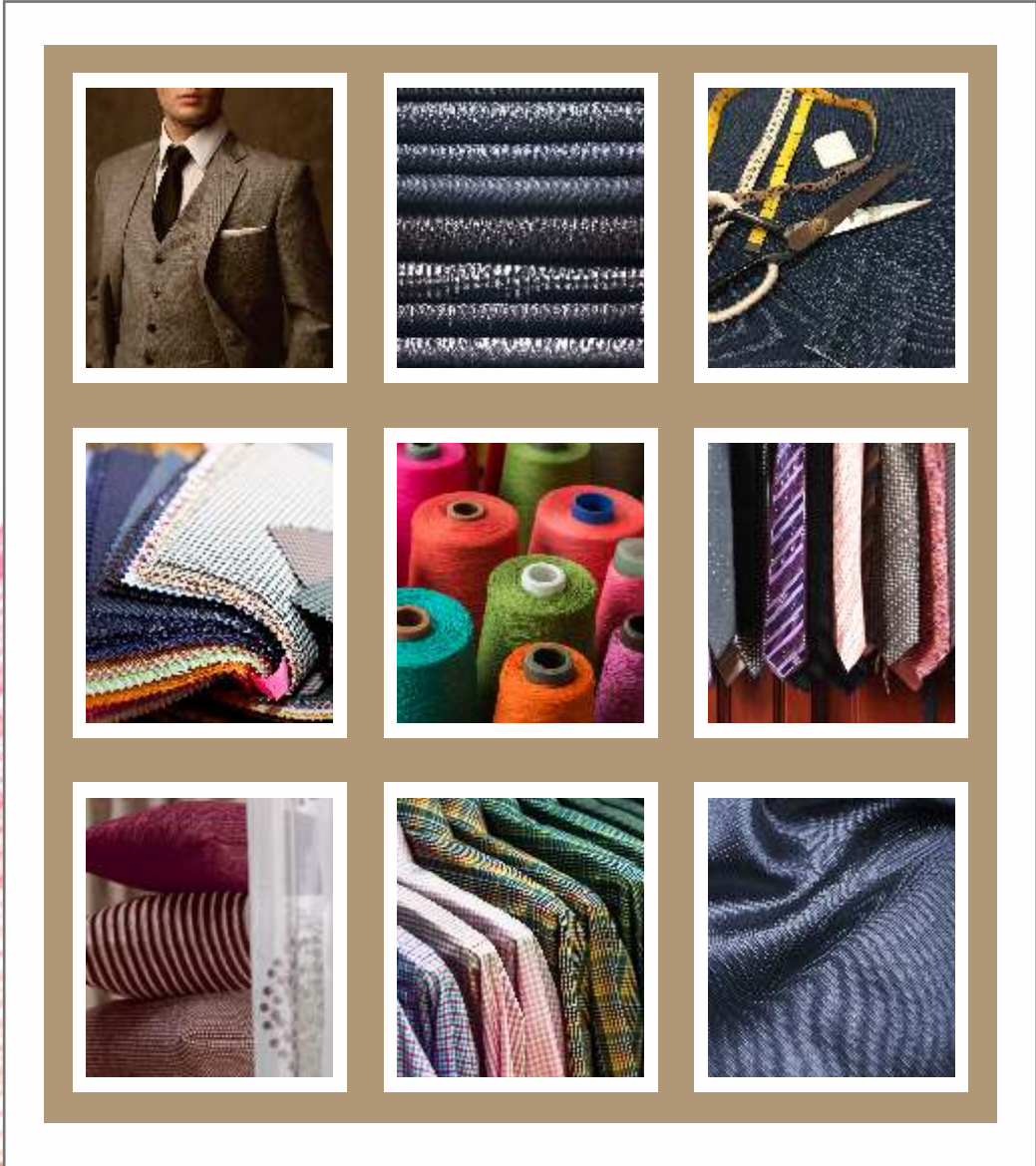


# *Siyaram's*



**40<sup>th</sup> Annual  
Report**  
2017-2018



वक्रतुंड महाकाय सूर्यकोटिसमप्रभ  
निर्विघ्नं कुरु मे देव सर्वकार्येषु सर्वदा

## COMPANY INFORMATION

### DHARAPRASAD R. PODDAR

Chairman Emeritus

### BOARD OF DIRECTORS

#### RAMESH D. PODDAR

Chairman and Managing Director

#### PAWAN D. PODDAR

Joint Managing Director

#### SHRIKISHAN D. PODDAR

Executive Director

#### GAURAV P. PODDAR

President and Executive Director

#### ASHADEVI R. PODDAR

Executive Director

#### ASHOK M. JALAN

Senior President cum Director

#### HARISH N. MOTIWALLA

Independent Director

#### MANGESH D. TELI

Independent Director

#### SHAILESH S. VAIDYA

Independent Director

#### ASHOK N. GARODIA

Independent Director

#### DILEEP H. SHINDE

Independent Director

#### PRAMOD S. JALAN

Independent Director

#### TARUN KUMAR GOVIL

Independent Director

#### SURENDRA S. SHETTY

Chief Financial Officer

#### WILLIAM V. FERNANDES

Company Secretary

### BANKERS

Bank of Baroda  
Central Bank of India  
Corporation Bank

### STATUTORY AUDITORS

Songira & Associates  
Chartered Accountants

### INTERNAL AUDITORS

K. M. Garg & Co.  
Chartered Accountants

### COST AUDITORS

Bhuta & Associates  
Cost Accountants

### SECRETARIAL AUDITORS

J. H. Fatehchandka & Co.  
Company Secretaries

### CORPORATE OFFICE

B-5, Trade World,  
Kamala City,  
Senapati Bapat Marg,  
Lower Parel (W), Mumbai - 400013.  
Tel. : (91-22) 30400500 / 501  
Fax : (91-22) 30400599

### REGISTERED OFFICE

H-3/2, MIDC, A-Road,  
Tarapur, Boisar,  
Dist. Palghar - 401 506.  
Maharashtra.

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## DIRECTORS' REPORT:

To the Members,

Your Directors have pleasure in presenting the 40th Annual Report of the Company along with Audited Financial Statements for the year ended 31st March, 2018.

### 1. STANDALONE FINANCIAL RESULTS: (₹ in Lakhs)

	2017-18	2016-17
