<b>TOTAL LONG TERM BORROWINGS</b>	<b>(A to D)</b>	<b>228,258,454</b>	<b>256,887,915</b>

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note 15 : BORROWINGS		As at	As at
		31st March, 2019	1st April, 2018
		Rs.	Rs.
<b>B. CURRENT BORROWINGS</b>			
<b>I) Deferred Payment Liabilities</b>			
Vehicle Loans	(A)	3,441,968	2,424,703
Bank Bills Liability	(B)	19,773,678	23,784,040
Buyers Credit (Foreign Currency)	(C)	-	14,802,744
Export Packing Credit from Banks	(D)	1,400,347,914	1,328,757,192
<b>II) UNSECURED</b>			
Loans from Related Parties	(E)	-	-
<b>TOTAL SHORT TERM BORROWINGS</b>	<b>(A to E)</b>	<b>1,423,563,559</b>	<b>1,369,768,679</b>

- i) Rupee Term loan from Canara Bank - Kolkata, is secured by
- (a) an equitable mortgage ranking pari passu inter-se by deposit of title deeds of all the immovable properties of the company both present and future, relating to its spinning unit premises at Village : Yavluj, District : Kolhapur, Maharashtra and
- ii) Rupee Term loan from Canara Bank - Kolkata is secured by
- (a) an equitable mortgage ranking exclusive charges inter-se by deposit of title deeds of all the immovable properties of the company both present and future, relating to its Dying & Bleaching unit premises at Village : Kagal, District : Kolhapur, Maharashtra
- (b) all the existing securities for other regular limits will be available as co-lateral security on pari passu basis
- iii) Working Capital Loan from Canara Bank, Overseas Branch, Kolkata & Mumbai, Oriental Bank of Commerce, Mid Corporate Branch, Kolkata, Allahabad Bank, Industrial Finance Branch, Kolkata, Karnataka Bank Ltd, Overseas Branch, Kolkata and State Bank of India - Mumbai are secured by way of :
- (a) First charge by way of hypothecation of stock of Raw materials, Work-in-process, finished goods and book debts relating to spinning unit at Village : Yavluj, District : Kolhapur, Maharashtra, Dying & Bleaching unit premises at Village : Kagal, District : Kolhapur, Maharashtra and stock-in-trade at trading unit Kolkata & Mumbai, both present and future in a form and manner satisfactory to the bank, ranking pari passu with each other participating working capital banks.
- (b) Second charge on all the fixed assets of the company, both present and future ranking pari passu with each other participating working capital banks.
- (c) Personal guarantee of some of the Directors of the Company.
- iv) For the above loan a securitisation agreement entered in between the Company, AXIS Bank Limited and the above lenders.

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note 16 : OTHER FINANCIAL LIABILITIES	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>A. OTHER NON CURRENT FINANCIAL LIABILITIES</b>	-	-
<b>B. OTHER CURRENT FINANCIAL LIABILITIES</b>	(A)	-
Current maturities of Long Term Borrowings	75,269,950	84,578,253
Unpaid Dividends	435,996	619,985
Cheques, Drafts in Hand (Book Overdraft)	149,894,393	149,453,978
Creditors for Expenses & Others (Incl. Capital Purchases)	80,187,025	76,110,249
<b>(B)</b>	<b>305,787,364</b>	<b>310,762,465</b>
<b>TOTAL OTHER FINANCIAL LIABILITIES</b>	<b>(A+B)</b> <b>305,787,364</b>	<b>310,762,465</b>

Note 17 : PROVISIONS	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>A. NON CURRENT PROVISIONS</b>		
Accrued Dividend on Preference Shares	1,921,233	1,921,233
<b>(A)</b>	<b>1,921,233</b>	<b>1,921,233</b>
<b>B. CURRENT PROVISIONS</b>		
Provision for Employee Benefits	15,392,733	15,167,459
Provision for Gratuity	8,353,883	5,660,215
Provision for Expenses	49,886,051	58,113,379
<b>(B)</b>	<b>73,632,667</b>	<b>78,941,053</b>
<b>TOTAL PROVISIONS</b>	<b>(A+B)</b> <b>75,553,900</b>	<b>80,862,286</b>

