



## **21<sup>ST</sup> ANNUAL REPORT**

**2017-2018**



**S K S TEXTILES LIMITED**

**(FORMERLY KNOWN AS S K S TEXTILES PRIVATE LIMITED)**



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Sukanraj Bhabutmal Shah -Chairman & Whole-Time Director  
Mr. Vicky Sukanraj Shah- Managing Director  
Mr. Sahil Sukanraj Shah- Whole-Time Director  
Mrs. Sapna Vicky Shah- Non – Executive Director  
Mr. Satish Anand Sharma- Non Executive Independent Director  
Mr. Mihir M Manek – Non Executive Independent Director

### KEY MANAGERIAL PERSONNEL

CS Naveena Singh – Company Secretary & Compliance Officer  
Mr. Vicky Sukanraj Shah- Chief Financial Officer

### AUDIT COMMITTEE

Mr. Satish Anand Sharma- Chairman  
Mr. Mihir M Manek- Member  
Mr. Vicky Sukanraj Shah- Member

### NOMINATION & REMUNERATION COMMITTEE

Mr. Satish Anand Sharma- Chairman  
Mr. Mihir M Manek – Member  
Mr. Vicky Sukanraj Shah- Member

### STAKEHOLDER GRIEVANCES COMMITTEE

Mr. Mihir M Manek – Chairman  
Mr. Satish Anand Sharma – Member  
Mr. Vicky Sukanraj Shah- Member

### STATUTORY AUDITOR

Bhatter & Co., Chartered Accountants

### REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic India (Pvt) Ltd.

**Address-** Unit -1 Luthra Ind. Premises, 1<sup>st</sup> Floor, Safeed Pool, Andheri Kurla Road, Andheri(East), Mumbai-400072

### Registered Office

431, 4<sup>th</sup> Floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel West -400013

Phone No. 022-6126222

Email Id- info@groupssks.com

Website-groupssks.com

### BANKERS TO THE COMPANY

DBS Bank Limited  
Standard Chartered Bank

### 21<sup>st</sup> ANNUAL GENERAL MEETING

DAY: Thursday

DATE: 27/09/2018

TIME: 4:30 P.M.

VENUE: Garware club House, 5<sup>th</sup> Floor, PPH Hall, Wankhede Stadium, 'D' Road, Churchgate, Mumbai-400020



## NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of S K S Textiles Limited will be held on Thursday, 27<sup>th</sup> September, 2018 at : Garware Club House, 5<sup>th</sup> Floor, PPH Hall, Wankhde Stadium, 'D Road, Churchgate, Mumbai-400020 at 4:30 P.M. to transact the following business:

Ordinary Business:

### Item No. 1. Adoption of Financial Statements

To receive, consider, approve and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2018 and the Report of Board of Directors and Auditors' thereon.

### Item No. 2 Director Retiring by Rotation

To appoint a Director in place of Mr. Sukanraj Shah (Din - 00034157) who retires by rotation and being eligible, offers himself for re-appointment

### Item No. 3 Ratification of Appointment of Auditors

To ratify the appointment of Statutory Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s Bhatner & Co., Chartered Accountants (FRN:131092W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Annual General Meeting to be held in the year 2022 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

Special Business:

### 4. Re-Appointment of Mr. Vicky Sukanraj Shah (Din: 00033963) as Managing Director of the Company.

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 2(54), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act 2013, the rules made there under (including any statutory modification(s) or re-enactment thereof), read with schedule V to the Companies Act, 2013 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members be and is hereby accorded to re-appoint Mr. Vicky Sukanraj Shah as a Managing Director of the Company for a period of 5(Five) years w.e.f. 1<sup>st</sup> April 2019, on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Vicky Sukanraj Shah, subject to the same



not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof;

**RESOLVED FURTHER THAT** in the event of loss or adequacy of profits in any financial year during the aforesaid period, the Company will pay remuneration, perquisites, benefits and amenities to Mr. Vicky Sukanraj Shah, Managing Director not exceeding the ceiling laid down in Schedule "V" of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

5. To approve and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Audit and Auditors) Rule, 2014 (including any statutory modification(s) or re-enactments (s) thereof, for the time being in force), M/s Satish Kumar Gupta, Cost Accountants (FRN:101922) who is appointed as the Cost Auditor of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, be paid remuneration not exceeding Rs. 36,000/- (Rupees Thirty Six Thousand Only) inclusive of taxes, travelling and other out of pocket expenses as may be incurred by them in connection with the said assignment"

**"RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution."

**By order of the Board of Directors**

Sd/-

**Naveena Singh**  
**Company Secretary**

Date: 30.08.2018

Place: Mumbai





**Notes:**

1. Members entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend and vote instead of him and the proxy need not to be a member of the Company.
2. A person can act as a Proxy on behalf of members not exceeding 50 and holding the aggregate not more than ten percent of the total share capital of the Company. Members holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Pursuant to the provisions of section 91 of the Companies Act, 2013 the Registrar of Members and share Transfer Book of the Company will remain closed from 21<sup>st</sup> September to 27<sup>th</sup> September 2018 (both days inclusive) for the purpose of 21st Annual General Meeting.
4. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the meeting and other statutory registers shall be available for inspection by the members at the Registered Office of the Company during office hours on all working days between 10:30 am to 5 pm upto the date of the Annual General meeting.
5. A form of proxy is enclosed to this notice. No instrument of proxy shall be valid unless:
  - i) it is signed by the member or by his / her attorney duly authorised in writing or, in the case of joint holders, it is signed by the member first named in the register of members or his / her attorney duly authorized in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his / her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazette officers or any officer of a Nationalized Bank;
  - ii) it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting i.e. by 4:30 p.m. on 25<sup>th</sup> September, 2018, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Share Transfer Agent;
6. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged with the Company at any time during the business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company;
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the meeting at its registered office, so that information required by the members may be available at the meeting.



8. The Securities and exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities Market. Members holding shares in electronic form are, therefore, requested to submit 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/Registers and Transfer Agents-M/s Sharex Dynamic (India) Pvt. Ltd
9. Members are requested to notify the changes in their address to the Registrar and share Transfer Agent of the Company.
10. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act), in respect of the business as set out in the Notice is annexed hereto.
11. Members attending the meeting are requested to bring their copy of the Annual Report and the attendance slip attached thereto duly filled in and signed and hand over the same at the entrance of the hall.
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintain their Demat accounts.
13. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
14. Details as stipulated under Regulation 36(3) of SEBI LODR and revised Secretarial Standards (SS-2) on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
15. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
16. In case of joint holders attending the meeting only such joint holders who are higher in order of names will be entitled to vote.
17. Members are requested to hand over the enclosed attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company/depository participants for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP-ID numbers for identification.
18. Members can avail the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH - 13 duly filled in to Sharex Dynamic (India) Pvt. Ltd



19. As per notification issued by Ministry of Corporate Affairs dated 19th March, 2015 with reference to the Companies (Management and Administration) Rules, 2014 Companies covered under Chapter XB and XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions, also no such provision is applicable in SME Equity Listing Agreement. Your Company is covered under Chapter XB as it is SME Company and Listed on SME platform of NSE Emerge. Therefore, Company is not availing e-voting facility to its shareholders.
20. The Notice of the 21<sup>st</sup> Annual General Meeting of the Company in electronic form, along with Attendance Slip and Proxy Form would be sent to all members whose email IDs are registered with the Company / Sharex Dynamic (India) Pvt .Ltd./ Depository Participant(s) for communication purposes. For Members who have not registered their e-mail addresses or have requested for a physical copy of Notice, physical copies of the Notice, along with Attendance Slip and Proxy Form would be sent by permitted mode. Members may also note that the Notice of the 21<sup>st</sup> Annual General Meeting and the Annual Report for the financial year 2017 - 2018 will also be available on the Company's website [http://groupsks.com/download\\_documents.php?category=2](http://groupsks.com/download_documents.php?category=2) for their download. Even after registering for e-communication, members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the members may also send requests to the Company's investor email id: [sksinvestors@groupsks.com](mailto:sksinvestors@groupsks.com).
21. The Shares of the Company are listed at National Stock Exchange of India Limited, SME Emerge.
22. The route map showing directions to reach the venue of the AGM is annexed and forms part of the Notice





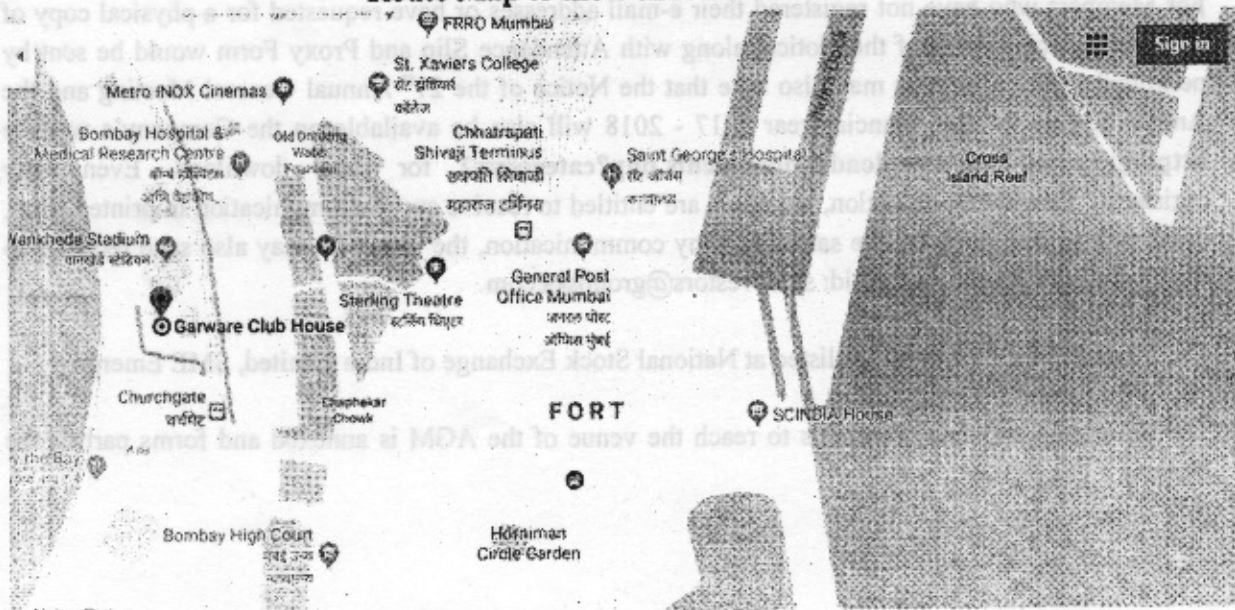
### 21<sup>st</sup> Annual General Meeting

Date: Thursday, 27<sup>th</sup> September, 2018

Time: 4:30 P.M.

Venue: Garware Club House, 5<sup>th</sup> Floor, PPH Hall, Wankhde Stadium, 'D' Road,  
Churchgate, Mumbai-400020

### Route Map to the Venue of AGM







**Details of Director Seeking Appointment/ Re-appointment at the Forthcoming Annual General Meeting**

Name	Mr. Sukanraj Bhabutmal Shah	Mr. Vicky Sukanraj Shah
Din	00034157	00033963
Date of birth and Age	65 years	42 years
Qualification	Bachelors of Commerce	Bachelors of Commerce & Diploma in Business Management
Brief Profile, experience and expertise	Mr. Sukanraj Bhabutmal Shah , aged 65 yeras, is the Chairman and Whole Time Director of the Company. He completed his B.Com from Mumbai University in the year 1971. He started his career as a trader in textile products with the proprietorship firm SKS Silk Mills in the year 1982. After having gained the experience of over 15 years, he incorporated the Company S K S Textiles Private Limited in the year 1997. Over the years he has garnered extensive experience in the areas of Administration, Finance, Procurement, Manufacturing and Marketing. He has been utilizing this experience in the overall strategy formulation, growth and planning in managing, acquiring and expanding the business. As the chairman and Whole time Director of our Company, he is responsible for overall growth and strategy formulation and implementation of our Company.	Mr. Vicky Sukanraj Shah, aged 42 years, is Managing Director and Chief Financial Officer of our Company. He completed his Bachelor of Commerce from the Mumbai University and also has Diploma in Business Management from Welinkars Institute if Management Development and Research, Mumbai. He, along with his father Mr. Sukanraj Shah is the founder promoter of our Company. Since inception he has been instrumental in the overall marketing finance and operations of the Company. Over the years, he gained vast experience in Finance Marketing , Sales and Day- to-Day operations of the Company
No. of meetings of the Board attended during the year	16	16
Directorship held in other Companies	Parag Housing Developments Private Limited	Parag Housing Developments Private Limited
Committee Position held in other Companies	No chairmanships of committees of other Company.	No Chairmanship of Committees of other Company.
Shareholding in S K S Textiles Limited	1,37,950 shares	3,00,956 shares
Relationship with other Directors, manager and other Key Managerial	Mr. Sukanraj Bhabutmal Shah is father of Managing Director Mr. Vicky Sukanraj Shah, whole time Director Sahil Sukanraj Shah. Mr. Sukanraj Shah is father in law of Mrs. Sapna Vicky Shah	Mr. Vicky Sukanraj Shah is son of Whole-Time Director Mr. Sukanraj Bhabutmal Shah, brother of Whole time Director Mr. Sahil Sukanraj Shah and husband of Mrs. Sapna Shah.