Net Turnover and other Income	1,75,909	1,59,943
Profit before Depreciation, Exceptional Item and Tax	23,784	19,053
Less: Depreciation	6,055	5,455
Profit before Exceptional Item and Tax	17,729	13,598
Less : Exceptional Item	602	-
Profit before Tax	17,127	13,598
Less: Tax Expense	5,968	4,497
Profit after Tax	11,159	9,101
Add/(Less): Other Comprehensive Income (net of taxes)	(24)	(54)
Total Comprehensive Income/(Expenses) for the year	11,135	9,047

During the year under review, the rating agency CRISIL upgraded the rating of the Company to AA-/Stable for long term borrowings and maintained A1+ rating for the Company's short term borrowings.

### 2. OPERATIONS:

During the year under review, the Total Income of your Company was ₹ 1,75,909 Lakhs as compared to ₹ 1,59,943 Lakhs in the previous year, reflecting a growth of 9.98%. The net profit for the year stood at ₹ 11,135 Lakhs as against ₹ 9,047 Lakhs in the previous year, recording a growth of 23.08%, which is commendable.

### 3. EXPANSION:

During the year under review, your Company has incurred capital expenditure of ₹ 3,167 Lakhs towards modernization, upgrading technology, debottlenecking and increasing productivity in weaving and processing activities, which was financed by way of Term Loan under TUF scheme of the Government of India and internal accruals of the Company.

### 4. DIVIDEND:

Your Directors have declared and paid Interim Dividend of 110% i.e. ₹ 2.20 per Equity Share and are pleased to recommend a Final Dividend of 100% i.e. ₹ 2/- per Equity Share of ₹ 2/- each taking the total dividend to 210% i.e. ₹ 4.20 per Equity Share of ₹ 2/- each, for the year 2017-18 (previous year Dividend was 150% i.e. ₹ 15/- per Equity Share of ₹ 10/- each).

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"/ "Listing Regulations"), the Board

of Directors of the Company ("the Board") has approved and adopted the Dividend Distribution Policy which is annexed to this Report marked as Annexure-I.