Note 18 : TRADE PAYABLES	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>For Goods &amp; Services:</b>		
- Due to Micro & Small Enterprises	5,077,658	1,557,833
- To Others	180,963,350	104,724,325
<b>TOTAL TRADE PAYABLES</b>	<b>186,041,008</b>	<b>106,282,158</b>

i) Due payable to Micro & Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006." have been determined to the extent such parties have been identified on the basis of information available with the Company, The disclosure pursuant to said Act in respect of such dues included in trade payables (Note 18) is as under:

PARTICULARS	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
i) Principal Amount Due	5,077,658	1,557,833
ii) Interest on Principle Amount due	NIL	NIL
iii) Interest & Principle Amount paid beyond appointment day	NIL	NIL
iv) The Amount of Interest due and for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the amount of interest specified under MSME Development Act, 2006.	NIL	NIL
v) The amount of Interest Accrued and remaining unpaid at the end of the year	NIL	NIL
vi) The Amount of further Interest remaining due & payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act, 2006.	NIL	NIL

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note 19 : OTHER CURRENT LIABILITIES	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
Advance from Customers	23,994,044	18,693,140
Statutory Remittance	5,228,449	4,092,879
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>29,222,493</b>	<b>22,786,019</b>

Note 20 : REVENUE FROM OPERATION	For the FY Ended 31st March, 2019 Rs.	For the FY Ended 31st March, 2018 Rs.
<b>Sale of Products</b>		
Finished Goods	2,962,090,378	2,712,642,023
Traded Goods	2,989,593,077	2,579,275,159
Waste	39,652,312	39,334,764
<b>(A)</b>	<b>5,991,335,767</b>	<b>5,331,251,946</b>
<b>Other operating revenues</b>		
Scrap Sales	1,461,549	3,292,278
Jobwork Charges	24,401,557	47,670,249
Export Incentives	62,733,696	106,587,476
<b>(B)</b>	<b>88,596,802</b>	<b>157,550,003</b>
<b>Less: Claims &amp; Discount</b>		
Claims & Discounts	15,047,801	14,357,968
<b>(C)</b>	<b>15,047,801</b>	<b>14,357,968</b>
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>6,064,884,768</b>	<b>5,474,443,981</b>
<b>(A+B-C)</b>		
<b>i) Sale of products comprises</b>		
<b>Manufactured goods</b>		
Dyed Yarn	417,154,378	300,179,629
Cotton Yarn	1,795,739,797	1,641,166,717
Knitted Fabrics	357,966	8,396,009
Bleached Cotton	434,606,056	384,712,387
Cloth	20,867,842	25,810,156
Fine Cotton	293,364,340	352,377,125
Waste	39,652,312	39,334,764
<b>Total - Sale of manufactured goods</b>	<b>3,001,742,690</b>	<b>2,751,976,787</b>
<b>(A)</b>		
<b>Traded goods</b>		
Cotton Yarn	2,175,980,644	1,918,830,377
Knitted Fabric	145,242,057	227,313,204
Silico Magnese	30,285,808	45,700,002
Iron Ignots	-	14,494,691
Cloth	-	154,675,147
MS Billet	322,369,420	218,261,738
Fancy Fabric	122,719,853	-
Raw Cotton	192,995,295	-
<b>Total - Sale of traded goods</b>	<b>2,989,593,077</b>	<b>2,579,275,159</b>
<b>(B)</b>		
<b>Total - Sale of products</b>	<b>5,991,335,767</b>	<b>5,331,251,946</b>
<b>(A+B)</b>		

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

<b>Note 21 : OTHER INCOME</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
Dividend income from long-term investments	9,026,595	18,599,648
Profit on Sale of Fixed Assets	1,624,482	-
Other non-operating income	2,355,937	2,670,542
<b>TOTAL OTHER INCOME</b>	<b>13,007,014</b>	<b>21,270,191</b>

<b>Note 22 : COST OF MATERIAL CONSUMED</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
Opening stock	312,660,687	337,229,593
Add: Purchases	2,066,635,644	1,848,089,279
	2,379,296,331	2,185,318,872
Less: Closing stock	258,912,599	312,660,687
<b>Cost of material consumed</b>	<b>2,120,383,732</b>	<b>1,872,658,185</b>

**i) Material consumed comprises**

Raw Cotton	1,553,312,712	1,512,795,304
Cotton Yarn	382,512,216	215,087,665
Comber Noil	180,629,553	112,727,900
Cloth	3,929,250	32,047,316
<b>Total Cost of material consumed</b>	<b>2,120,383,732</b>	<b>1,872,658,185</b>