Personnel's of the Company	
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# **Explanatory statement in respect of the Special Business pursuant to section 102(1) of the companies Act, 2013**

**The following statement sets out all material facts relating to the special Business mentioned in the accompanying Notice:**

## **Item No. 4**

Considering the significant growth achieved by the Company and the ambitious growth plan for immediate future, the responsibilities borne by the Managing Director and the industry standards, the Board of Directors of the Company at its Meeting held on 30<sup>th</sup> August, 2018 has pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, approved re-appointment and remuneration of Mr. Vicky Sukanraj Shah (holding DIN-00033963), as the Managing Director under the Companies Act, 2013 to be designated as Managing Director (MD) for a term of 5 years w.e.f. 1<sup>st</sup> April, 2019. The Managing Director shall also be a Key Managerial Personnel under Section 203 of the Companies Act, 2013.

Mr. Vicky Sukanraj Shah has been the promoter and Director of the Company since its incorporation and has vide experience in the textile industry and will lead the Company to great levels of achievement with his expertise and Experience. For this purpose, an agreement has been entered into by the Company with the Managing Director on 30<sup>th</sup> Aug 2018. The main terms and conditions of his re-appointment as Managing Director, as contained in the said agreement are furnished below:

a. Terms of Appointment- Five years with effect from 1<sup>st</sup> April, 2019

b. Salary: As may be decided by Nomination and Remuneration Committee from time to time Upto maximum of Rs. 2,50,000/- (Two lakh Fifty Thousand only) per month payable monthly. The annual increment will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company.

c. Perquisites:

The Managing Director shall also be eligible and entitled for the following perquisites:

(i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

(iii) Encashment of leave at the end of the tenure.

d. Car, Telephone, Cell phone, Computer shall be provided and their maintenance and running expense shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites



e. The nature of employment of the MD & CEO with the Company shall be contractual and can be terminated by giving three months' notice from either party.

Accordingly, the directors recommend the Special resolution as set out at Item No.4 of the Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution except Mr. Vicky Sukanraj Shah and his relatives as mentioned in the above table.

#### Item No. 5

In accordance with the provisions of section 148 of the Companies Act, 2013 ("the Act") read with the (Audit and Auditors) Rules, 2014 ("the Rules"), the Company is required to appoint a Cost Auditor to audit the Cost record of the Company and the shareholders have at the 20<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September 2017 ratified the remuneration of M/s Satish Kumar Gupta, Cost Accountants as Cost Auditors of the Company at Rs. 36,000/- inclusive taxes, travelling and other out of pocket expense incurred by them in connection with the said audit for the F.Y. 2017-2018.

In order to continue their services, the Audit Committee at its meeting held on 30<sup>th</sup> August 2018 recommended and the Board of Directors has approved the re-appointment of M/s Satish Kumar Gupta, Cost Accountants as the Cost Auditor of the Company for the financial year 2018-2019 at a remuneration of Rs. 36,000/- inclusive applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the said audit.

The remuneration payable to the cost Auditor is to be ratified by the members in accordance with the provisions of the section 148 of the Act read with rule 14 of the companies (Audit and Auditors) Rules, 2014.

Accordingly, the director recommend the Ordinary resolution as set out at Item No. 5 of the Notice for approval of the Members of the Board.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution.





## BOARD'S REPORT

Dear Shareholder,

The Directors of your Company are pleased to present 21<sup>st</sup> Annual Report together with the audited Financial Statement for the financial year ended on 31<sup>st</sup> March 2018.

### 1. Financial Result

Particulars	31.03.2018	31.03.2017
Revenue from Operations	1,62,64,27,750	1,56,88,13,642
Other Income	92,31,112	1,77,50,374
Less: Expenditure	1,60,56,33,188	1,56,09,49,793
Profit before Taxation	3,09,89,474	2,65,01,242
Provisions for Taxation	1,02,46,050	95,00,000
Deferred Tax Liability	11,44,267	9,81,558
Net Profit	1,95,99,157	1,60,19,683

### 2. Financial Performance:

The Company has earned revenue from operation of Rs. 1626 lacs during the year ended on 31st March, 2018 as against Rs 1568 lacs earned during the previous year ended on 31st March, 2017. The Company's total revenue registered a growth of 3.70%. The Company has also earned other income of Rs 92 lacs during the year under review as against Rs 177 lacs earned during the previous year.

The Net profit of the Company during the year under review has increased to Rs.195 lacs as compared to net profit of Rs 160 lacs in the previous year. Net profit margin has been increased by 21.88% against the previous year.

### 3. Dividend

The Board of Directors of the Company has not recommended any dividend during the year under review.

### 4. Transfer to Reserves:

During the financial year, the Company was not statutorily required to transfer any amount to any reserves. The description of reserves and surplus are given in Note No. 4, forming part of financial statements.

### 5. Conversion of Company from Private Limited to Public Limited

Pursuant to section 14 and other applicable provisions and rules, of the Companies Act 2013, approval of members was accorded to the conversion of the status of Company from "SKS Textiles Private Limited" to S K S Textiles Limited" in the Extra Ordinary Meeting of the Company held on 21<sup>st</sup> August, 2017. The Registrar of Companies, Mumbai on 08/09/2017 issued Fresh Certificates of Incorporation consequent upon conversion from Private Company to Public Company and the CIN allotted to the Company by the Fresh Certificates of Incorporation post conversion is U17000MH1997PLC111406.



## 6. Change in Capital Structure of the Company:

**Authorized Share Capital** -During the year under review, the authorized share capital of the Company was increased from Rs. 1,20,00,000 (Rupees One crore Twenty Lakhs Only) to Rs. 3,30,00,000 (Rupees Three Crores Thirty Lakhs Only) by passing Ordinary Resolution in the Extra Ordinary Resolution of the Members of the Company held on 26<sup>th</sup> July 2017.

### Bonus Shares:

As approved by the members in the extra ordinary general meeting of the Company held on 26<sup>th</sup> July, 2018, the Board has allotted 17,95,460 Equity shares of Rs. 10/- each to the members as Bonus shares by way of capitalizing the free reserves of the Company in the ratio of 7:4 i.e 7 fully paid up shares of Rs. 10/- each against 4(Equity shares of Rs.10/-each held by shareholders in the Company as on 26<sup>th</sup> July 2017.

## 7. Initial Public offer

During the year under review your Company entered into capital market with an initial public issue of 888,000 equity shares of Rs. 10 each for cash at a price of Rs 150/- aggregating to Rs.13,32,00,000/- consisting of fresh issue of 438,000 equity shares and offer for sale by promoters of 450,000 equity shares of which 48000 equity shares were reserved for Market Makers.

Your Directors are pleased to inform that Company had successfully completed Initial Public Offer. The issue was oversubscribed by 14.19 times.

The Company has received the trading approval for total 32, 59,437 Equity Shares on SME Platform of NSE Limited with effect from 17th January, 2018 having the symbol "SKSTEXTILE".

The Company confirms that the annual listing fees to NSE Limited for the financial year 2018-19 has been paid.

## 8. Listing of shares:

The Company has been listed on EMERGE platform of National Stock Exchange (NSE) on January 19<sup>th</sup> January, 2018.

## 9. Classes of Shares:

As on date, the Company has only one class of share capital i.e. Equity Shares of Rs. 10/- each.

## 10. Details of Subsidiary/Joint Ventures/Associate Companies:

Since your Company is neither having any subsidiary or associate Company nor has entered into any joint ventures with any other Company.

## 11. STATEMENT OF UTILISATION OF FUND RECEIVED FROM INITIAL PUBLIC OFFERING (IPO)

The Company has - spent / utilized the proceeds of the funds raised under the IPO towards the object of the Company. The disclosure in compliance with the SEBI Regulation 32 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is as under:

Sr.	Particulars	Proposed amount as per	Actual utilization	Deviations, if
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no.		Prospectus (Amount in lakhs)	of funds till March, 2018	any
1.	Funding Long term Working Capital Requirement	528.50	528.50	-
2.	Expenditure for General Corporate Purpose	93.50	9350	-
	Total	622.00	622.00	-

## 12. Deposits

During the financial year 2017-2018, your Company has not accepted any deposits within the meaning of section 73 & 74 of the Companies Act, 2013 read together with the companies (Acceptance of Deposits) Rules, 2014.

## 13. Particulars of Loans, Guarantees or Investments

Particulars of loans & Investment as required under section 186 of the Companies Act 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 are given in Note No. 17, forming part of financial statements. There is no Guarantee given during the year under review.

## 14. Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure I which forms part of this Report.

## 15. Dematerialization of Shares:

During the period under review, the Company has entered into Tripartite Agreements with the depositories, National Securities Depository Limited dated 16<sup>th</sup> October 2017 and with Central Depository Service (India) Limited dated 26<sup>th</sup> September 2017 for providing Demat facility to its shareholders. For the purpose, the Company has appointed Sharex Dynamic India (PVT) Ltd as the Registrar and Share Transfer Agent.

## 16. Industrial Relations:

During the year under review, your Company enjoyed cordial relationship with the workers and employees at all levels.

## 17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### 1. Appointments:

In compliance with the provisions of Section 203 read with Rule 8 of companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, Mrs. Naveena Singh, Company Secretary and compliance officer, of your Company was Appointed on 3rd July, 2017.

In compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors)





Rules, 2014, Mr. Mihir M Manek (DIN: 07254045) and Mr. Satish Anand Sharma (DIN: 00897584) were appointed as Independent Directors on the Board of Directors of your Company at the Board Meeting of your Company held 3<sup>rd</sup> July, 2017 and confirmed by the shareholders in the Extra Ordinary General Meeting of the Company held on 26<sup>th</sup> July, 2017 to hold office for 5 (five) consecutive years from 26<sup>th</sup> July 2017 to 25<sup>th</sup> July 2022

In compliance with the provisions of Sections, 152, and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs Sapna Vicky Shah (DIN: 07799058) was appointed as Non- Executive Director on the Board of Directors of your Company at the Board Meeting of your Company held 3<sup>rd</sup> July, 2017 and confirmed by the shareholders in the Extra Ordinary General Meeting of the Company held on 26<sup>th</sup> July, 2017.

In compliance with the provisions of Section 196,197,203 and other applicable provisions, if any, of the Companies Act 2013, with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Mr. Sukanraj Shah (DIN:00034157) & Mr. Sahil Shah (DIN: 05144943 ) Director of the Company appointed as the Whole-Time Directors at the Board Meeting of your Company held on 3<sup>rd</sup> August 2017 and confirmed by the shareholders in the Extra Ordinary General Meeting of the Company held on 9<sup>th</sup> August, 2017 to hold office up to 5 (five) consecutive years from 9<sup>th</sup> August, 2017 to 8<sup>th</sup> August 2022.

In compliance with the provisions of Sections 196,197 & 203 read with Rule 8 of companies (Appointment and remuneration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, Mr. Vicky Sukanraj Shah, Managing Director of your Company was appointed for a period of five years commencing from the date on which the Companies Act, 2013 came into force i.e. from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019. His re-appointment is recommended for approval of the members at the ensuing AGM.

In compliance with the provisions of Sections Section 203 read with Rule 8 of companies (Appointment and remuneration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, Mr. Vicky Sukanraj Shah, Chief Financial Officer of your Company was appointed as on 3<sup>rd</sup> August,2017.

## **2. Independent Directors**

The independent directors have submitted their declaration of independence, as required pursuant to the section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149(6) of the companies Act, 2013

## **3. Retirement by rotation:**

In accordance with the provisions of Section 152(6) of the Companies Act 2013 and in terms of Articles of Association Mr. Sukanraj Bhabutmal Shah (DIN: 00034157) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

## **18. Composition of the Board**

The Board of Directors of S K S Textiles Limited is a balanced composition and optimum mix of executive and Non-Executive Directors. They Show active participation at the Board, which enhances the transparency and adds value to their decision making. The board of the Company is headed by an executive Chairman and a Managing Director.

The chairman takes the strategic decisions, frames the policy guidelines and extends wholehearted support to Executive Directors, Business Heads and associates.

As at 31<sup>st</sup> March 2018, the Directors and Key Managerial Personnel of the Company consisted of the following:





S.no	Particulars	Din/Pan	Designation
1.	Mr. Sukanraj Bhabutmal Shah	00034157	Promoter, Chairman & Whole time Director
2.	Mr. Vicky Sukanraj Shah	00033963	Promoter , Managing Director & Chief Financial Officer
3.	Mr. Sahil Sukanraj Shah	05144943	Promoter & Whole time Director
4.	Mr. Mihir M Manek	07254045	Non- executive Independent Director
5.	Mr. Satish Anand Sharma	00897584	Non-Executive Independent Director
6.	Mrs Sapna Vicky Shah	07799058	Non –Executive Director
7.	Mrs. Naveena Singh	EIRPS3504Q	Company Secretary & Compliance officer

## 19. Auditors

### a) Statutory Auditors

Pursuant to Section 139(2) of the Companies Act, 2013 read with rule 6 of Companies (Audit and Auditors) Rules, 2014, M/s. Bhatler & Co. , Chartered Accountants, (FRN13109W) were appointed for period of 5 years in previous Annual General Meeting subject to ratification at every subsequent AGM. The Board recommends ratification of appointment of auditors to the members and the same is mentioned in notice convening the AGM.