### 5. SHARE CAPITAL:

The Paid-up Share Capital of the Company as on 31st March, 2018 was ₹ 937.40 Lakhs. During the year the Company sub-divided the Equity Shares of the Company of ₹ 10/- each into 5 shares of ₹ 2/- each as on the record date i.e. 26th October, 2017.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2018, none of the Directors of the Company hold convertible instruments in the Company.

### 6. RESERVES:

The Company has transferred ₹ 7,500 Lakhs to General Reserves during the year under review.

### 7. MANAGEMENT DISCUSSION AND ANALYSIS:

#### ECONOMIC OVERVIEW

##### Current Year Global Economic Overview.

Global GDP growth is estimated to have been 3.7% in 2017, the strongest outcome since 2011, with positive growth surprises in the Euro area, China, Turkey and Brazil. Industrial production, investment and trade growth have rebounded with global trade growth reaching an estimated 5.25% in 2017. Improved cyclical conditions are now being reflected in commodity markets and labour markets. Resurgent investment spending in advanced economies and strong recovery in global trade were important drivers of the global GDP growth and manufacturing activity.

##### Current Year Indian Economic Overview.

On the domestic front, the year 2017 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. However the Indian economy is headed for somewhat lower GDP growth estimated to be 6.5% in 2017-18. Even with this lower growth it is the highest among the major economies of the world. This is despite the structural reform of the Goods and Service Tax (GST) and the after effects of demonetization.

##### Indian Textile Industry Overview.

The year 2017 has turned out to be a mixed blessing for the Indian Textile Industry. While initiatives were implemented for power looms and weavers, the Exporters are still bleeding following the impact of GST resulting in Exports missing the USD 45 billion target set for 2017-18. On the domestic front the Indian Textile Industry has registered steady growth despite the difficult scenario.

Your Company once again achieved a new high in its top as well as bottom line which is a commendable achievement.

#### **Global Economic Future Outlook.**

The World Economy is expected to strengthen over the next few years, with global GDP growth is projected to reach almost 4% in 2018. Growth in Advanced Economies is projected to be significantly more robust than previously anticipated, with smaller upward revisions in most other G20 economies. Ongoing improvements in business investment in the major economies should be reflected in stronger global trade growth.

#### **Indian Economic Future Outlook.**

The Indian Economy seems to be on the path of recovery with indicators such as industrial production, stock market index and exports which have shown some uptick. The Indian Economy with its ever growing domestic demand is expected to strengthen further in F.Y. 2018-19.

#### **Textile Industry Outlook.**

With the expectation of good monsoon, streamlining the implementation of GST, increase in per capita income of the masses, the future of Indian Textile Industry looks promising.

Your Company is well poised to take advantage of its strengths – strong brands, resilient distribution network, new initiatives, establishing of new brands are expected to add value and create a formidable base for the future. Your Company expects reasonably good growth in the ensuing year.

#### **Internal Financial Control system.**

Your Company has in place an adequate internal financial control system, commensurate with the size and complexity of its operations. Necessary checks and controls are in place to ensure that all assets are safeguarded, to detect and prevent errors and frauds and that the transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conduct Audit of various departments to ensure that internal controls are in place and submit quarterly Reports to the Audit Committee. The Audit Committee regularly reviews these Reports and the Company when needed takes corrective actions.

The Internal Auditors also audit the effectiveness of the Company's internal financial control system. No major inefficiencies were reported.

#### **Human Resources/ Industrial Relations.**

Your Company treats its Human Resources as its important asset and believes in its contribution to the all-round growth of your Company. Your Company takes steps, from time to time, to upgrade and enhance the quality of this asset and strives to maintain it in agile and responsive form. Your Company is an equal opportunity employer and practices fair employment policies. Your Company is confident that its Human Capital will effectively contribute to the long term value enhancement of the organization.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Industrial relations with staff and workmen during the year under review continued to be cordial.

#### **Forward Looking Statements.**

*Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.*

### **8. CORPORATE GOVERNANCE:**

A report on Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015, together with Certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid regulations, forms part of the Annual Report.