<b>Note 23 : PURCHASE OF TRADED GOODS</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
Cotton Yarn	2,100,856,816	1,849,257,284
Knitted Fabrics	144,241,816	222,268,494
Silico Magnese	17,522,400	55,436,600
MS Ingots	-	12,887,966
M S Billet	299,747,720	247,114,104
Fancy Fabric	75,398,896	102,592,266
Raw Cotton	170,408,975	-
<b>TOTAL PURCHASE OF TRADED GOODS</b>	<b>2,808,176,623</b>	<b>2,489,556,714</b>

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

<b>Note 24 : CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
<b>Inventories at the end of the year</b>		
Finished goods	192,259,155	191,807,724
Stock-in-trade	248,343,428	276,896,907
Work-in-progress	46,927,540	40,463,902
Waste	20,476,958	16,663,120
<b>(A)</b>	<b>508,007,081</b>	<b>525,831,653</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	191,807,724	171,683,374
Stock-in-trade	276,896,907	298,243,459
Work-in-progress	40,463,902	37,476,178
Waste	16,663,120	21,871,031
<b>(B)</b>	<b>525,831,653</b>	<b>529,274,042</b>
<b>Net (increase) / decrease</b>	<b>(B-A)</b> <b>17,824,573</b>	<b>3,442,389</b>

<b>Note 25 : EMPLOYEES BENEFIT EXPENSES</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
Salaries and wages	234,641,885	222,896,401
Contributions to provident and other funds	11,466,669	11,179,014
Staff welfare expenses	2,746,290	3,364,745
Gratuity Expenses	3,710,302	3,927,113
<b>TOTAL EMPLOYEE BENEFIT EXPENSES</b>	<b>252,565,146</b>	<b>241,367,273</b>

(i) Disclosure pursuant to Indian Accounting Standard (Ind AS) - 19 : Employee Benefit

a) Defined Contribution Plan

<b>Particulars</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
Employer's Contribution to Provident Fund	10,213,889	9,877,940
Employee's Contribution to Provident Fund	10,464,214	9,947,689

b) Defined Benefit Plan - Gratuity

The Gratuity scheme is a final salary defined benefit plan, that provides for lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years.

### Associated Risks :

The design entitles the following risks that affect the liabilities and cash flows:

i) Interest Rates Risk :

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

- ii) **Salary Inflation Risk:**
- iii) **Demographic risks:**
- iv) **Assets Liability Mismatch:**

Particulars	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>(A) Changes in Defined Benefit Obligation</b>		
Present Value of Defined Benefit Obligation as at the beginning of the year	46,690,793	41,231,700
Current Service Cost	3,652,233	3,359,046
Prior Service Cost	1,677,591	2,397,108
Interest cost	3,547,730	3,132,255
Actuarial (Gain) / Loss	686,354	(2,007,446)
Benefit paid	(1,827,267)	(1,421,870)
Present value of obligations as at end of year	<b>54,427,433</b>	<b>46,690,793</b>
<b>(B) Changes in the Fair Value of Assets</b>		
Fair value of Plan Assets at the beginning of the year	40,142,080	38,632,605
Expected return of Plan Assets	3,079,599	2,931,345
Actuarial Gain / (Loss) on Plan Assets	(295,402)	-
Contribution by Employer	1,016,634	-
Benefit Paid	(1,827,267)	(1,421,870)
Fair value of Plan Assets at the end of the year	<b>42,115,644</b>	<b>40,142,080</b>
<b>(C) Amount recognised in the Balance Sheet</b>		
Present Value of Defined Benefit Obligation	54,427,433	46,690,793
Fair Value of Plan Assets	42,115,644	40,142,080
Net Assets/ (Liability) recognised in the Balance Sheet	<b>(12,311,789)</b>	<b>(6,548,713)</b>
<b>Particulars</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
<b>(D) Actuarial (Gain) / Loss Recognised</b>		
Actuarial (Gain) / Loss on Obligation	686,354	(2,007,446)
Actuarial (Gain) / Loss on Plan Assets	295,402	-
Actuarial (Gain) / Loss Recognised during the year.	<b>981,756</b>	<b>(2,007,446)</b>
<b>(E) Expenses charged to Profit &amp; Loss Account</b>		
Current service cost	3,652,233	3,359,046
Prior Service Cost	1,677,591	2,397,108
Interest Cost	3,547,730	3,132,255
Expected Return on Plan Assets	(3,079,599)	(2,931,345)
Actuarial (Gain) / Loss	981,756	(2,007,446)
	<b>6,779,711</b>	<b>3,949,618</b>



## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

(F) Sensitivity Analysis	As at 31st March, 2019		As at 31st March, 2018	
	Increase in DOB	Liability Rs.	Increase in DOB	Liability Rs.
Discount Rates				
+ 100 Basis Points	-8.26%	49,929,057	-7.74%	43,076,494
- 100 Basis Points	9.56%	59,631,168	8.90%	50,846,086
Salary Growth				
+ 100 Basis Points	9.39%	59,537,497	8.73%	50,767,333
- 100 Basis Points	-8.21%	49,956,298	-6.47%	43,667,844
Withdrawal Rates				
+ 100 Basis Points	1.65%	55,325,306	2.94%	48,063,559
- 100 Basis Points	-1.83%	53,429,511	-3.29%	45,155,213

(G) Maturity profile of Defined Benefit Obligation	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
i) Year 1	2,850,459	2,121,532
ii) Year 2 to Year 5	11,296,026	10,848,663
iii) Year 6 to Year 10	13,749,406	11,274,592
iv) Above Year 10	26,531,542	22,446,006

### (H) The Major Categories of Plan Assets as a Percentage of Total Plan

	As at 31st March, 2019		As at 1st April, 2018	
	Rs.	%	Rs.	%
Insurance Policies	42,115,644	100%	40,142,080	100%

(I) The principal assumptions used in determining gratuity obligations for the company's plans are shown below :	As at 31st March, 2019	As at 31st March, 2018
Discount rate (per annum)	7.75%	7.73%
Salary increase (per annum)	5.00%	5.00%
Expected rate of return on assets	7.75%	7.73%
Inflation Rate	3.00%	3.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(J) March' 2019 & March'2018 - 100% with Life Insurance Corporation of India Ltd.

(ii) The Company has also computed and made necessary provisions on account of leave encashment benefits as per Management Valuation. The total service eligibility as per the Company's leave rules are estimated and provided in the books as a revenue expenditure after making adjustment towards the benefit paid on this benefit obligation were carried out at 31st March, 2019

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

Note 26 : FINANCE COST	For the FY Ended 31st March, 2019 Rs.	For the FY Ended 31st March, 2018 Rs.
Interest Expenses	91,046,409	118,774,988
Other Borrowing Cost	32,019,480	22,564,112
<b>TOTAL FINANCE COSTS</b>	<b>123,065,889</b>	<b>141,339,100</b>

Note 27 : OTHER EXPENSES	For the FY Ended 31st March, 2019 Rs.	For the FY Ended 31st March, 2018 Rs.
<b>Manufacturing Expenses</b>		
Consumption of Stores, Spares & Packing Material	134,961,921	131,297,748
Power and Fuel	238,138,648	260,582,615
Processing Charges	11,236,163	3,143,969
Repairs and maintenance - Buildings	4,167,799	3,367,019
Repairs and maintenance - Machinery	21,290,632	12,706,075
(A)	<b>409,795,163</b>	<b>411,097,426</b>
<b>Selling &amp; Distribution Expenses</b>		
Outward Freight	98,614,718	85,925,438
Other Selling Expenses	46,213,442	41,694,103
Commission on Sale	30,266,702	30,139,050
(B)	<b>175,094,861</b>	<b>157,758,591</b>
<b>Eastablishment &amp; Other Expenses</b>		
Rent	1,055,105	1,229,105
Rates and taxes	2,565,532	3,839,630
Communication Charges	4,840,863	4,657,634
Travelling and conveyance	28,735,811	25,288,372
Insurance	12,491,259	12,934,366
Expenses towards CSR Activities	331,000	155,700
Loss on Sale of Fixed Assets	-	1,039,156
Miscellaneous Expenses	32,193,297	28,545,866
(C)	<b>82,212,867</b>	<b>77,689,829</b>
<b>TOTAL OTHER EXPENSES</b>	<b>(A+B+C) 667,102,891</b>	<b>646,545,846</b>

i) Miscellaneous Expenses includes payment to Statutory Auditor as :	For the FY Ended 31st March, 2019 Rs.	For the FY Ended 31st March, 2018 Rs.
Statutory Audit Fees	205,000	205,000
Tax Audit Fees	30,000	30,000
Other Services	53,500	84,730
<b>TOTAL</b>	<b>288,500</b>	<b>319,730</b>

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

**28 CAPITAL COMMITMENTS:** Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. NIL (Net of advances) (Previous Year Rs. NIL Lacs ).