### B) Secretarial Auditor:

Pursuant to provisions of section 204 of the Companies Act, 2013 and Rules made thereunder, M/s Sherlyn Rebello & Associates, Company Secretaries has been appointed as Secretarial Auditor of the Company for the Financial Years 2017-2018 and 2018-2019 in the meeting of Board of Directors held on 29<sup>th</sup> May, 2018. A Secretarial Audit Report in Form MR-3 given by M/s Sherlyn Rebello & Associates for the Financial Year ended on 31<sup>st</sup> March, 2018 has been provided in Annexure –II which forms parts of this Directors Report.

### C) Cost Auditor

As per the requirement of Central Government and pursuant to section 148 of the Companies Act,2013, read with Companies (Cost Records and Audit)Rules,2014 as amended from time to time your Company has appointed M/s Satish Kumar Gupta , Cost Accountants to carry cost Audit for the financial year 2017-2018.

### D) Internal Auditor & Internal Audit Report

The provisions of section 138 of Companies Act, 2013 is now applicable to Company and Company has appointed M/s NNK & Co., Chartered Accountants, to carry out Internal Audit for the Financial Year 2017-2018 & 2018-2019 based on the recommendation of the Audit Committee

## 20. Explanation on any adverse remark and comment by the Auditors:

No adverse remark and comments are given by the auditors of the Company including the Statutory, Secretarial and internal Auditor of the Company. The Statutory Auditor has not reported any incident of fraud of the Company during the financial year 2017-2018

## 21. Extract of Annual return

Extract of Annual Return in form MGT-9 containing details as on the financial year ended 31<sup>st</sup> March 2018 as required under section 92(3) of the Companies Act ,2013 read with the Companies ( Management and Administration)Rules,2014, is annexed herewith as Annexure IV Which forms part of this report.



## 22. COMMITTEES OF THE BOARD

There are currently three committees of the Board, as follows:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholder's Relationship Committee

The Composition of the committees and relative compliances, are in line with the applicable provisions of the Companies Act, 2013 read with Rules and Listing Regulations. Details of term of reference of the Committees, Committees' Membership and attendance at Meetings of the Committees are provided as follows:

### 1. **Audit Committee:**

The Company has constituted an Audit Committee in accordance with Section 177(1) of the Companies Act, 2013. During the financial year 2017-2018 one meeting of the Audit Committee was held on 14<sup>th</sup> March, 2018 the details of the composition of the committee and attendance at its meeting are set out in the following table :

S. No.	Name	Designation	Meeting Held during the tenure	Meeting attended
1.	Mr. Satish Anand Sharma	Chairman	1	1
2.	Mr. Mihir M Manek	Member	1	1
3.	Mr. Vicky Sukanraj Shah	Member	1	1

All the members of the Audit Committee are financially literate and have relevant accounting financial management expertise as required under the companies Act, 2013 and Regulation 18 of the listing Regulations. Mrs. Naveena Singh, Company Secretary of the Company, is the Secretary of the Audit Committee.

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting and its Compliances with the legal and regulatory requirements. The committee oversees the work carried out in the financial reporting process by the Management and the Statutory Auditors and, note the process and safeguards employed by each of them.

### Term of reference:

The term of reference, role, powers, rights, authority and obligations of the Audit Committee are in conformity with the applicable provisions of the Companies Act, 2013 and Listing Obligation Requirements (including any statutory modification(s) or re-enactment or amendment thereof).

### 2. **Nomination and remuneration Committee:**

The Company has formed Nomination and Remuneration Committee in line with provisions of Section 178 of the Companies Act 2013. The composition of the committee is given below:

S no.	Name	Designation
1.	Mr. Satish Anand Sharma	Chairman
2.	Mr. Mihir M Manek	Member
3.	Mr. Vicky Sukanraj Shah	Member



The Company has duly formulated and has in place the Nomination and remuneration Policy for appointment and remuneration of Directors, Key Managerial Personnel and Employees of the Company and as required under section 134 the same is available at the Company website <http://www.groupsks.com/images/Nomination%20&%20Remuneration%20Policy.pdf>. The policy formulated by Nomination and Remuneration Committee includes Director's appointment and remuneration including qualifications, positive attributes, independence of a director and other matters as specified under section 178(3) of the Companies act, 2013 and same was approved by the Board of Directors of the Company. All statutorily policies of the Company are available on the website of the Company for investors reference.

### 3. Stakeholders Relationship Committee-

The Company has constituted Stakeholder's Grievance & Relationship Committee mainly to focus on the redressal of shareholders'/Investors Grievance, if any, like Transfer/Transmission/Demat of shares, Loss of Certificates; Non-Receipt of Annual Report; Dividend Warrants etc. The composition of the committee is given below

S no.	Name	Designation
1.	Mr. Mihir M Manek	Chairman
2.	Mr. Satish Anand Sharma	Member
3.	Mr. Vicky Sukanraj Shah	Member

### Details of Shareholders' Complaints Received, Solved and Pending as on March 31, 2017

The Company expresses satisfaction with the Company's performance in dealing with investor grievance. The Company has not received any complaints during the year under review. Hence, there were no complaints outstanding as on March 31, 2017.

### 23. Declaration of Independency by independent Director

The Independent Directors have given their declarations under Section 149(6) and Section 149(7) of the Companies Act, 2013 and the rules made there under. The independent Directors fulfill the conditions relating to their status as an Independent Director as specified in Section 149 of the Act and the Regulation 16(b) of the Listing Regulations.

### 24 Board Evaluation:

Pursuant to the Provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the performance evaluation of the chairman and non-Independent Directors was carried out by the Independent Directors in their separate Meeting who also reviewed the performance of the Board as whole.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure for the performance evaluation of the Board of Directors

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and Composition, effectiveness of Board process, information and functioning.





The Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meeting and guidance /support to the Management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement of all Board Members.

Evaluation of Independent Directors was done by the entire Board, excluding the director being evaluated.

**25. Whistle Blower Policy/Vigil Mechanism:**

The Company promotes ethical behaviors in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the directors and employees are free to report violations of law, rules, regulations or unethical conduct, actual or suspected fraud to their immediate supervisor and also have been provided direct access to the chairman of the Audit Committee in exceptional cases or such other persons as may be notified by the Board. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

The Whistle Blower Policy of the Company is also available on the website of the Company at the link <http://www.groupsk.com/images/Vigil-Mechanism.pdf>

**26. Prevention of Insider Trading:**

The board of Directors has adopted the Insider Trading Policy in accordance with the requirement of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company as well as consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standard of dealing in the Company's Shares.

The insider trading Policy of the Company covering the code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct for the prevention of Insider Trading is available on the website [http://groupsk.com/admin/content/reports/reports\\_1532328454\\_policy\\_for\\_insider\\_trading.pdf](http://groupsk.com/admin/content/reports/reports_1532328454_policy_for_insider_trading.pdf)

**27. Risk Management Policy:** In line with regulatory requirements, the Company has framed risk management policy to identify and access with the regulatory risk areas and a risk mitigation process. A detailed exercise is being carried out at regular interval to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined frame work.

**28. Disclosure under the Sexual Harassment of women at a Workplace (Prevention, Prohibition and Redressal), Act 2013**

The Company is committed to provide a healthy environment to all the employees and thus does not tolerate any sexual harassment at workplace. The Company has in place, "Policy on prevention, Prohibition and Redressal of Sexual Harassment." The policy aims to provide protection to employees at the workplace and preventing and redressing complaints of sexual harassment and it covers matters connected or incidental thereto. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



The Company has not received any complaint of sexual harassment during the financial year 2017-2018.

## 29. Corporate Governance:

As per regulation 15(2) of the Listing Regulations, the compliance with the Corporate Governance provision shall not be applicable in respect of the following cases of companies:

- Listed Entity having paid-up equity share capital not exceeding Rs. 10 crore and net worth not exceeding Rs. 25 crore, as on the last day of the previous financial year;
- Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid (b); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it also does not form part of the Annual Report for the financial year 2017-2018.

## 30. Corporate Social Responsibility:

As per Section 135 and applicable Rules of the Companies Act 2013, every company having Net Worth of Rs. 500 Crores or more or Turnover of Rs. 1000 Crores or Net Profit of Rs. 5 Crores or more during any FY will be required to constitute CSR Committee of Board consisting 3 or more directors and at least 1 out of these shall be Independent Director.

Since, our Company does not fall in the ambit of aforesaid; hence compliance with the provisions of Corporate Social Responsibility does not apply to the Company and thus disclosure related to CSR does not form part of Annual Report for the financial year 2017-2018.

## 31. Code of Conduct

The board of director of the Company has laid down a code of Conduct for all the Board Members and senior Management Personnel of the Company. The Board Members and the Senior Management personnel have to affirm compliance with the code for the year 2017-2018. The said code of conduct has been posted on the website of the Company. A declaration to this effect, is annexed and forms part of this report.

## 32. Meeting of the Board:

During the year, sixteen meetings of the Board of Directors were convened and held on the following dates as mentioned in the table given below:

S no.	Date of Meeting	Board Strength	No. of Director's Present
1.	03.04.2017	3	3
2.	10.04.2017	3	3
3.	03.07.2017	3	3
4.	01.08.2017	6	6
5.	03.08.2017	6	6
6.	14.08.2017	6	6
7.	04.09.2017	6	6
8.	11.09.2017	6	6
9.	16.09.2017	6	6
10.	21.09.2017	6	6
11.	15.11.2017	6	4



12.	22.12.2017	6	4
13.	30.12.2017	6	4
14.	17.01.2018	6	4
15.	01.03.2018	6	4
16.	14.03.2018	6	4

**33. Particulars of contracts or arrangements with related parties.** The Company does not have any contract or arrangement or transaction with related party in terms of Section 188 of the Companies Act, 2013. Hence, the disclosure required to be provided under Section 134(3) (h) of the Companies Act, 2013, in Form AOC – 2 is not applicable and need not be furnished.

The Disclosures as required under Accounting Standard – 18 (AS-18) “Related Party Disclosures” notified under Rule 7 of the Companies (Accounts) Rules, 2014 have been provided in Note No. 28,29 & 30 of the Notes forming part of the Financial Statements

**34. Material Changes and commitments, if any, affecting the financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements Relate and the date of Report.**

The Paid-up Equity share Capital of the Company has increased to Rs. 3, 25,94,370/- after the bonus issue and Initial Public Offer of the Company which took place during the year under review.

During the year under review, the Company converted from Private Limited to Public Company.

**35. Particulars of employees:**

During the year under report, none of the employees of the Company was in receipt of remuneration for any part of the year, in excess of the amount of remuneration prescribed in section 197 of the Companies Act 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, as amended up to date.

The information required under section 197 of the act read with Rule 5(1) of the companies (Appointment and Remuneration) Rules,2014 is annexed as Annexure III and forms a part of this report.

**36. Internal Finance control**

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Audit Committee of the Board reviews the internal control systems, the adequacy of internal audit function and significant internal audit findings with the management, Internal Auditors and Statutory Auditors

**37. Management Discussion Analysis Report**

The operations of the Company are reviewed in a detailed report on the Management Discussions and Analysis Report is provided as a sparate section in the Annual Report which forms the part of the Board Report as Annexure V

**38. Certification from Chief Financial Officer /Chief Executive Officer of the Company:**

The Company has obtained a compliance certificate in accordance with Regulation 17(8) of listing Regulations from Mr. Vicky Sukanraj Shah, Chief Financial Officer and Managing Director of the Company. The same forms a part of this Annual Report.



**39. Insurance:**

All assets of the Company including inventories, building plant and machineries are adequately insured.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2018 and of the profit and loss of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**40. Appreciation and Acknowledgement:**

Your Directors would like to express their appreciation for the assistance and co-operation received from the Banks, customers, business associates and members during the year under review. Your

Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, employees, staff and workers of the Company.

**For and on behalf of the Board**

Sd/-

Vicky Sukanraj Shah  
Managing Director  
Din: 00033963

Date: 30.08.2017  
Place: Mumbai

Sd/-

Sukanraj Bhabutaml Shah  
Whole time Director  
Din: 00034157



**ATTENDANCE SLIP****(To be presented at the entrance)****Annual General Meeting on 27<sup>th</sup> September, 2018 at 4:30 p.m.**

I hereby record my presence at the Annual General Meeting of the Company held on 27th September, September, 2018 at Garware club House, 5<sup>th</sup> Floor, PPH Hall, Wankhde Stadium, 'D Road, Churchgate, Mumbai-400020 Folio No.....DPID No.....Client Id.....

Name of the member:.....Signature.....

1. Name of the Proxy Holder/Authorized Representative can attend the meeting
2. Member/Proxy Holder/Authorized Representative should bring his/her copy of Notice of the AGM for reference at the meeting.