### **9. DIRECTORS:**

#### **Directors retiring by rotation.**

Shri. Gaurav P. Poddar, Director, retires by rotation and being eligible, offers himself for re-appointment. Your Directors commend his re-appointment.

Brief resume of Directors being appointed/ re-appointed as required by the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings are provided in the Annexure to the notice convening the AGM of the Company.

#### **Declaration from Independent Directors.**

All Independent Directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

#### **Company's Policy on appointment and remuneration of Directors.**

#### **Appointment of Independent Directors.**

All Independent Directors of the Company are appointed for a term of 5 years. Accordingly, the Independent Directors viz. Shri. Harish Motiwalla, Shri. Mangesh Teli, Shri. Dileep Shinde, Shri. Pramod Jalan, Shri. Shailesh Vaidya and Shri. Ashok Garodia hold office upto 31st July, 2019 and Shri. Tarun Kumar Govil upto 29th July, 2019.

#### **Criteria for appointment of Independent Directors.**

The Independent Directors shall be of high integrity with relevant experience and expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management, so as to have a diverse Board.

## **Criteria for appointment of Managing Directors/ Whole Time Directors.**

The Nomination and Remuneration Committee shall identify persons of integrity who possess relevant experience and expertise particularly in the Textile Industry, leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

## **Remuneration Policy.**

The Company follows a policy on remuneration for Directors and Senior Management Employees, details of the same are given in the Corporate Governance Report.

## **Performance Evaluation.**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of individual Directors, the Board as a whole and also the Secretarial Department. Evaluation of performance is undertaken annually.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at a separately convened meeting at which the performance of the Board as a whole was also evaluated and the performance of the Secretarial Department was also reviewed. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Company has implemented a system of evaluation on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The Directors expressed their satisfaction with the evaluation process.

## **10. NUMBER OF BOARD MEETING:**

The Board of Directors met 5(five) times during the year, the details of which are provided in the Corporate Governance Report.

## **11. COMMITTEES OF THE BOARD:**

The Board has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Finance Committee
6. Share Transfer Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT:**

As stipulated under Section 134(3) (c) of the Companies Act, 2013, your Directors confirm as under:-

- i) that in the preparation of the accounts for the financial year ended 31st March 2018, the applicable accounting

standards have been followed along with proper explanation relating to material departure, if any;

- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for 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;
- iv) that the Directors have prepared the accounts for the financial year on going concern basis.
- v) the Directors have laid down internal financial controls, which are adequate and were operating effectively.
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **13. EXTRACT OF ANNUAL RETURN:**

Extract of the Annual Return in Form No. MGT - 9 as required under section 92 of the Companies Act, 2013 is annexed herewith as Annexure - II to this Report.

## **14. FIXED DEPOSITS:**

During the year under review, your Company has not accepted any fixed deposits and there were no unclaimed deposits or interest thereon as on 31st March, 2018.

## **15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013, are provided in the notes to the Standalone Financial Statements.

## **16. SUBSIDIARY COMPANIES:**

### **Cadini S.R.L.**

During the year under review the Company incorporated a Wholly Owned Subsidiary, Cadini S.R.L., in Italy, on 4th August, 2017 to manufacture, procure, market, sell, or to otherwise deal in textile products.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiary is given in Form AOC-I and forms part of the Annual Report.

## **17. CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standard issued by the Institute of Chartered Accountants of India and forms an integral part of the Annual Report.

**18. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Policy are given in the Corporate Governance Report and the Policy is posted on the Company's website at the link <http://www.siyaram.com/wp-content/uploads/2015/09/SSML-Whistle-Blower-Policy2014.pdf>.

**19. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large. During the year, the Company has not entered into related party transactions which could be considered as material in accordance with the policy on Related Party Transactions of the Company. Accordingly, the disclosure of related party transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC -2 is not applicable to your Company.

All related party transactions for the year are placed before the Audit Committee as well as before the Board for approval. The transactions entered into with related parties are reviewed on a quarterly basis by the Audit Committee.

The policy on Related Party Transactions as approved by the Audit Committee and Board is uploaded on the Company's website at the link <http://www.siyaram.com/wp-content/uploads/2015/09/Related-Party-Transaction-Policy.pdf>.