**29 CORPORATE SOCIAL RESPONSIBILITY :** As per Section 135 of the Companies Act 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The Company is working primarily in the field of woman empowerment and promoting women education and tribal education. The funds were primarily transferred to the trust for the said purpose.

Amount to be spent on CSR : Rs. NIL

Amount actually spent on CSR : Rs. 3,31,000/-.

### 30 CONTINGENT LIABILITIES NOT PROVIDED FOR

- i. Bills discounted with Banks Rs. 6885.50 Lacs (Previous Year Rs. 2911.85 lacs).
- ii. Bank Guarantees of Rs. - 275.64 Lacs (Previous Year Rs. 206.38 lacs) issued in favour of Custom, Central Excise & Other Government Authorities.
- iii. **Disputed Statutory Dues :-**
  - a) The Income Tax Assessment of the Company have been completed up to Assessment Year 2016-2017. Disputed Income Tax Liabilities for which appeal is pending before different appellate authorities for Assessment Year 2005-2006 is Rs. 5.67 Lacs. (Previous Year Rs. 5.67 Lacs)
  - b) Disputed Sales Tax liability for which appeal is pending before Sales Tax authorities relating to financial year from 2009-2010 & 2011-2012 Rs. 80.13 Lacs. (Previous Year Rs. 80.13 Lacs)
  - c) Disputed Central Service Tax liability for which appeal is pending before different Service Tax authorities relating to financial year 2010-2011 is Rs. 3.71 Lacs (Previous Year Rs. 3.71 Lacs)
  - d) Disputed Custom Duty Liabilities for which appeal is pending before different CESTAT, Kolkata relating to financial year 2013-2014 is Rs. 389.32 Lacs (Previous Year Rs. 389.32 Lacs)

**NOTE :** Based on the decision of the Appellate authorities and the interpretations of the other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

### 31 SEGMENT INFORMATION

- (i) **Business Segment:** The Company's business activity primarily falls within a single business segment i.e. Textile business and hence there are no disclosures to be made under Ind AS -108, other than those already provided in the financial statements.
- (ii) **Geographical Segment:** The Company operates in multiple geographical area and therefore the analysis of geographical segment is based on the areas in which customers of the Company are located.

Information for Geographical Segments :	For the FY Ended 31st March, 2019 Rs.	For the FY Ended 31st March, 2018 Rs.
Export Revenues	3,559,362,362	3,014,316,627
Domestic Revenues	2,431,973,405	2,316,935,319
<b>TOTAL</b>	<b>5,991,335,767</b>	<b>5,331,251,946</b>

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

<b>Note 32 : BASIC AND DILUTED EARNING PER SHARE (EPS)</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
Basic And Diluted Earning Per Share (Eps) of The Face Value of Rs. 5/- Each Is Calculated As Under:-		
Net profit as per Profit and Loss Account available for Equity Share Holder (In Rs.)	31,316,323	23,945,148
Weighted average number of Equity Shares for Basis Earning Per Share	12,499,700	12,499,700
<b>Basis / Diluted Earning Per Share (Weighted Average) - in Rs.</b>	<b>2.51</b>	<b>1.92</b>

<b>Note 33 : DIRECTORS REMUNERATIONS</b>	<b>For the FY Ended 31st March, 2019 Rs.</b>	<b>For the FY Ended 31st March, 2018 Rs.</b>
Salary	12,465,600	12,465,000
Other Perquisites	120,000	120,000
Directors Sitting fees	226,000	283,000
<b>TOTAL DIRECTORS REMUNERATIONS</b>	<b>12,811,600</b>	<b>12,868,000</b>

### 34 RELATED PARTIES WITH WHOM TRANSACTION HAVE TAKEN PLACE DURING THE YEAR

- a) Key Management personnel's
- Shri Sushil Patwari : Chairman
  - Shri Sunil Patwari : Managing Director
  - Shri Mahendra Patwari : Whole Time Director
  - Shri Debrata Das Choudhary : Whole Time Director
  - Shri Kedar Nath Bansal : Chief Financial Officer
  - Shri J. Tiwari : Company Secretary

#### Relatives of Key Management Personnel's & Others :

- Patwari Properties
- Smt. Minakshi Patwari
- Smt. Anita Patwari
- Shri Pratyush Patwari

#### Enterprises Owned/Influenced by Key Management Personnel or their relative :

- Nagreeka Capital & Infrastructure Ltd.