**Form No. MGT-11****Proxy Form**

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

CIN : U17000MH1997PLC111406  
 Name of the Company : S K S Textiles Limited  
 Registered Office : 431, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel, Mumbai-400013

Name of the 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 hereby appoint:

Name:	E-mail Id:
Address:	
Signature, or failing him	

Name:	E-mail Id:
Address:	
Signature, or failing him	

Name:	E-mail Id:
Address:	
Signature, or failing him	



as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the...Annual General Meeting of the Company, to be held on the 27<sup>th</sup> September 2018, at 3:30. p.m. at .....and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(S)	Vote	
		For	Against
	<b>Ordinary Business</b>		
<input type="checkbox"/>	Consider and adopt Audited Financial Statement for the financial year ended March 31, 2018 and Reports of Directors and Auditors thereon		
<input type="checkbox"/>	Re-appointment of Mr. Sukanraj Shah(DIN), who retires by rotation		
<input type="checkbox"/>	Ratification of appointment of Auditor		
	<b>Special Business</b>		
<input type="checkbox"/>	Re-Appointment of Managing Director		
<input type="checkbox"/>	Ratification of Remuneration of Cost Auditor		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Affix  
Revenue  
Stamp  
here

Signature of Shareholder

Signature of Proxy holder

#### Notes:

1. This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. A Proxy need not be a member of the Company
3. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the "For" or "Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Name:	
Address:	
Signature, or failing him	
E-mail id:	
Name:	
Address:	
Signature, or failing him	
E-mail id:	
Name:	
Address:	
Signature, or failing him	
E-mail id:	



## Annexure I

### Conservation of Energy & Technology Absorption

Information pursuant to the section 134(3) (m) of the Companies Act, 2013 read with the companies (Accounts) Rules, 2014 and forming a part

	Particulars	Remarks
1.	Conservation of energy	
A	The steps taken or impact on Conservation of Energy	Your Company took many initiatives to reduce the electricity consumption through productivity increase. Your Company has focused on productivity so that unit consumption per unit is reduced
i.	Process Optimization and automation	
ii.	Optimization of Electrical Equipment	
iii.	Lighting	
iv.	Other key initiative for energy conservation	
B.	The steps taken by the Company for utilizing alternate source of energy	
C.	The capital investment on energy conservation equipment	
2.	Technology Absorption	
a.	The efforts made by the Company towards technology absorption	The Company has no activity relating to technology absorption. The Company has not imported technology during the last three years.
b.	The benefits derived like product improvement, cost reduction, product development or import substitution	
C	In case of imported technology(imported during the last three years reckoned from the beginning of the Financial Year)	
d.	The expenditure incurred on Research and Development	
3.	Foreign Exchange Earnings and outgo	Not Applicable





**Annexure-II**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**

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

To,

The Members,

**S K S TEXTILES LIMITED**

(Formerly known as S K S Textiles Private Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by S K S Textiles Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by S.K S Textiles Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

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



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014; - **Not applicable as the Company has not issued ESOPs.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as the Company has not listed its Debt Securities.**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review and**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company during the financial year under review**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) We have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the examination of relevant documents and records on test - check basis carried out by us:
- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and 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 Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE). The Company is listed on SME Emerge Platform of National Stock Exchange of India Limited.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and its authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion during the period under review, the Company has complied with the material provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We 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 Board took place during the year under review were carried out in compliance of the provisions of 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.

Majority of the decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. As per the minutes of the meetings duly recorded and signed by the Chairman, the decision of the Board were unanimous and there were no dissenting views communicated by the Directors.

**We further report that :**

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

**We further report that:**

During the Audit period under review, the events / actions having a major bearing on the Company's affairs in pursuance of the above mentioned laws, rules, regulations, guidelines, standards, etc. are as mentioned below:

1. Authorised Share Capital of the Company was increased from Rs.1,20,00,000/- divided into 12,00,000 Equity Shares of Rs. 10/- each to Rs. 3,30,00,000 divided into 33,00,000 Equity Shares of Rs. 10/- each;
2. The Articles of Association of the Company was altered to include the provision of issue of shares on bonus.
3. The Company issued 17,95,460 (Seventeen Lakh Ninety Five Thousand Four Hundred and Sixty) Equity shares of Rs. 10/- as fully paid up Bonus Shares to the existing shareholders of the Company as on 26.07.2017 in the ratio of 7 (Seven) new equity shares of Rs.10/- each for every 4 (Four) existing fully paid up equity shares of Rs. 10/- each held by the shareholders of the Company.
3. The Company has been converted from Private Limited Company to Public Limited Company and accordingly name of Company has been changed from S K S Textiles Private Limited to S K S Textiles Limited after getting necessary approvals and required alterations were made in the Articles of Association and Memorandum of Association of the Company. The fresh Certificate of Incorporation upon conversion was issued on 8<sup>th</sup> September, 2017 by the office of Registrar of Companies, Mumbai.
4. The Company has taken approval from the shareholders under section 180(1)(c) for borrowing limits upto Rs.100,00,00,000/- (Rupees One Hundred Crores only).





5. The Company made an Initial Public Offer (IPO) with an issue size of 8,88,000 Equity shares for cash at a price of Rs. 150/- per share (including premium of Rs. 140/- per share) and allotted the same at its board meeting held on January 17<sup>th</sup>, 2018. Out of the total issue size, offer for sale was made for 4,50,000 Equity shares of Rs.10/- each from the existing shareholders of the Company aggregating up to Rs 6.75 Crores and a fresh issue of 4,38,000 Equity shares of Rs.10/- each aggregating up to Rs 6.57 Crores. Total 32,59,437 equity shares of the Company are listed and admitted for dealing on SME Emerge platform of National Stock Exchange of India Limited w.e.f. January 19<sup>th</sup>, 2018.

**For Sherlyn Rebello & Associates**

**Company Secretaries**

Sd/-

**Sherlyn Rebello**

**Proprietor**

ACS No. 41541

COP No. 16401

**Place: Mumbai**

**Date: 10<sup>th</sup> August, 2018**

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

For Sherlyn Rebello & Associates  
Company Secretaries

Sherlyn Rebello  
Proprietor  
ACS No. 41541  
COP No. 16401

Place: Mumbai  
Date: 10<sup>th</sup> August, 2018





**'Annexure A'**

To,  
The Members,  
S K S Textiles Limited

Our report is to be read along with this letter.

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

**For Sherlyn Rebello & Associates**  
**Company Secretaries**

Sd/-

**Sherlyn Rebello**  
**Proprietor**  
ACS No. 41541  
COP No. 16401

Place: Mumbai  
Dated: 10<sup>th</sup> August, 2018



### Annexure III

#### (Statement of Disclosure of Remuneration under section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment of Remuneration of Managerial Remuneration) Rules, 2014

i. Ratio of remuneration of each director to the median remuneration of the Employee of the Company for the Financial Year-2017-2018

S No.	Name	Category	Remuneration	Median Remuneration	Ratio
1.	Mr. Vicky Sukanraj Shah	Managing Director	773861	206534	3.75
2.	Mr. Sukanraj Bhabutmal Shah	Whole Time Director	773861	206534	3.75
3.	Mr. Sahil Sukanraj Shah	Whole-Time Director	407295	206534	1.97

Note: For this purpose, sitting fees paid to Directors have not been considered as remuneration.

ii. the percentage of increase in remuneration of each director, Chief financial officer, chief executive officer, Company secretary or Manager, if any in the F.Y. 2017-2018:

S No.	Name	Category	%
1.	Mr. Vicky Sukanraj Shah	Managing Director/Chief Financial Officer	13.14%
2.	Mr. Sukanraj Bhabutmal Shah	Whole Time Director	13.14%
3.	Mr. Sahil Sukanraj Shah	Whole Time Director	13.14 %
4.	Mrs. Naveena Singh	Company Secretary	NA

The median remuneration of the employees of the Company as on 31<sup>st</sup> March 2018 was Rs206534/-

iii . the percentage increase in the median remuneration of employees in F.Y. 2018 stood at 4.31%

iv. no. of permanent employees of the Company : 84

v. average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year : 14.15%

vi Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other senior management is as per the remuneration policy of the Company.

vii. Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

There are no employees appointed by the Company who were in receipt of remuneration of Rs. 1.20 Crores or more per Annum employed throughout the year and Rs. 8.50 Lakhs or more Per Month employed for part of the year.

Hence the Disclosure under Rule 5(2) is not applicable.



Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the names of top ten employees in terms of remuneration drawn is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during business hours on working days upto the date of ensuing Annual General Meeting and shall also be made available on the website of the Company post AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

#### Annexure IV

#### FORM NO. MGT.9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2018

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

#### I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U17000MH1997PLC111406
2.	Registration Date	20/10/1997
3.	Name of the Company	S K S Textiles Limited
4.	Category/sub-category of the Company	Company Limited by Shares/Non Govt. Company
5.	Address of the Registered Office and contact details	Gala No. 431, Kewal Industrial State , 4 <sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel(W), Mumbai-400013
6.	Whether Listed Company	Yes, Listed( NSE EMERGE SME)
7.	Name, address and contact details of Registrar and Transfer Agent	Sharex Dynamics (India)Private Limited Unit No.1 ,Luthra Ind. Premises, Safed pool, Andheri Kurla Road, Andheri (East), Mumbai-400072

#### 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	Weaving , manufacturing of cotton and cotton mixtures fabrics	13121	90%
2.	Weaving , manufacturing fibre and man-made mixture fabrics	13124	10%





### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

### 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF		397977	397977	38.79	2068937		2068937	63.48	24.69
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	275000	-	275000	8.44	8.44
<b>Sub-total (A) (1):-</b>	-	<b>397977</b>	<b>397977</b>	<b>38.79</b>	<b>2343937</b>		<b>2343937</b>	<b>71.91</b>	<b>33.12</b>
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	397977	397977	38.79		2343937	-	2343937	71.91	33.12
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	369250	369250	35.99	148005	-	148005	4.54	(31.45)
i) Indian	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		22250	22250	2.17	432493		432493	13.28	11.11
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		195500	195500	19.06	144000		144000	4.41	(14.65)
c) Others (specify)		41000	41000	3.99	191002		191002	5.86	1.87
<b>Sub-total (B)(2):-</b> Total Public Shareholding (B) = (B)(1) + (B)(2)		628000	628000	61.21	915500		915500	28.09	(33.12)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		<b>1025977</b>	<b>1025977</b>	<b>100</b>	<b>3259437</b>		<b>3259437</b>	<b>100</b>	<b>-</b>





(ii) Shareholding of Promoters

SIN o.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Mr. Vicky Sukanraj Shah	137802	13.43	-	300956	9.23	-	(4.2)
2	Mr. Sukanraj Bhabutmal Shah	69,800	6.80	-	137950	4.23	-	(2.57)
3	Sukanraj Bhabutmal Shah(HUF)	116000	11.30	-	480000	14.23	-	2.93
4.	Mr. Sahil Sukanraj Shah	74735	7.25	-	186531	5.72	-	(1.53)

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

Sl. No.	Particulars (Vicky Sukanraj Shah)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	137802	13.43	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	<p>a. Issue of Bonus Shares of 1795460 equity shares in ratio of 7:4. Bonus Allotment of 241154 (137802+241153)=378956</p> <p>b. At the time of initial public offer – shares offered for sale is 78000(Decrease in shareholding) (378956-78000)=300956</p>			
	At the End of the year	-	-	300956	9.23



Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	(Sukanraj Bhabutmal Shah)				
	At the beginning of the year	69800	6.80	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	a. Issue of Bonus Shares of 1795460 equity shares in ratio of 7:4. Bonus Allotment of 122150 (69800+122150)=191950 b. At the time of initial public offer – shares offered for sale is 54000 Decrease in shareholding (191950-54000)=137950			
	At the End of the year	-	-	137950	4.23

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	(Sukanraj Bhabutmal Shah(HUF))				
	At the beginning of the year	116000	11.30	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	a. On 10 <sup>th</sup> April , 1 Lac Equity transferred to Sukanraj Shah (HUF) (116000+100000)=216000 b. Issue of Bonus Shares of 1795460 equity shares in ratio of 7:4 Bonus Allotment of 378000(216000=378000)=594000 c. At the time of initial public offer – shares offered for sale is 114000 Decrease in shareholding (594000-114000)=480000			
	At the End of the year	-	-	480000	14.73







Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
	<b>Red Lagoon Advertising and Mass Media Pvt. Ltd.</b>				
	At the beginning of the year	47750	4.65	-	-
	03.04.2017 (transfer)	47750	4.65	-	-
	At the End of the year	Nil	Nil	Nil	Nil
	<b>Frank Mercantile Pvt. Ltd.</b>				
	At the beginning of the year	40000	3.90	-	-
	03.04.2017 (transfer)	40000	3.90	-	-
	At the End of the year	Nil	Nil	Nil	Nil
	<b>Lona Mercantile Pvt. Ltd.</b>				
	At the beginning of the year	31700	3.08	-	-
	03.04.2017 (transfer)	31700	3.08	-	-
	At the End of the year	Nil	Nil	Nil	Nil
	<b>Season Multitrade Pvt. Ltd.</b>				
	At the beginning of the year	30000	2.92	-	-
	03.04.2017 (transfer)	30000	2.92	-	-
	At the End of the year	Nil	Nil	Nil	Nil
	<b>Virgo Mercantile Pvt. Ltd.</b>				
	At the beginning of the year	23800	2.32	-	-
	03.04.2017 (transfer)	23800	2.32	-	-
	At the End of the year	Nil	Nil	Nil	Nil
	<b>Adhunikta Touch Developers and Construction Ltd.</b>				
	At the beginning of the year	23500	2.29	-	-
	03.04.2017 (transfer)	23500	2.29	-	-
	At the End of the year	Nil	Nil	Nil	Nil