Members can refer to Note No. 40 to the Financial Statements which sets out related party disclosures.

**20. RISK MANAGEMENT:**

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and assess the key business risk areas and to put in place a mechanism for mitigation of risk. A detailed exercise is being carried out at regular intervals 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 framework.

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

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

**22. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT:**

There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is given in Annexure-III to this Report.

**24. CORPORATE SOCIAL RESPONSIBILITY:**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure -IV to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Policy is available on the Company's website at the link <http://www.siyaram.com/wp-content/uploads/2015/09/CSR-Policy-SSML.pdf>.

**25. AUDITORS:**

**a. Statutory Auditors**

In the last AGM held on 9th September, 2017, M/s. Songira & Associates, Chartered Accountants, (FRN.128085W), have been appointed as Statutory Auditors of the Company for a period of 5(five) years from the conclusion of the 39th AGM till the conclusion of the 44th AGM of the Company to be held in the year 2022.

Further, the Report of the Statutory Auditors, M/s. Songira & Associates, Chartered Accountants, forms part of the Annual Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**b. Cost Auditors:**

As per the provisions of section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder, the Cost Audit of the cost records of the Company for the F.Y. 2017-18 was carried out by M/s. Bhuta & Associates, Cost Accountants and the related Report will be filed on or before 27th September, 2018. The Cost Audit Report for the F.Y. 2016-17 was filed on 31st August, 2017.

The Board of Directors has appointed M/s. Bhuta & Associates, Cost Accountants, as Cost Auditors to audit cost records of the Company for the F.Y. 2018-19. A resolution seeking members' approval for the remuneration payable to them forms part of the Notice convening the AGM.

**c. Secretarial Auditors.**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. J. H. Fatehchandka & Co., Company Secretaries in Practice to undertake Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report is annexed herewith as Annexure - V.

There is no secretarial audit qualification for the year under review.

## 26. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure VI. In terms of the provisions of Section 197(12) of the Act read with sub-rule (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the norms and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Report. However, having regard to the provisions of the first proviso to section 136(1) of the Act, the details are excluded from the Report sent to members. The required information is available for inspection at the registered office/ corporate office and the same shall be furnished on request.

## 27. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report as required by Regulation 34(2)(f) of the SEBI (LODR), Regulations, 2015 is annexed as Annexure – VII to this Report.

## 28. APPRECIATION:

Your Company is grateful for the continued co-operation and support extended to it by the Government and Semi-Government Authorities, Shareholders, Financial Institutions, Banks, Customers and Vendors. Your Directors also express their warm appreciation for the dedicated and sincere services rendered by the Employees of the Company.

For and on behalf of the Board of Directors

**RAMESH D. PODDAR**

Chairman and Managing Director

DIN - 00090104

Place: Mumbai

Dated: 29th May, 2018.

## Annexure – I

### Dividend Distribution Policy

#### BACKGROUND

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), to the Board of Directors ("the Board") of Siyaram Silk Mills Limited ("the Company") has adopted this Dividend Distribution Policy ("Policy") at its meeting held on 29th May, 2018.

#### OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board of the Company before declaring or recommending dividend.

#### 1. POLICY

##### A. CIRCUMSTANCES UNDER WHICH THE SHARE HOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The Company has an uninterrupted dividend payout since inception and in future, the Company would endeavor to pay sustainable dividend keeping in mind need of capital for growth of the business of the Company and rewarding shareholders.

The Board, while declaring or recommending dividend, shall ensure compliance of applicable laws including the provisions of the Companies Act, 2013 and the Listing Regulations and shall consider advice of the Executive Management of the Company based on the parameters set out in this policy.

The Board may not declare or recommend dividend for a particular period in the following circumstances, subject to discretion of the board:

- i. In the event of loss or inadequacy of the profit
- ii. In case of need to conserve capital for ongoing or planned business expansion, acquisitions or others requiring significant capital outflow.
- iii. To comply with any statutory requirements.

##### B. PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial/ internal/external parameters while declaring or recommending dividend to the shareholders.