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

### b) Aggregated Related Party disclosure as at and for the year ended 31st March 2019 (Rs. in Lacs)

Type of Transaction	Key Management Personnel's		Relatives of Key Management Personnel's & Others		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>1 Rent:</b>						
Shri Sunil Patwari	0.60	0.60	-	-	0.60	0.60
Shri Mahendra Patwari	0.60	0.60	-	-	0.60	0.60
Patwari Properties	-	-	1.20	1.20	1.20	1.20
Smt. Anita Patwari	-	-	0.60	0.60	0.60	0.60
<b>2 Remuneration:</b>						
Shri Sushil Patwari	36.00	36.00	-	-	36.00	36.00
Shri Sunil Patwari	36.00	36.00	-	-	36.00	36.00
Shri Mahendra Patwari	36.00	36.00	-	-	36.00	36.00
Shri Debrata Das Choudhary	18.19	19.59	-	-	18.19	19.59
Shri Kedar Nath Bansal	13.72	10.08	-	-	13.72	10.08
Shri J. Tiwari (Resigned)	2.19	1.83	-	-	2.19	1.83
Shri Pratyush Patwari	-	-	30.00	25.00	30.00	25.00
Shri Aditya Patwari	-	-	5.00	-	5.00	-
<b>3 Deposit/Loans &amp; Advances (Assets):</b>						
Shri Sunil Patwari	51.00	51.00	-	-	51.00	51.00
Shri Mahendra Patwari	125.00	125.00	-	-	125.00	125.00

**35** During March 2017, there was a fire at Bleaching & dyeing unit situated at Kagal (Maharastra). The surveyor has submitted interim survey report and assessed the final loss of stock. In regards to loss of Plant & Machinery and other assets, the same is under process.

### **36 FINANCIAL INSTRUMENTS**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.6 to the financial statements.

#### a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2019 is as follows : (in Rs.)

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>				
Trade receivables	-	261,626,847	261,626,847	261,626,847
Investments	-	179,040,015	179,040,015	136,040,349
Bank balance other than Cash and cash equivalents	-	435,996	435,996	435,996
Loans & Advances	-	36,002,776	36,002,776	28,720,717
Cash and cash equivalents	-	43,845,228	43,845,228	43,845,228
Other financial assets	-	85,871,689	85,871,689	85,871,689
<b>Total</b>	-	<b>606,822,552</b>	<b>606,822,552</b>	<b>556,540,827</b>
<b>Liabilities:</b>				
Borrowings	-	1,651,822,014	1,652,817,534	1,651,822,014
Other financial Liabilities	-	305,787,364	305,787,364	305,787,364
Trade payables	-	186,041,008	186,041,008	186,041,008
<b>Total</b>	-	<b>2,143,650,385</b>	<b>2,144,645,905</b>	<b>2,143,650,385</b>

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

The carrying value of financial instruments by categories as of March 31, 2018 is as follows : (in Rs.)

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value	Total fair value
<b>Assets:</b>				
Trade receivables	-	264,915,482	264,915,482	264,915,482
Investments	-	179,128,015	179,128,015	195,862,120
Bank balance other than Cash and cash equivalents	-	619,984	619,984	619,984
Loans & Advances	-	44,031,297	44,031,297	35,870,597
Cash and cash equivalents	-	3,682,485	3,682,485	3,682,485
Other financial assets	-	84,554,139	84,554,139	84,554,139
<b>Total</b>	-	<b>576,931,402</b>	<b>576,931,402</b>	<b>585,504,807</b>
<b>Liabilities:</b>				
Borrowings	-	1,626,656,593	1,627,652,113	1,626,656,593
Other financial Liabilities	-	310,762,465	310,762,465	310,762,465
Trade payables	-	106,282,159	106,282,159	106,282,159
<b>Total</b>	-	<b>2,043,701,217</b>	<b>2,044,696,737</b>	<b>2,043,701,217</b>

### Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

	Level 1	Level 2	Level 3
<b>As at March 31, 2019</b>			
<b>Financial Assets:</b>			
Investments	94,346,569	-	41,693,780
<b>Total</b>	<b>94,346,569</b>	<b>-</b>	<b>41,693,780</b>
<b>Financial Liabilities:</b>			
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2018</b>			
<b>Financial Assets:</b>			
Investments	154,168,340	-	41,693,780
<b>Total</b>	<b>154,168,340</b>	<b>-</b>	<b>41,693,780</b>
<b>Financial Liabilities:</b>			
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Notes:

- The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- Unquoted Investments are stated at amortized cost which is approximately equal to their fair value.
- There have been no transfers between level 1 and level 2 for the years ended March 31, 2019 and 2018.