Lakhan Lalit Jian					
At the beginning of the year	8000	0.779	8000	0.779	
26.07.2017(Bonus)	14000	0.496	22000	0.779	
At the End of the year	22000	0.675	22000	0.675	
Hitesh Kothari					
At the beginning of the year	Nil	Nil	Nil	Nil	
10.04.2017(Transfer)	2000	0.195	2000	0.195	
26.07.2017(Bonus)	3500	0.124	5500	0.195	
At the End of the year	5500	0.195	5500	0.169	
Amrapali Capital and Finance					
At the beginning of the year	Nil	Nil	Nil	Nil	
Initial Public Offer (17.01.2018)	Nil	Nil	Nil	Nil	
02.03.2018(Buy)	5900	1.81	5900	1.81	
At the end of the year	5900	1.81	5900	1.81	
Shree Mallikarjun Tradeinvest					
At the beginning of the year	Nil	Nil	Nil	Nil	
Initial Public Offer (17.01.2018)	Nil	Nil	Nil	Nil	
02.02.2018(Buy)	32000	0.982	32000	0.982	
16.03.2018 (Buy)	19000	0.583	51000	1.565	
At the end of the year	51000	1.565	51000	1.565	
Marfatia Stock Broking Private Limited					
At the beginning of the year	Nil	Nil	Nil	Nil	
Initial Public Offer	Nil	Nil	Nil	Nil	
26.01.2018(Buy)	32000	0.982	32000	0.982	
09.02.2018 (Buy)	6000	0.184	38000	1.166	
16.02.2018(buy)	5000	0.153	43000	1.319	
23.02.2018(Sold)	(1000)	(0.031)	42000	1.289	
09.03.2018	9000	0.276	51000	1.565	
Shriram Insight Brokers Limited					
At the beginning of the year	Nil	Nil	Nil	Nil	





	Initial Public Offer (17.01.2018)	Nil	Nil	Nil	Nil
	26.01.2018(Buy)	80000	2.454	80000	2.454
	02.02.2018(Sold)	(32000)	0.982	48000	1.473
	16.02.2018(Sold)	(2000)	0.0614	46000	1.411
	23.02.2018	(1000)	0.0307	45000	1.381
	At the end of the year	45000	1.381	45000	1.381
	Aryaman Capital Markets Limited				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Initial Public Offer(17.01.2018)	Nil	Nil	Nil	Nil
	19.01.2018(Buy)	48000	1.473	48000	1.473
	26.01.2018 (Sold)	(41000)	1.258	7000	0.215
	02.02.2018(Buy)	4000	0.122	11000	0.337
	09.02.2018(buy)	4000	0.122	15000	0.46
	16.02.2018(Sold)	(4000)	0.122	11000	0.337
	23.02.2018(Buy)	7000	0.215	18000	0.552
	09.03.2018 (Buy)	2000	0.061	20000	0.614
	16.03.2018(Buy)	2000	0.061	22000	0.675
	23.03.2018	1000	0.030	23000	0.706
	At the end of the year	23000	0.706	23000	0.706
	Mayur Mahesh Kumar Panchal				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Initial Public Offer	Nil	Nil	Nil	Nil
	23.03.2018(Buy)	25000	0.767	25000	0.767
	At the end of the year	25000	0.767	25000	0.767
	Tejas Rohit Kumar Shah				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Initial Public Offer	Nil	Nil	Nil	Nil
	02.02.2018 (Buy)	18000	0.552	18000	0.552
	At the end of the year	18000	0.552	18000	0.552
	Prudent Broking Services Pvt Limited				





At the beginning of the year	Nil	Nil	Nil	Nil
19.01.2018(Buy)	1000	0.031	1000	0.031
26.01.2018(Buy)	27000	0.828	28000	0.859
02.02.2018 (Sold)	(2000)	0.061	26000	0.798
16.02.2018(Sold)	(1000 0)	0.306	16000	0.491
At the end of the year	16000	0.491	16000	0.491

V. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP Vicky Sukanraj Shah	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	137802	13.43	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer /bonus/ sweat equity etc):	a. Issue of Bonus Shares of 1795460 equity shares in ratio of 7:4. Bonus Allotment of 241154 (137802+241153)=378956 b. At the time of initial public offer – shares offered for sale is 78000(Decrease in shareholding) (378956-78000)=300956			
	At the End of the year	-	-	300596	9.23

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP Sukanraj Shah	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	69800	6.80	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	a. Issue of Bonus Shares of 1795460 equity shares in ratio of 7:4. Bonus Allotment of 122150(69800+122150)=191950 b. At the time of initial public offer – shares offered for sale is 54000Decrease in shareholding) (191950-54000)=137950			
	At the End of the year	-	-	137950	4.23



Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For Each of the Directors and KMP <b>Sahil Sukanraj Shah</b>				
	At the beginning of the year	74375	7.25	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/ sweat equity etc)	<p>a Issue of Bonus Shares of 1795460 equity shares in ratio of 7:4 . Bonus Allotment of 130156( 74375+130156=204531</p> <p>b. At the time of initial public offer – shares offered for sale is 18000 Decrease in shareholding) (204531-18000)=186531</p>			
	At the End of the year	-	-	186531	5.72

#### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	340051259.4	38335782.4	-	378387041.8
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	340051259.4	38335782.4	-	378387041.8
Change in Indebtedness during the financial year				
• Addition	2,24,54,54,709	22643455	-	2268104165
• Reduction	2246577939	56591577.06	-	2303169517
Net Change	-1123230	-33942122.1	-	-35065352.1
Indebtedness at the end of the financial year				
i) Principal Amount	338928029.4	4393660.3	-	343321689.7
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	338928029.4	4393660.3		343321689.7



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

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		MD	WTD	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/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	684000	684000	360000	1728000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>684000</b>	<b>684000</b>	<b>360000</b>	<b>1728000</b>
	<b>Ceiling as per the Act</b>	<b>10% OF NET PROFIT</b>			

## **B. Remuneration to other directors:**

Particulars of Remuneration	Name of Directors			Total Amount
	Satish Anand Sharma	Mihir M Manek	Sapna Vicky Shah	
<b>Independent Directors</b>				
Fee for attending Board/ Committee Meeting	5000	5000	-	10000
Commission	-	-	-	
Others, Please Specify	-	-	-	
<b>Total</b>	<b>5000</b>	<b>5000</b>	<b>-</b>	<b>10000</b>
<b>Others Non-Executive Directors fee for attending Board/Committee Meeting</b>			5000	5000
Commission	-	-	-	-
Other, please Specify	-	-	-	-
<b>Total(2)</b>	<b>-</b>	<b>-</b>	<b>5000</b>	<b>5000</b>
<b>Total Managerial Remuneration</b>	<b>5000</b>	<b>5000</b>	<b>5000</b>	<b>15000</b>





### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	336000	6840000	10,20,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	336000	684000	10,20,000

\*\*Chief Financial Officer & Managing Director are same person

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

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

By order of the Board of Directors

S K S Textiles Limited

Vicky Sukanraj Shah <sup>Sd/-</sup>

Managing Director

Din: 00033963

Date: 30.08.2018

Place: Mumbai



## Annexure V

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of M/S S K S Textiles Limited is presenting the Management Discussion and Analysis Report covering the operations and financial performance of the Company for the financial year 2017-2018. The Company is engaged in manufacturing and trading of grey fabrics and finished fabrics for shirting, suiting and other accessories for its own brand and also outsourcing basis for other fabric/garment companies.

#### INDUSTRY STRUCTURE & DEVELOPMENT:

The fundamental strength of India Textile Industry flows from its strong production base of wide range of fibers/yarns-from natural fibers like cotton, jute silk and wool to synthetic/manmade fibers like polyester, viscose, nylon and acrylic. The Indian textile industry is likely to continue its growth, Buoyed by strong domestic consumption as well as export demand. It is currently estimated at around US\$ 150 billion and is expected to reach US\$ 230 billion by 2020. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian textile Industry contributes approximately 4 percent to India's gross domestic product (GDP), 10 percent of manufacturing production and 14 percent to overall index of industrial Production (IIP). India accounts of 63 percent of global market share of textiles and garments. India accounts for about 14 percent of world's production of textile fibers and yarns.

#### OUTLOOK

The Indian textile industry has a potential to double itself in size over the next 6-7 years, Government has been overall supportive in encouraging textile industry in India. Textile and garment industry has been included in list of 25 sectors of "Make in India" initiative of the Government of India. With the right Government policies, we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market. Under the 'Make in India' initiative, investment opportunities for foreign companies and entrepreneurs are available across the entire value chain of synthetic, value-added and specialty fabrics, fabric processing set ups for all kinds of natural and synthetic textiles, technical textiles, garments and retail brands.

#### COMPETITION

The industry in which we operate is highly competitive and fragmented. Competition emerges from small as well as big players in the textile industry. The organized players in the industry compete with each by providing high quality-time bound products and value added services. We have a number of competitors offering services similar to us. We believe the principal elements of Competition in textile industry are price, fabric quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a designer based manufacturing unit with industry expertise in blending, dyeing and printing which enables us to provide our clients with innovative designs suitable to current fashion and market requirements.



## SWOT ANALYSIS OF INDIAN TEXTILE:

India's textile industry is one of the world's leading textile industries. Few years back, this industry came under the unorganized sector, but this scene got completely revolutionized after the Indian economy's liberalization. Right after liberalization, the textile industry in India got the much-needed push, and today it is counted as one of the largest industries in the world. Till date, only China is one nation that could match up to the competitiveness of the Indian textile industry.

### Strengths

- The Indian textile industry is autonomous and self-governing.
- There is easy availability of low cost and proficient manpower that contributes extensively in the growth of the industry.
- Raw material is easily accessible – this acts as a major contributing factor in controlling the costs and minimizes the operational effort.
- The economy is growing rapidly and one can observe a potential international and domestic market.
- The fiber industry is growing at a rapid speed as large varieties of cotton fiber are available easily.
- The industry has an added advantage of having numerous segments which help in the provision of a huge variety of products.

### Weaknesses

- The textile industry of India is one of the highly disintegrated industries
- Few segments of this industry are not highly productive.
- There is a huge dependency of the industry on cotton.
- The mill segment is gradually declining.
- Labour laws are not very favorable.
- The power and interest rates, and indirect taxes are high.
- The act of generating economies of scale lacks.
- Opportunities
- The textile industry records an annual growth of around 6-8%.
- A shift towards the market of branded ready-made garment is being observed.
- More number of emerging malls and retail industries are providing opportunities to industry's segments like handicrafts and apparels.
  - There is a provision of more FDI and investment opportunities.
  - Withdrawal of quota restriction is contributing immensely in market development.
  - The global needs are being catered with product development.
  - An upsurge in the purchasing power and disposable income of Indian customers has opened room for new market development.

### Threats

- Competing with other progressing countries like China.
- Striking a balance between the quality and price of products.
- Satisfying the demands of people all across the globe and at the same time, steadily improving the quality of the products.
- Striking a balance between demand and supply.
- Environmental and international labour laws.
- Removal of quota system will fluctuate the export demand.

Financial and operation Performance:





Particulars	2017-2018	2016-17
Net revenue from Operations	1,626,427,750	1,568,813,642
Profit before Depreciation & Tax	30,025,674	25,614,223
Less: Depreciation	-	76781
Profit before tax	30,989,474	26,501,242
Less: Provisions for taxation(Including Deferred tax)	11,390,317	10,481,58
Profit After Tax	19,599,157	16,019,683
Earning Per Share	6.69	15.61

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:** The Company is engaged in the business of manufacturing and sale of textile accordingly this is the only single reportable segment.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to N N K & CO. a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

#### **ENVIRONMENT AND SAFETY:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

Your Company has team of qualified and dedicated personnel who have contributed to the consolidation of the operations of your Company. Your Company's industrial relations continued to be harmonious during the year under review. Your Company has succeeded in attracting and retaining key professional and intends to continue to seek fresh talents to further enhance and grow our business..



## CAUTIONERY STATEMENT:

Statement in this report describing the Company's objective, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual result may differ materially from those expressed in the statements. Important factors that could influence the Company's operations include economic conditions affecting demand / supply price condition in the domestic markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(7) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of



**Independent Auditors Report  
Report on the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of SKS Textiles Limited. ("the Company"), which comprise the balance sheet as at 31st March 2018, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of





adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) 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".



h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- 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.

**FOR BHATTER & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN:131092W**

Sd/-

**DAULAL BHATTER**  
**PROPRIETOR**  
**MEM NO. : 016937**

**Place: Mumbai**  
**Date: 29/05/2018**



#### ANNEXURE TO AUDITORS' REPORT

ANNEXED REFERRED TO PARAGRAPH 1 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 OF "SKS TEXTILES LIMITED". ON THE BASIS OF SUCH CHECKS AS WE CONSIDER APPROPRIATE AND IN THE INFORMATION AND EXPLANATION GIVEN TO US, WE STATE THAT:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The Fixed Assets have been physically verified by the management periodically in a phased manner and no material discrepancies have been noticed on physical verification as confirmed by the management. Company do not have any immovable property
2. a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) The Company is maintaining proper records of the inventory.
3. The Company has not granted loans to parties covered in the register maintained under Section 189 of the Act. (Previous year Rs. NIL/-). Further, the Company has not taken loan from any party covered in the register maintained under Section 189 of the Act.
4. In Our opinion and according to the information and explanation given to us, the company has not advanced any loan, given any guarantee or provided any security to any person specified under section 185 of the Act and the company has not made investment through not more than two layers of investment companies as specified under section 186(1) and the company has not given any loan, to any person or other body corporate; given any guarantee or provided security in connection with a loan to any other body corporate or person as specified under section 186(2).
5. In Our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public to which provision of Section 73 to Section 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the rules framed thereunder, where applicable.
6. According to the information and explanation given to us, the Company has maintained proper cost records as specified under section 148 (1) of the Companies Act, 2013.
7. According to the information and explanation given to us and on the basis of our examination of the books of accounts, the Company is regular in depositing undisputed statutory dues including Provident fund, Employees state insurance, Income Tax, Sales Tax and other statutory dues with the appropriate authorities.