##### i) Internal and Financial Parameters

- a) Profit earned during the year after providing for depreciation in accordance with law for the year and transferring to the reserves such amount of Profit as the Board may deem fit.
- b) Operating cash flow of the company
- c) Retaining Earnings
- d) Level of Dividends paid historically.
- e) Expected future capital requirement for Business
- f) Other relevant factors and events

ii) External factors:

- a) Overall Economic Environment
- b) Changes in government policy, tax and regulatory provisions.
- c) Technological changes

**C. UTILIZATION OF THE RETAINED EARNING**

The Board shall utilize retained earnings in such a manner so that it is beneficial to the overall interest of the Company and to its shareholders in the long run. The Board may decide to utilize retained earnings for growth, acquisition, expansion, diversification or any other purpose for generating higher returns to the shareholders.

**D. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

The Company has issued only one class of shares viz., Equity Shares. Parameters for dividend payments in respect of any other class of shares will be determined, as and when the Company decides to issue other classes of shares.

**2. POLICY REVIEW AND AMENDMENTS**

The Board has authority to make amendments to this Policy in case of change in applicable laws and/or Listing Regulations or as deemed fit by it on a review.

**3. CONFLICT IN POLICY**

In the event of any conflict between this Policy and the provisions contained in Listing Regulations, the Regulations shall prevail.

\*\*\* \*\*

Annexure - II

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31<sup>st</sup> March, 2018

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L17116MH1978PLC020451
- ii) Registration Date : 29<sup>th</sup> June, 1978.
- iii) Name of the Company : SIYARAM SILK MILLS LIMITED
- iv) Category / Sub-Category of the Company : Public Company/ Limited by Shares.
- v) Address of the Registered Office and contact details : H-3/2, MIDC, A - Road, Tarapur, Boisar, Dist: Palghar- 401 506, Maharashtra. Tel: 7304455467, Fax : 02525 – 272475, Email: sharedept@siyaram.com Website: www.siyaram.com
- vi) Whether listed company : Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any. : TSR Darashaw Ltd., 6-10, 1st Floor, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Tel : 22-66568484, Fax : 022-66568494, Email: csg-unit@tsrdarashaw.com

**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.	Fabrics	5407-5408	75.60%
2.	Readymade Garments	6101-6117	23.09%

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

Sr. No	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Cadini S.R.L.	BAGNO A RIPOLI (FI) VIA DI COMPIOBBI 2H CAP 50012 HAMLET: VALLINA	N.A.	Subsidiary Company	100%	Section 2(87)

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

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of Shares held at the end of the year (As on 31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	4062538	0	4062538	43.34	20312690	0	20312690	43.34	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	2224365	0	2224365	23.73	11121825	0	11121825	23.73	0
(e) Banks / Financial Institutions (FI)	0	0	0	0	0	0	0	0	0
(f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (1):-</b>	<b>6286903</b>	<b>0</b>	<b>6286903</b>	<b>67.07</b>	<b>31434515</b>	<b>0</b>	<b>31434515</b>	<b>67.07</b>	<b>0</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6286903</b>	<b>0</b>	<b>6286903</b>	<b>67.07</b>	<b>31434515</b>	<b>0</b>	<b>31434515</b>	<b>67.07</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds/UTI	788194	1600	789794	8.43	3993813	7500	4001313	8.54	0.11
(b) FI / Banks	1065	875	1940	0.02	2302	1915	4217	0.01	(0.01)
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	500	0	500	0	0
(g) FIs	2936	0	2936	0.03	0	0	0	0	(0.03)
(h) Foreign Portfolio Investor Corp	131844	0	131844	1.40	770336	0	770336	1.64	0.24
(i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>924039</b>	<b>2475</b>	<b>926514</b>	<b>9.88</b>	<b>4766951</b>	<b>9415</b>	<b>4776366</b>	<b>10.19</b>	<b>0.31</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corporate	247186	2737	249923	2.67	1141606	9360	1150966	2.46	(0.21)
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1332789	292462	1625251	17.34	6757438	1049125	7806563	16.66	(0.68)
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	273415	12000	285415	3.04	982525	60000	1042525	2.22	(0.82)
(c) Others (specify)	0	0	0	0	0	0	0	0	0
(i) IEPF Account	0	0	0	0	248085	0	248085	0.53	0.53
(ii) Alternate Investment Fund	0	0	0	0	410100	0	410100	0.87	0.87
(iii) Bodies Corporate-NBFC	0	0	0	0	910	0	910	0	0
(iv) Bodies Corporate-Non-NBFC	10	0	10	0	50	0	50	0	0
<b>Sub-total (B)(2):-</b>	<b>1853400</b>	<b>307199</b>	<b>2160599</b>	<b>23.05</b>	<b>9540714</b>	<b>1118485</b>	<b>10659199</b>	<b>22.74</b>	<b>(0.31)</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>2777439</b>	<b>309674</b>	<b>3087113</b>	<b>32.93</b>	<b>14307665</b>	<b>1127900</b>	<b>15435565</b>	<b>32.93</b>	<b>0.00</b>
<b>TOTAL (A)+(B)</b>	<b>9064342</b>	<b>309674</b>	<b>9374016</b>	<b>100.00</b>	<b>45742180</b>	<b>1127900</b>	<b>46870080</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>9064342</b>	<b>309674</b>	<b>9374016</b>	<b>100.00</b>	<b>45742180</b>	<b>1127900</b>	<b>46870080</b>	<b>100.00</b>	<b>0</b>