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

### 37 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	For the FY Ended 31st March, 2019 Rs.	For the FY Ended 31st March, 2018 Rs.
Total debt	228,258,454	256,887,915
Less : Cash & Cash Equivalents	43,845,228	3,682,485
Net Total Debt	184,413,226	253,205,430
Equity	1,122,107,294	1,135,487,195
<b>Capital &amp; Net Debt</b>	<b>1,306,520,520</b>	<b>1,388,692,625</b>
Gearing ratio	17.47%	18.50%

### 38 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company has exposure to the following risks from financial instruments.

- Market Risk
- Liquidity Risk
- Credit Risk

#### Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates & prices such as interest rates.

#### a) Currency Risk:

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which Export sales, Import purchase, other expenses and borrowings in foreign currency are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are Euro and USD.

At any point in time, the Company generally hedges its estimated foreign currency exposure in respect of its forecast sales over the following 12 to 18 months. The company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The Company as per its risk management policy uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The Company does not use derivative financial instruments for trading or speculative purposes.



## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

Particulars	USD	EURO
<b>Foreign currency exposure as at 31st March, 2018</b>		
Trade Receivables	441,158	190,367
Foreign LC's	-	183,185
<b>Foreign currency exposure as at 31st March, 2019</b>		
Trade Receivables	254,371	-
Foreign LC's	-	-

### Following is the financial instruments to hedge the foreign exchange rate risk as at 31st March, 2018

Particulars	Instrument	Currency	Cross Currency	Amount (In FC)	Buy / Sell
Highly Probable Hedges on Forecasted Sales Transactions	Forward Contracts	USD	INR	78,70,468	Sell
Highly Probable Hedges on Forecasted Sales Transactions	Forward Contracts	EURO	INR	25,65,610	Sell

### Following is the financial instruments to hedge the foreign exchange rate risk as at 31st March, 2019

Particulars	Instrument	Currency	Cross Currency	Amount (In FC)	Buy / Sell
Highly Probable Hedges on Forecasted Sales Transactions	Forward Contracts	USD	INR	1,13,09,980	Sell
Highly Probable Hedges on Forecasted Sales Transactions	Forward Contracts	EURO	INR	19,94,272	Sell

### Liquidity risk:

Liquidity risk is the risk that Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The company has obtained fund and non-fund based working capital loans from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

### As at 31st March, 2019 (Rs. in Lacs)

Particulars	Less than 1 year	Total
Trade Payables	1,860.41	1,860.41
Other Financial Liabilities	17,293.51	19,576.09

### As at 31st March, 2018 (Rs. in Lacs)

Particulars	Less than 1 year	Total
Trade Payables	1,062.82	1,062.82
Other Financial Liabilities	16,805.31	19,374.19

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

### CREDIT RISK:

Credit risk is the of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

### Trade & Other receivables:

In case of sales, for major part of the sales, customer credit risk is managed by requiring domestic and export customers to open Letters of Credit before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

Based on prior experience and an assessment of the current economic environment, management believes that no provision is required for credit risk where credit is extended to customers.

The aging of trade and other receivables that were not impaired is as below.

Particulars	(Rs. in Lacs)
<b>As at 31st March, 2019</b>	
Upto 6 Months	2,507.32
Beyond 6 Months	108.95
<b>Total</b>	<b>2,616.27</b>

Particulars	(Rs. in Lacs)
<b>As at 31st March, 2018</b>	
Upto 6 Months	2,580.87
Beyond 6 Months	68.29
<b>Total</b>	<b>2,649.15</b>

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full based on historical payment behaviour.

### Loans to Others:

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and is considered to be good.

### Investment in mutual funds:

The investment in mutual funds, are entered into with credit worthy fund houses. The credit worthiness of these counter parties are evaluated by the management on an on-going basis and is considered to be good. The Company does not expect any losses from these counter parties.

### Cash and Cash equivalents:

Credit risk from balances with banks is managed by the Company in accordance with the company's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and within approved credit ratings.