8. The Company has not defaulted in repayment of dues of financial, Financial Institution or banks Debenture holders.
9. According to the information and explanation given to us, the company has raised share capital by way of initial public offer and money raised by company through IPO has been applied for the purpose they were raised.
10. Based upon the audit procedures performed and on the basis of information and explanation provided by the management, we report that no fraud, on or by the Company has been noticed or reported during the year
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. As per information and records available with us, the company is not Nidhi Company.
13. As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Paragraph 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any noncash transactions with directors or persons connected with him. Therefore, the provisions of Paragraph 3(xv) of the Order are not applicable to the Company.
16. Based on the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR BHATTER & COMPANY**  
**CHARTERED ACCOUNTANT**  
( FRN : 131092W )

Sdl-  
**MR.DAULAL BHATTER**  
**PROPRIETOR**  
**M.No. : 016937**

**Place : Mumbai**  
**Date : 29.05.2018**



## **ANNEXURE A**

### **TO THE INDEPENDENT AUDITOR'S REPORT**

ANNEXED REFERRED TO PARAGRAPH 2 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF "SKS TEXTILES PRIVAT LIMITED" ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018.

#### **Report on the Internal Financial Controls over Financial Reporting 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 **SKS TEXTILES LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the 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, to the extent applicable to an audit of internal financial controls, 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 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 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, 2018, based on the essential components of internal control stated in the Guidance Note issued by ICAI.

**FOR BHATTER & COMPANY**  
**CHARTERED ACCOUNTANT**  
( FRN : 131092W )

*Sd/-*  
**MR. DAULAL BHATTER**  
**PROPRIETOR**  
**M.No. : 016937**

**Place : Mumbai**  
**Date : 29.05.2018**





# S K S TEXTILES LIMITED

## BALANCE SHEET AS AT 31 ST MARCH, 2018

Particulars	Sch. No.	As at 31st March, 2018	As at 31st March, 2017
		Rs	Rs
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	3	32,594,370	10,259,770
(b) Reserves and Surplus	4	346,507,693	284,506,935
(c) Money received against share warrants			
<b><u>(2) DEFERRED REVENUE INCOME</u></b>		-	-
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	5	8,908,649	45,130,968
(b) Deferred Tax Liabilities (Net)		23,561,732	22,417,466
(c) Other Long Term Liabilities	6	1,233,100	1,233,100
(d) Long Term Provisions	7	1,544,871	1,544,871
<b><u>(4) Current Liabilities</u></b>			
(a) Short-Term Borrowings	8	418,010,184	397,878,831
(b) Trade Payables	9	270,641,368	197,613,419
(c) Other Current Liabilities and Expenses	10	20,718,006	32,306,869
(d) Short-Term Provisions	11	33,781,122	23,184,296
<b>Total Equity &amp; Liabilities</b>		<b>1,157,501,095</b>	<b>1,016,076,525</b>
<b>II. ASSETS</b>		Rs	Rs
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>			
(i) Tangible Assets	12		



			168,578,232	181,495,111
(b) Long term loans and advances	13	5,711,051	4,522,519	
<b>(2) Current Assets</b>				
(a) Current investments				
(b) Inventories	14	499,329,353	421,744,787	
(c) Trade receivables	15	415,529,690	338,090,401	
(d) Cash and cash equivalents	16	16,989,681	17,764,124	
(e) Short-term loans and advances	17	50,775,072	51,327,541	
(f) other Current Assets	18	588,016	1,132,045	
<b>Total Assets</b>		<b>1,157,501,095</b>	<b>1,016,076,525</b>	

Notes to account

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Schedules referred to above and note attached thereto form an integral part of Balance sheet

FOR BHATTER & COMPANY (FRN : 131092W)  
CHARTERED ACCOUNTANT

For and on behalf of the Board

Sd/-

MR. DAULAL BHATTER  
PROPRIETOR  
Mem. No. : 016937

Place: Mumbai

Date: 29.05.2018

Sd/-

Vicky Sukanraj Shah  
Managing Director &  
CFO

Din: 00033963

Sd/-

Sukanraj Bhabutmal  
Shah

Whole time Director

Din: 00034157

Sd/-

Naveena Singh  
Company Secretary



**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31 ST MARCH, 2018**

Sr. No	Particulars	Sch. No.	As at 31st March, 2018	As at 31st March, 2017
I	Revenue from operations	19	1,626,427,750	1,568,813,642
II	Other Income	20	9,231,112	17,750,374
III	<b>III. Total Revenue (I + II)</b>		<b>1,635,658,862</b>	<b>1,586,564,016</b>
IV	<u>Expenses:</u>			
	Purchases and cost of materials consumed	21	1,573,836,674	1,484,660,216
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	-	28,815,922
	Employee Benefit Expense	23	77,584,566	14,336,151
	Financial Costs	24	20,566,867	57,883,744
	Depreciation and Amortization Expense	25	53,027,069	15,571,538
	Other Expenses	26	16,839,719	17,314,065
	<b>Total Expenses (IV)</b>		<b>1,605,633,188</b>	<b>1,560,949,793</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>30,025,674</b>	<b>25,614,223</b>
VI	Exceptional Items/Extra Ordinary Items			
	Depreciation for Prior Periods		-	76,781
	Loss on Sale of Fixed Assets		-	-
	Deferred Revenue Income		963,800	963,800
VII	Profit before extraordinary items and tax (V - VI)		<b>30,989,474</b>	<b>26,501,242</b>
VIII	Extraordinary Income			
IX	Profit before tax (VII - VIII)		<b>30,989,474</b>	<b>26,501,242</b>
X	<u>Tax expense:</u>			
	(1) Current tax			
	Provision for Current year		10,246,050	9,500,000
	Short/(Excess) Provision for earlier years		-	-
	(2) Deferred tax		1,144,267	981,558
XI	Profit(Loss) from the period from continuing operations	(IX - X)	<b>19,599,157</b>	<b>16,019,683</b>
XII	Profit/(Loss) from discontinuing operations			
XIII	Tax expense of discounting operations			
XIV	Profit/(Loss) from Discontinuing operations (XII -			





XIII)			
XV	Profit/(Loss) for the period (XI + XIV)	19,599,157	16,019,683
XVI	Earning per equity share:		
	(1) Basic	6.69	15.61
	(2) Diluted	-	5.68

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

FOR BHATTER & COMPANY ( FRN : 131092W )  
CHARTERED ACCOUNTANT

Sd/-

MR.DAULAL BHATTER  
PROPRIETOR

Mem. No. : 016937

Place: Mumbai

Date: 29.05.2018

For and on behalf of the Board of Directors

Sd/-

Vicky Sukanraj Shah  
Managing Director & CFO  
Din: 00033963

Sd/-

Sukanraj Bhabutmal Shah  
Whole time Director  
Din:00034157

Sd/-

Naveena Singh  
Company Secretary



### Cash Flow Statement for the year ended 31 March, 2018

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	AMOUNT Rs.	AMOUNT Rs.	AMOUNT Rs.	AMOUNT Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		30,989,474		26,501,242
<u>Adjustments for:</u>				
Depreciation and amortisation	16,839,719		15,648,319	
Finance costs	53,027,069		57,883,744	
Interest income	(9,231,112)		(17,750,374)	
Deferred Revenue income	(963,800)		(963,800)	
(Capital subsidy W/off)				
Net (gain) / loss on sale of investments & Fixed Assets	-	59,671,876	-	54,817,889
Operating profit / (loss) before working capital changes		90,661,349		81,319,131
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(77,584,566)		(28,815,922)	
Trade receivables	(77,439,289)		38,731,453	
Short-term loans and advances	8,308,654		5,708,453	
Long-term loans and advances	(1,188,532)		2,610,428	
Other current assets	544,029		(574,507)	
Other non-current assets	-		-	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	73,027,949		(164,282,564)	
Other current liabilities	(11,238,098)	(85,569,853)	29,936,043	
				(116,686,616)
Cash flow from extraordinary items		5,091,497		(35,367,485)
Cash generated from operations		-		-
		5,091,497		(35,367,485)
Net tax (paid) / refunds		(7,756,184)		(7,802,542)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(2,664,687)</b>		<b>(43,170,02)</b>
<b>B. Cash flow from investing activities</b>				



Capital expenditure on fixed assets, including capital advances	(3,922,835)		(3,068,279)	
<b>Proceeds from sale of long-term investments</b>				
- Subsidiaries	-		-	
- Associates	-		-	
- Joint ventures	-		-	
- Business units	-		-	
- Others	-		-	
<b>Proceeds from sale of Fixed Assets</b>	-		-	
<b>Interest received</b>				
- Subsidiaries	-		-	
- Associates	-		-	
- Joint ventures	-		-	
- Others	9,231,112	5,308,277	17,750,374	14,682,095
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>5,308,277</b>		<b>14,682,095</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	65,700,000		-	
Share application money received / (refunded)			-	
Proceeds from long-term borrowings	20,131,353		(60,001,357)	
Proceeds from other short-term borrowings	(36,222,318)		139,466,875	
Finance cost	(53,027,069)	(3,418,035)	(57,883,744)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(3,418,035)</b>		<b>21,581,774</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>16,989,681</b>		<b>17,764,120</b>

**FOR BHATTER & COMPANY  
CHARTERED ACCOUNTANT**

**For and on behalf of the Board of Directors**

Sd/-

Mr. Daulal Bhatte  
Proprietor  
Membership No. 016937

Date: 29.05.2018  
Place: Mumbai

Sd/-

Vicky Sukanraj Shah  
Managing Director & CFO  
Din: 00033963

Sd/-

Naveena Singh  
Company Secretary

Sd/-

Sukanraj Bhabutmal Shah  
Whole Time Director  
Din: 00034157





**Schedule : 3 Share Capital**

			Rs	
Sr. No	Particulars	Current Year	Previous Year	
1	<b><u>AUTHORIZED CAPITAL</u></b> Opening Balance (12,00,000 Equity Shares of Rs. 10/- each.) <b>Add:</b> 21,00,000 Equity Shares of Rs. 10/- each. Closing Balance	12,000,000 21,000,000 33,000,000 <b>33,000,000</b>	12,000,000 - 12,000,000 <b>12,000,000</b>	
2	<b><u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u></b> <b><u>Fully Paid up Equity Shares</u></b> Shares outstanding at the beginning of the year (1025977 Equity Shares of Rs. 10/- each, Fully.)  Shares outstanding at as on 01st April 2017  <b><u>Partly Paid up Equity Shares</u></b> Shares outstanding at the beginning of the year 93750 Equity share of Rs 10/-each (partly paid up) <b>Add: Bonus Share 7 : 4</b> <b>Add: Issue Fresh Share 438000 Share @ Rs 10/-each</b>  <b>Less:</b> Forfeited Partly Paid up Shares Shares outstanding at the end of the year	10,259,770  10,259,770  - 17,954,600 4,380,000 - 22,334,600	10,259,770  10,259,770  - - - -	
	<b>Total in Rs.</b>	<b>32,594,370</b>	<b>10,259,770</b>	

Particulars of Shareholder Holding More than 5% of Shares				
Sr No.	Name Of Share Holder	As on 31st March 2018		As on 31st March 2017
		No. of Shares Held	% of Holding	No. of Shares Held   % of Holding
1	Vicky S. Shah	378956	13.43%	137802   13.43%
2	Sukanraj B. Shah (HUF)	594000	21.05%	116000   11.31%
3	Lalita S. Shah	309375	10.97%	112500   10.97%
4	Parag Housing Development Pvt. Ltd.	275000	09.75%	100000   09.75%
5	Sapna V. Shah	228250	08.09%	83000   08.09%
6	Sahil S. Shah	204531	07.25%	74375   07.25%
7	Sukanraj B. Shah	191950	06.80%	69800   06.80%



**Schedule : 4 Reserve & Surplus**

Sr. No	Particulars	Current Year	Current Year
1	<b>Capital Reserve</b>		
	Opening Balance	996,875	31,900,000
	Add: During the year		
	Closing Balance	996,875	31,900,000
	Less : Premium from earlier year being Transferred to Securities Premium	-	30,903,125
	<b>Closing Balance</b>	<b>996,875</b>	<b>996,875</b>
3	<b>Tuffs Capital Subsidy</b>		
	Opening Balance	6,746,600	7,710,400
	Add: Received during the year	-	-
	Closing Balance	6,746,600	7,710,400
	Less: Transfer to Profit & Loss A/c	963,800	963,800
	<b>Closing Balance</b>	<b>5,782,800</b>	<b>6,746,600</b>
3	<b>Securities Premium reserve</b>		
	Opening Balance	162,211,205	131,308,080
	Add: Received during the year on issue of shares	61,320,000	-
	Add : Premium from earlier year being Transferred From	-	30,903,125
	Capital Reserve	-	-
	Less: Forfited during the year	-	-
	<b>Closing Balance</b>	<b>223,531,205</b>	<b>162,211,205</b>
4	<b>Profit and Loss Account</b>		
	Opening Balance	114,552,255	100,313,588
	Less: Fixed Assets WDV written off	-	-
		114,552,255	100,313,588
	Add: Tuff Capital Subsidy	-	-
	Add: Profit for the period	19,599,157	16,019,683
		-	-
	Less: Bonus Share issue during years	17,954,600	1,781,016
	<b>Surplus (Profit &amp; Loss Account)</b>	<b>116,196,813</b>	<b>114,552,255</b>
	<b>Total in Rs.</b>	<b>346,507,693</b>	<b>284,506,935</b>



**Schedule : 5 Long Term Borrowings**

Sr. No	Particulars	Current Year	Current Year
1	<b>Secured Loan</b> <b>Term Loan</b> From Bank Payable within a year	7,489,395	24,536,810
1	<b>Unsecured Loan</b> From Banks & NBFC	-	17,130,417
2	Loans From Directors	777,755	2,822,240
3	Loans from related parties	641,500	641,500
4	Other Loans & Advances	-	-
	<b>Total in Rs.</b>	<b>8,908,649</b>	<b>45,130,968</b>

Note : Rate of Interest on term Loan is MCLR+1.70% p.a

**Schedule : 6 Other Long Term Liabilities**

Sr. No	Surplus (Profit & Loss Account)	Current Year	Current Year
1	Deposits Received for rent	1,233,100	1,233,100
	<b>Total in Rs.</b>	<b>1,233,100</b>	<b>1,233,100</b>

**Schedule : 7 Long Term Provisions**

Sr. No	Sahil S. Shah	Current Year	Current Year
1	Provision for Gratuity	1,544,871	1,544,871
	<b>Total in Rs.</b>	<b>1,544,871</b>	<b>1,544,871</b>

**Schedule : 8 Short Term Borrowings**

Sr. No	Particulars	Current Year	Current Year
1	Working capital loan from Bank	315,748,465	300,218,347
3	Letter of credit With HDFC bank Ltd	-	19,603,670
4	Letter of credit With DBS bank Ltd	43,666,687	43,841,545
5	Letter of credit With Standered Chartered bank	58,595,032	34,215,269
	<b>Total in Rs.</b>	<b>418,010,184</b>	<b>397,878,831</b>





Cash credit and Term Loan availed from SCB & DBS are secured by way of pari passu charge on all present & future current assets, book debts, all other movable assets, factory building at B/4, prithvi complex, Pipe line road, kalher village, bhiwandi, Dist- Thane, and the personal residential flats of directors.