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2017)			Shareholding at the end of the Year (As on 31st March, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	GPP Enterprises LLP	100	0.00	0	500	0.00	0	0.00
2.	DPP Enterprises LLP	116	0.00	0	580	0.00	0	0.00
3.	HSP Enterprises LLP	125	0.00	0	625	0.00	0	0.00
4.	Ashadevi Rameshkumar Poddar	6,45,411	6.89	0	32,27,055	6.89	0	0.00
5.	Madhudevi Pawankumar Poddar	1,63,160	1.74	0	8,15,800	1.74	0	0.00
6.	Gaurav Pramod Poddar	3,90,400	4.16	0	19,52,000	4.16	0	0.00
7.	Ankit Pramodkumar Poddar	3,90,400	4.16	0	19,52,000	4.16	0	0.00
8.	Vibhadevi Shrikishan Poddar	4,31,911	4.61	0	21,59,555	4.61	0	0.00
9.	Geetadevi Dharaprasad Poddar	1,24,499	1.33	0	6,22,495	1.33	0	0.00
10.	Harshit S Poddar	1,20,000	1.28	0	6,00,000	1.28	0	0.00
11.	Abhishek Shrikishan Poddar	1,19,999	1.28	0	5,99,995	1.28	0	0.00
12.	Sangeeta Pramodkumar Poddar	1,98,510	2.12	0	9,92,550	2.12	0	0.00
13.	Avnish Pawankumar Poddar	3,29,899	3.52	0	16,49,495	3.52	0	0.00
14.	Anurag Pawankumar Poddar	3,29,899	3.52	0	16,49,495	3.52	0	0.00
15.	Rameshkumar Dharaprasad Poddar	3,33,899	3.56	0	16,69,495	3.56	0	0.00
16.	Pawankumar Dharaprasad Poddar	1,56,352	1.67	0	7,81,760	1.67	0	0.00
17.	Dharaprasad Ramrikhdas Poddar	19,999	0.21	0	99,995	0.21	0	0.00
18.	Shrikishan Dharaprasad Poddar	3,07,400	3.28	0	15,37,000	3.28	0	0.00
19.	Shymlata Sureshkumar Poddar	300	0.00	0	1,500	0.00	0	0.00
20.	Arvindkumar Mahabirprasad Poddar	200	0.00	0	1,000	0.00	0	0.00
21.	Rishabh Sureshkumar Poddar	100	0.00	0	500	0.00	0	0.00
22.	Rajiv A. Poddar	100	0.00	0	500	0.00	0	0.00
23.	Vijaylaxmi Arvindkumar Poddar	100	0.00	0	500	0.00	0	0.00
24.	RAP Enterprises LLP	100	0.00	0	500	0.00	0	0.00
25.	VKP Enterprises LLP	25	0.00	0	125	0.00	0	0.00
26.	TMP Enterprises LLP	25	0.00	0	125	0.00	0	0.00
27.	AKP Enterprises LLP	25	0.00	0	125	0.00	0	0.00
28.	PKP Enterprises LLP	22,23,787	23.72	0	111,18,935	23.72	0	0.00
29.	Sanchna Trading & Fin. Ltd.	11	0.00	0	55	0.00	0	0.00
30.	S P Investrade (India) Limited	11	0.00	0	55	0.00	0	0.00
31.	Balgopal Holding & Traders Ltd.	10	0.00	0	50	0.00	0	0.00
32.	Poddar Brothers Investment Private Limited	10	0.00	0	50	0.00	0	0.00
33.	S P Finance and Trading Ltd.	10	0.00	0	50	0.00	0	0.00
34.	Vishal Furnishings Ltd.	10	0.00	0	50	0.00	0	0.00
	Total	62,86,903	67.07	0	3,14,34,515	67.07	0	0.00