### Unquoted Investments:

The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

39 Advances, Trade Payable and Trade Receivables are subject to confirmation from respective parties and consequential reconciliation / adjustment arising there from, if any. The management, however, does not expect any material variation. Provisions, wherever considered necessary, have been made.

<b>Note 40 : CIF VALUE OF IMPORTS DURING THE YEAR</b>	<b>For the Year Ended on 31st March, 2019 Rs.</b>	<b>For the Year Ended on 31st March, 2018 Rs.</b>
Raw materials	-	-
Components and Spare Parts	8,830,040	9,204,077
Capital Goods	4,152,294	52,230,692
	<b>12,982,334</b>	<b>61,434,769</b>

<b>Note 41 : EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>	<b>For the Year Ended on 31st March, 2019 Rs.</b>	<b>For the Year Ended on 31st March, 2018 Rs.</b>
Commission Expenses	12,084,598	10,503,467
Ocean Freight	38,100,667	37,039,886
Travelling	6,139,012	4,932,935
Others	688,336	181,418
	<b>57,012,613</b>	<b>52,657,706</b>

<b>Note 42 : VALUE OF RAW MATERIALS AND COMPONENTS, STORES AND SPARES CONSUMED DURING THE PERIOD (INCLUDING CHARGED TO REPAIRS AND MAINTENANCE)</b>	<b>For the Year Ended on 31st March, 2019 %</b>	<b>Rs.</b>	<b>For the Year Ended on 31st March, 2018 %</b>	<b>Rs.</b>
<b>Raw Materials #</b>				
Imported	0.00%	-	0.00%	-
Indigenously	100.00%	2,120,383,732	100.00%	1,872,658,185
	<b>100.00%</b>	<b>2,120,383,732</b>	<b>100.00%</b>	<b>1,872,658,185</b>
<b>Stores and Spares ##</b>				
Imported	5.65%	8,830,040	6.39%	9,204,077
Indigenously	94.35%	147,422,513	93.61%	134,799,746
	<b>100.00%</b>	<b>156,252,553</b>	<b>100.00%</b>	<b>144,003,823</b>

# Net of cost of raw material sold.

## Including Stores and Spares included under Repairs and Maintenance.

<b>Note 43 : EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>	<b>For the Year Ended on 31st March, 2019 Rs.</b>	<b>For the Year Ended on 31st March, 2018 Rs.</b>
FOB Value of Exports	3,519,890,177	2,976,460,247
	<b>3,519,890,177</b>	<b>2,976,460,247</b>

## NOTES to the Financial Statements for the year ended 31st March, 2019 (Contd.)

### 44. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non current borrowings are : (In Rs.)

PARTICULARS	Notes	As at 31st March, 2019 Rs.	As at 1st April, 2018 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipment	3	1,252,450,226	1,295,261,616
<b>Total Non-Current Assets pledged as security</b>		<b>1,252,450,226</b>	<b>1,295,261,616</b>
<b>Current Assets</b>			
(a) Inventories	9	799,008,211	867,987,560
(b) Financial assets:			
(i) Trade receivables	10	261,626,847	264,915,482
Total Current Assets pledged as security		1,060,635,058	1,132,903,042
Total Assets pledged as security		<b>2,313,085,284</b>	<b>2,428,164,658</b>

### 45 DETAILS OF LOANS AND GUARANTEES GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:

The Company has made investments in the shares of different companies and given loans and advances to different parties which are general in nature. The loans given are interest bearing which are not lower than the prevailing yield of related government security close to the tenure of the respective loans. Further, the company has not given any guarantee or provided any security.

46 The Previous Years Figures has been regrouped /rearranged whenever necessary to confirm to the current year presentation.

47 The financial statements are approved by the audit committee at its meeting held on 27th May,2019 and by the Board of Directors on 27th May, 2019.

As per our separate report attached.

For **B NATH & CO.**  
Chartered Accountants  
**FRN 307057E**  
**(CA. GAURAV MORE)**  
Partner  
M. No. 306466

Place : Kolkata  
Date : 27th May, 2019

For and on behalf of the Board of Directors

<b>SUSHIL PATWARI</b> (DIN : 00023980)	Chairman
<b>M. K. OGRA</b> (DIN : 01081215)	Director
<b>GOPAL SHARMA</b> (Mem. No. : A19384)	Company Secretary
<b>K. N. BANSAL</b>	Chief Financial Officer

NOTES