**Schedule: 9 Trade Payable**

Sr. No	Particulars	Current Year	Previous Year
1.	Trade Payable For Goods	253,719,779	184,659,301
2.	Trade Payable for expenses	16921589	12,954,118

**Schedule: 10 Other current Liabilities**

Sr. No	Particulars	Current Year	Previous Year
1	<u>Term Loan From Standard Chartered bank - 003010755</u>	16,981,785	15,296,102
2	From Banks & NBFC payable with in year	1,682,790	16,154,930
3	Interest payable on Unsecured Loan NBFC	1,548	493,338
4	TDS and GST tax payable	2,051,883	362,500
	<b>Total in Rs.</b>	<b>20,718,006</b>	<b>32,306,869</b>

**Schedule : 11 Short Term Provisions**

Sr. No	Particulars	Current Year	Previous Year
1	Provision for Income taxation (A Y 2014-15)	3,000,000	3,000,000
2	Provision for Income taxation (A Y 2015-16)	3,150,000	3,150,000
3	Provision for Income taxation (A Y 2016-17)	6,916,646	6,916,646
4	Provision for Income taxation (A Y 2017-18)	9,500,000	9,500,000
5	Provision for Income taxation (A Y 2018-19)	10,246,050	-
6	Interest payable on Working Capital	-	-
4	Employee Benefit Expenses	968,426	617,650
	<b>Total in Rs.</b>	<b>33,781,122</b>	<b>23,184,296</b>



Sr. No	Particulars	Gross Block		Depreciation		Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2018	WDV as on 31.03.2017
Tangible Assets							
1	Land	1,890,000	-	-	1,890,000	1,890,000	1,890,000
2	Building	14,579,562	-	-	14,579,562	8,468,955	8,913,913
3	Plant and Machinery					0	0
	Generator Set	7,122,658	-	-	7,122,658	4,671,432	5,105,560
	Air Compressor	582,840	-	-	582,840	382,101	417,609
	Cone Winding Machines	206,483,386	767,520	-	207,250,906	112,961,924	124,532,005
	Weaving Textiles Machine	576,000	-	-	576,000	377,616	412,708
	Goods Lifting Cranes	21,950,205	275,719	-	22,225,923	17,577,682	17,981,390
	Humidification Unit	1,814,923	-	-	1,814,923	1,339,341	1,432,438
	Power Control Plants	640,300	-	-	640,300	472,515	505,360
	Power Stabilizers	7,272,892	-	-	7,272,892	3,255,816	3,650,109
	Warping Machine	166,254	-	-	166,254	65,555	77,405
	Weighing Machine	252,773	-	-	252,773	32,673	43,741
	Winding Machine	207,000	-	-	207,000	162,521	168,622
	Water Softening Plants	13,255	-	-	13,255	8,701	9,509
	Water Pump Sets	8,076,969	-	-	8,076,969	2,544,665	2,955,822
	Other Allied Machine	35,000	-	-	35,000	8,242	9,921
	Rolling Machine	7,000	-	-	7,000	2,266	2,658
	Overlock Machine	14,300	-	-	14,300	4,734	6,803
	Textile Sample Cuts. machine	622,035	-	-	622,035	459,038	490,945
	Transformers	11,357,453	124,003	-	11,481,456	3,565,846	4,298,929
	Electric Installation	75,000	-	-	75,000	17,437	62,061
	Seabull Textile Knitting Machine	8,000	-	-	8,000	4,596	4,907
	Money Counting Machine	3,800,900	1,795,200	-	5,596,100	4,969,080	3,501,339
	Computerized pattern Maker	579,375	-	-	579,375	541,294	577,968
	Computerized Dryer-air Cooled	145,000	-	-	145,000	132,401	141,580
	Fabric Inspection Cum Rolling Machi	1,803,755	-	-	1,803,755	1,601,190	1,715,368
	Skoda Octavia Ambition Car	850,000	-	-	850,000	785,621	-
	Carpeted Road- RCC	-	850,000	-	-	-	-
4	Office Equipments						
	Computers	937,914	32,288	-	970,202	882,915	90,643
	Air Condition	281,361	16,015	-	297,376	187,843	137,490
	Fire Extinguisher	119,423	-	-	119,423	113,451	5,972
	Printer & Faxes	268,738	19,898	-	288,637	245,155	24,727
	Epabx Systems	61,059	-	-	61,059	46,001	17,488
	Typewriters	1,219	-	-	1,219	1,158	61
	Tea & Coffee Vending Machine	13,611	-	-	13,611	12,930	681
	Misc office equipments	33,100	-	-	33,100	31,444	1,656
	Furniture & fixture	3,668,543	-	-	3,668,543	1,903,707	2,099,426
	CCTV	180,355	-	-	180,355	171,362	9,210
	Scooter	37,582	-	-	37,582	24,456	16,974
	Mobile Phone	49,446	-	-	49,446	44,121	15,011
	Mobile Phone-1	27,999	-	-	27,999	5,367	25,419
	Mobile Samsung-S7 Edge	56,900	-	-	56,900	35,989	46,800
	Mobile Phone- Karbon K9	-	5,100	-	5,100	711	-
	Mobile Phone- Radmi Note-4	-	10,000	-	10,000	208	-
	Televisions	101,100	-	-	101,100	47,057	63,961
	Paper Shredder machine	4,500	-	-	4,500	4,276	224
	Hero Honda	56,692	-	-	56,692	31,633	30,710
	Battery for Inverter	6,780	-	-	6,780	106	-
	Inverter	20,313	-	-	20,313	317	19,996
	Total Current Year	295,976,378	3,972,835	-	299,899,213	131,320,973	181,495,123
						168,578,232	



**Schedule : 13 Long Term Loans and Advances**

Sr. No	Particulars	Current Year	Previous Year
I)	<b><u>Security Deposit</u></b>		
	<b><u>a) Secured, Considered Good :</u></b>		
	Security deposit with Torrent Power Ltd	1,204,433	1,347,901
	Anand Kumar Jain ( HUF ) Office Depoist	350,000	350,000
	Courier Deposit	462	462
	Parduman Singh Factory Deposit	1,251,000	1,251,000
	Telephone Deposits	6,156	6,156
	Crystal Water Service	1,000	1,000
	Gateway Vinimay Pvt.Ltd.(Factory)	1,566,000	1,566,000
	National Stock Exchange of India Limited- Deposit	1,332,000	-
	<b>Total in Rs.</b>	<b>5,711,051</b>	<b>4,522,519</b>

**Schedule : 14 Inventories**

Sr. No	Particulars	Current Year	Previous Year
1	Yarn At Factory	71,755,005	52,980,829
2	Gray Fabrics at process House	46,936,057	12,859,309
3	Finished Fabrics at warehouse (as taken valued and certified by the Management )	380,638,291	355,904,648
	<b>Total in Rs.</b>	<b>499,329,353</b>	<b>421,744,787</b>

**Schedule : 15 Trade Recievables**

Sr. No	Particulars	Current Year	Previous Year
1	<b><u>Outstanding for more than six months</u></b>		





2	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	6,390,417	20,694,924
	c) Doubtful		
	<b>Others</b>		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	409,139,273	317,395,477
	c) Doubtful		
	<b>Total in Rs.</b>	<b>415,529,690</b>	<b>338,090,401</b>

**Schedule : 16 Cash & Cash Equivalent**

Sr. No	Particulars	Current Year	Previous Year
1	<b>Cash-in-Hand</b>		
	Cash Balance	1,072,930	800,716
	<b>Sub Total (A)</b>	<b>1,072,930</b>	<b>800,716</b>
2	<b>Bank Balance</b>		
	Balance in Current Account-06262560001871	4,171,658	3,818,859
	HDFC Bank Ltd C C A/c.50200002342930	7,921	1,508,403
	Balance in Deposit account (includes margin bank Guarantees and Letter of Credit)	11,737,172	11,636,146
	<b>Sub Total (B)</b>	<b>15,916,751</b>	<b>16,963,408</b>
	<b>Total [ A + B ]</b>	<b>16,989,681</b>	<b>17,764,124</b>

**Schedule :17 Short Terms Loans and Advances**

Sr. No	Particulars	Current Year	Previous Year
	<b>Balance with Revenue authorities</b>		
1	Income Tax	26,066,714	18,310,530
2	Mvat	779,772	919,604
	Advance Recoverable in cash or in kind or for	23,928,585	



	value to be considered good		32,097,407
	<b>Total in Rs.</b>	<b>50,775,072</b>	<b>51,327,541</b>

**Schedule :18 Other current assets**

Sr. No	Particulars	Current Year	Previous Year
1	T-Fat Solution ( Software Development charges )	346,680	346,680
2	Prepaid Insurance	241,336	210,365
3	Preliminary expenses	-	575,000
	<b>Total in Rs.</b>	<b>588,016</b>	<b>1,132,045</b>

**Schedule : 19 Revenue from Operations**

Sr. No	Particulars	Current Year	Previous Year
1	Sale of Goods (net)	1,598,600,822	1,534,186,557
2	Job work Charges	27,826,927	34,627,085
	<b>Total in Rs.</b>	<b>1,626,427,750</b>	<b>1,568,813,642</b>

**Schedule : 20 Other Income**

Sr. No	Particulars	Current Year	Previous Year
1	TUFS interest ( Central Subsidy)	1,508,574	2,090,254
2	TUFS Interest ( State Subsidy )	1,508,574	10,584,520
3	Others	6,213,964	5,075,600
	<b>Total in Rs.</b>	<b>9,231,112</b>	<b>17,750,374</b>

**Schedule : 21 Purchases & Cost of Material Consumed**

Sr. No	Particulars	Current Year	Previous Year
a) <b>PURCHASES</b>			
1	Purchases (net)	1,520,675,534	1,450,603,671



	<b>Sub-total (a)</b>	1,520,675,534	1,450,603,671
<b>b)</b>	<b><u>DIRECT/PRODUCTIONS EXPENSES</u></b>		
	Process Charges	25,835,730	14,359,510
	Carriage Inward	591,234	1,774,850
	Power and fuel	9,721,110	8,459,637
	Factory expenses & job work	7,443,843	2,839,850
	Packing Material expenses	1,606,536	1,531,459
	Factory tools and Spares	3,565,775	2,699,636
	Factory repairs and Maintenance	1,804,653	1,181,763
	Other Expense	-	-
	Sizing Charges	2,592,259	1,209,840
	<b>Sub-total (b)</b>	53,161,140	34,056,545
	<b>Total in Rs.</b>	<b>1,573,836,674</b>	<b>1,484,660,216</b>

**Schedule : 22 Change in Inventories**

Sr. No	Particulars	Current Year	Previous Year
1	Opening Stock	421,744,787	392,928,865
2	Closing Stock	499,329,353	421,744,787
	<b>Total in Rs.</b>	<b>77,584,566</b>	<b>- 28,815,922</b>

**Schedule : 23 Employment Benefit Expenses**

Sr. No.	Particulars	Current Year	Previous Year
1	Staff Salary & wages	17,377,759	11,724,929
2	Director Remuneration	2,195,017	1,939,424
3	ESIC employers contribution	219,897	109,154
4	Labour welfare Fund	4,464	3,216
5	PF Employer contribution	480,554	270,252
6	Gratuity Expnses	289,176	289,176
	<b>Total in Rs.</b>	<b>20,566,867</b>	<b>14,336,151</b>





**Schedule : 24 Financial Cost**

Sr. No	Particulars	Current Year	Previous Year
1	Interest expenses	46,359,783	51,533,338
2	Bank Charges	3,892,944	4,068,705
3	Loan Processing Charges		2,281,701
4	IPO Expenses	2,774,342	
	<b>Total in Rs.</b>	<b>53,027,069</b>	<b>57,883,744</b>

**Schedule : 25 Depreciation & Amortised Cost**

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	16,839,719	15,571,538
2	Preliminary Expenses W/O	-	-
	<b>Total in Rs.</b>	<b>16,839,719</b>	<b>15,571,538</b>

**Schedule : 26 Other Expenses**

Sr. No	Particulars	Current Year	Previous Year
1	Audit Fees	-	30,000
2	Bad Debtes	-	51,912
3	Conveyance Expenses	139,565	131,871
4	Courier Expenses	69,191	111,961
5	Courier Expenses -GST	16,064	-
6	Courier Expenses (OMS ) GST	10,350	-
7	Courier Expenses -URD	14,067	-
8	Custody Fee	5,750	-
9	Donation	4,500	5,000
10	Deferred Tax	-	-
11	Designing & Consultancy Charges	45,000	197,250
12	Designing & Consultancy Charges GST 18%	120,000	-
13	Designing & Consultancy Charges-URD	135,000	-
14	Entertainment Expenses	11,940	15,605
15	Electricity Expenses	188,311	240,940
16	Freight & Octroi Charges	200	5,945
17	Insurance Charges	792,579	736,880
18	Interest on late payment TDS	22,456	1,796
19	Interest on late payment GST	14,802	-
20	Interest on late payment Purchases GST 5 %	599,832	3,693,610
21	Interest on late payment Purchases GST 12%	136,645	-
22	Interest on late payment Purchases GST 18%	9,656	-
23	Interest on late payment Purchases	3,738,214	-



24	Interest Paid on Invoice Financed	38,055	-
25	Interest on late Payment of service tax	181	845
26	Licence Fee- Factory	42,000	24,783
27	Licence Fee-others	3,240	2,880
28	Long Term loss on share sales		1,150,023
29	Membership and Subscription Exps.	27,143	17,693
30	Notary & Franking/stamp Paper Charges	53,401	14,503
31	Office Expenses	55,272	92,691
32	Office Expenses-GST	27,360	-
33	Office Expenses-URD	22,108	-
34	Printing & Stationery	90,222	298,425
35	Printing & Stationery -URD	1,350	-
36	Printing & Stationery -GST 12%	96,855	-
37	Printing & Stationery -GST 18%	207,048	-
38	Printing & Stationery -GST 28%	2,085	-
39	Stiching & Washing Charges	26,025	32,379
40	Sales Promotion Exp.		2,300
41	Legal & Professional Fee	421,631	682,305
42	Legal & Professional Fee -GST	603,215	-
43	Legal & Professional Fee -GST OMS	36,000	-
44	Rent, Rates & Taxes	4,007,250	4,804,325
45	Repairs & Maintenance	264,042	272,441
46	Repairs & Maintenance-URD	45,300	-
47	Repairs & Maintenance-GST	7,840	-
48	ROC Filing Fees	219,214	12,000
49	Telephone Expenses	210,050	334,476
50	Telephone Expenses-GST	23,725	-
51	Petrol & Other Charges	234,696	294,078
52	Sampling Charges	9,047	37,132
53	Security & Housekeeping Charges	372,819	95,998
54	Security & Housekeeping Charges-GST URD	275,105	-
55	Service tax	47,333	121,921
56	Software Development Charges & Exps.	6,780	-
57	Brokerage & Commission	1,645,213	1,484,685
59	Brokerage & Commission-GST URD	204,696	-
60	Brokerage & Commission-GST	1,023,807	-
61	Brokerage & Commission-GST OMS	150,000	-
62	Computer Expenses	13,722	61,401
63	Computer Expenses _ GST 18 %	56,115	-
62	Computer Expenses- GST 28 %	5,650	-
63	Packing & Cutting Expenses	75,428	94,645
64	Trademark Registration charges		8,000
65	Transport Charges	465,288	1,252,101
66	Transport Charges-URD	764,440	
67	Godown & Warehouse Charges		32,752
68	Travelling Expenses	639,646	639,223
69	Travelling Expenses- foreign	29,700	
70	Handling Charge GST 18 %	1,650	
71	Advertisement Expenses	129,032	-



72	Weight and Measure Expenses	1,550	-
73	Website Expenses-	3,450	13,800
74	Website Expenses- GST	6,000	
75	Miscellaneous Expenses	167,824	184,871
76	Account Write Off	13,700	28,620
<b>Total in Rs.</b>		<b>18,947,426</b>	<b>17,314,065</b>





## **SCHEDULES FORMING PART OF ACCOUNTS FOR THE Y.E. 31.03.2018**

### **NOTES:**

#### **1. CORPORATE INFORMATION:**

The Company is a public limited company domiciled in India. Initially the company was incorporated as private Limited Company under the provisions of Companies Act, 1956 and then converted to public limited during the year under the provisions of Companies Act 2013. The company is engaged in the business of manufacturing of Textile goods.

#### **2. SIGNIFICANT ACCOUNTING POLICIES:**

##### **(A) BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with mandatory accounting standards/Ind AS issued by the Institute of Chartered Accountants of India and relevant presentational requirements of Companies Act, 2013.

##### **(B) USE OF ESTIMATES**

The preparation of financial statements requires estimates & assumptions to be made that effect the reported amount of assets & liabilities on the date of the financial statements and the reported amount of revenues & expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

##### **(C) FIXED ASSETS**

Fixed Assets are stated at Cost of Acquisition less accumulated depreciation and impairment losses. Fixed assets include all incidental expenses related to acquisition and installation of the concerned assets.

##### **(D) DEPRECIATION:**

Depreciation on Tangible assets is provided at the rates prescribed in Schedule II of the Companies Act, 2013. Depreciation calculated on pro-rata basis on additions made during the year.

##### **(E) INCOME AND EXPENSES:**

Sales & Purchases are net of trade discount and return.

##### **(F) REVENUE RECOGNITION:**

Revenue from sales of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer which coincides with dispatch of goods to customer. Sales are stated exclusive of sales tax and net of trade and quantity discount.

##### **(G) GOVERNMENT GRANTS AND SUBSIDIES:**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.



Government grants in the nature Capital Subsidy received upon the amount invested on Plant and Machinery, where no repayment is ordinarily expected in respect thereof, are treated as Deferred Revenue Income and has been proportionately credited to Profit & Loss Account on the basis of actual useful life of the Plant & Machinery.

Other government grants and subsidies are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

**(H) INVENTORIES:**

Inventories have been valued at lower of cost or net realizable value. Cost in respect of purchased materials & finished goods consists of purchase price including freight inward, brokerage and other expenditure directly attributable to the acquisition.

**(I) FOREIGN CURRENCY TRANSACTION:**

Transaction in foreign currency are recorded at the rate of exchange in force on the date of the transaction. Current assets, current liabilities & borrowings denominated in foreign currency are translated at the exchange prevalent at the date of the balance sheet. The resultant gain/loss, except in cases where they relate to the acquisition of fixed assets, are recognized in the profit & loss Account.

**(J) TAXES ON INCOME:**

**Current Tax:** Provision for current income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the specific applicable laws.

**Deferred Tax:** Deferred tax is measured on based on the tax rate and tax laws enacted or substantially enacted at the balance date. Deferred tax assets are recognized only if there is reasonable/virtual certainty that they will be realized.

**(K) IMPAIRMENT OF ASSETS:**

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. Impairment loss is recognized whenever the carrying amount of assets exceeds its recoverable amount.

**(L) PROVISION & CONTINGENCIES:**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are not discounted to present value and are determine on best estimate require to settle the obligation at the Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized and are disclosed by way of notes to accounts.

**(M) LEASE:**

Leases, where the lessor effectively retains substantially all risks and benefits of ownership of the lease item are classified as operating lease. Operating lease payments as an expense in the profit and loss account on a straight-line basis over the lease term.



## SCHEDULES FORMING PART OF ACCOUNTS FOR THE Y.E. 31.3.2018

### Notes & information forming part of accounts.

28) Capital Commitment: Estimated amount of contracts remaining to be executed on capital account and not provided for NIL (Previous year Rs. NIL).

29) Based on the information there are no outstanding balances of the enterprises registered under the Micro, Small and Medium enterprises, Development Act, 2006.

30) In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably required.

31) The company has taken commercial premise on operating lease. Amount debited to the statement of profit and loss Rs.7,57,800/- (Rs.7,20,000/-)

The Company has also taken Factory premises under operating lease agreements. Amount debited to the statement of profit and loss Rs.32,49,450/- (Rs.38,23,913/-)

32) Expenditure in Foreign Currency

Particulars	2017-2018 Amount(Rs.)	2016-2017 Amount(Rs.)
Purchase of Assets	NIL	NIL

33) Deferred Tax: Deferred tax liability has been recognized as per Ind AS-12 issued by the ICAI on account of timing difference in depreciation of Fixed assets and accordingly Net Deferred Tax Liability amounting to Rs.11,44,267/- has been charged to profit and loss account.

34) **EARNINGS PER SHARE** as per Accounting Standard 20:

Particulars	Current Year	Previous Year
Profit /(Loss)After Taxation (Rs.)	1,95,99,157	1,60,19,683
Weighted No. of Eq. Shares Outstanding	32,59,437	10,25,977
Basic Earnings Per Share (Rs.)	08.40	15.61





### 35) Related Party Disclosure as Per IND AS-24:

#### i) Names of Related Parties:

Sr. No.	Name of Person	Relationship
1	Sukhanraj B. Shah	Director
2	Vicky S. Shah	Director
3	Sahil S. Shah	Director
4	SheetalAshishKhabia	Director
5	SatishAnand Sharma	Director
6	Parag Housing Development P Ltd	Companies under same Management
7	Vicky International	Director Proprietary firm

#### ii) Details of Transaction with related parties during the period:

Name of party	Nature of Transaction	For the Period ended 31.03.2018		For the Period ended 31.03.2017	
		Income/ Receipts	Expenses/ Payments	Income/ Receipts	Expenses/ Payments
Sukhanraj B. Shah	Loan Remuneration	1,21,76,283	1,39,70,269 7,73,861	9,94,000	5,49,000 7,71,362
Vicky S. Shah	Loan Remuneration	32,02,000	31,36,900 7,73,861	6,94,000	10,19,696 7,71,363
Sahil S. Shah	Loan Remuneration	6,97,000	10,12,600 4,07,295	11,25,000	6,60,480 3,96,699
Sheetal Ashish Khabia	Remuneration	-	1,80,000	-	-
Satish Anand Sharma	Remuneration	-	30,000	-	-

#### iii) Outstanding balance as on 31-03-2018

Name of Party	Nature of Transaction	Receivables 2017-2018	Receivables 2016-2017	Payables 2018-2017	Payables 2016-2017
Sukhanraj B. Shah	Loan	-	-	1,19,147.95	19,13,134
Vicky S. Shah	Loan	-	-	3,85,181.61	3,20,082
Sahil S. Shah	Loan	-	-	2,73,425	5,89,025
Parag Housing Development P Ltd	Loan	-	-	6,41,500	6,41,500



Vicky International	Loan	-	-	-	-
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36 Previous year figures have been regrouped/recast wherever necessary.

37 (a) As per the certificate received from Registered chartered engineer ,the Management have decided to increase the life of Certain Fixed assets as follow,

Name of Assets	Life as per companies Act	Life as per management
Air Compressor	15 Years	22.50Years
Weaving Textile Machine	15 Years	22.50Years
Electric Installation	10 Years	15 Years

As per our report of even date attached

For Bhatler & co.  
Chartered Accountants  
(FRN: 131092W)

For and on behalf of the Board

Sd/-  
(CA Daulal Bhatler)  
Proprietor  
M. NO. 016937  
Place: Mumbai  
Date: 29.05.2018

Sd/-  
Vicky Sukanraj Shah  
Managing Director & CEO  
Din: 00033963

Sd/-  
Sukanraj Bhabutmal Shah  
Whole time- Director  
Din: 00034157

Sd/-  
Naveena Singh  
Company Secretary



**COMPLIANCE CERTIFICATE IN TERMS OF REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

To,

The Board of Directors  
**S K S Textiles Limited**

I, the undersigned in my capacity as the Managing Director and Chief Financial Officer of S K S Textiles Limited ("the company"), to the best of my knowledge and belief, certify that:

- a. I have reviewed the financial statements and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018 and based on my knowledge and belief:
  - i. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
  - ii. These statements together presents a true and fair view of the Company's affair and are in compliance with existing Accounting Standards, applicable laws and Regulations.
- b. I further state that to the best of knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.
- c. I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the Internal Control System of the Company pertaining to financial reporting and I have not come across any reportable deficiencies in the design or operation of such controls.
- d. I have indicated to the Auditors and Audit Committee:
  1. Significant changes, if any, in internal control over financial reporting during the year;
  2. Significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which I have become aware and involvement therein, if any, of the management or an Employee having significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors**

Sd/-

**Vicky Sukanraj Shah**  
**(Managing Director and CFO)**

Place: Mumbai

Date: 30th August, 2018





**S K S Textiles Limited**

**(CIN:U17000MH1997PLC111406 )**

**Registered Office: 431B, Kewal Industrial Estate,  
Senapati Bapat Marg, Lower Pareel(W)  
Mumbai 400013**

**Ph. No.:022-61206222 Fax: 022-61206200**

**Email: info@groupsks.com;**

**pierricarlo@hotmail.com**

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