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

Sr. No.	Name Of Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/decrease		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	PKP Enterprises LLP	2223787	23.72	1.04.2017		-	-	2223787	23.72
				27.10.2017	Stock Split (Allotment)	11118935	23.72	11118935	23.72
				31.03.2018		-	-	11118935	23.72
2.	Ashadevi R. Poddar	645411	6.89	1.04.2017		-	-	645411	6.89
				27.10.2017	Stock Split (Allotment)	3227055	6.89	3227055	6.89
				31.03.2018		-	-	3227055	6.89
3.	Vibhadevi S. Poddar	431911	4.61	1.04.2017		-	-	431911	4.61
				27.10.2017	Stock Split (Allotment)	2159555	4.61	2159555	4.61
				31.03.2018		-	-	2159555	4.61
4.	Gaurav P. Poddar	390400	4.16	1.04.2017		-	-	390400	4.16
				27.10.2017	Stock Split (Allotment)	1952000	4.16	1952000	4.16
				31.03.2018		-	-	1952000	4.16
5.	Ankit P. Poddar	390400	4.16	1.04.2017		-	-	390400	4.16
				27.10.2017	Stock Split (Allotment)	1952000	4.16	1952000	4.16
				31.03.2018		-	-	1952000	4.16
6.	Rameshkumar D. Poddar	333899	3.56	1.04.2017		-	-	333899	3.56
				27.10.2017	Stock Split (Allotment)	1669495	3.56	1669495	3.56
				31.03.2018		-	-	1669495	3.56
7.	Anurag P. Poddar	329899	3.52	1.04.2017		-	-	329899	3.52
				27.10.2017	Stock Split (Allotment)	1649495	3.52	1649495	3.52
				31.03.2018		-	-	1649495	3.52
8.	Avnish P. Poddar	329899	3.52	1.04.2017		-	-	329899	3.52
				27.10.2017	Stock Split (Allotment)	1649495	3.52	1649495	3.52
				31.03.2018		-	-	1649495	3.52
9.	Shrikishan D. Poddar	307400	3.28	1.04.2017		-	-	307400	3.28
				27.10.2017	Stock Split (Allotment)	1537000	3.28	1537000	3.28
				31.03.2018		-	-	1537000	3.28
10.	Sangeeta P. Poddar	198510	2.12	1.04.2017		-	-	198510	2.12
				27.10.2017	Stock Split (Allotment)	992550	2.12	992550	2.12
				31.03.2018		-	-	992550	2.12
11.	Madhudevi Pawankumar Poddar	163160	1.74	1.04.2017		-	-	163160	1.74
				27.10.2017	Stock Split (Allotment)	815800	1.74	815800	1.74
				31.03.2018		-	-	815800	1.74
12.	Pawankumar Poddar	156352	1.67	1.04.2017		-	-	156352	1.67
				27.10.2017	Stock Split (Allotment)	781760	1.67	781760	1.67
				31.03.2018		-	-	781760	1.67

Sr. No.	Name Of Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/decrease		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13.	Geetadevi Dharaprasad Poddar	124499	1.33	1.04.2017		-	-	124499	1.33
				27.10.2017	Stock Split (Allotment)	622495	1.33	622495	1.33
				31.03.2018		-	-	622495	1.33
14.	Harshit S Poddar	120000	1.28	1.04.2017		-	-	120000	1.28
				27.10.2017	Stock Split (Allotment)	600000	1.28	600000	1.28
				31.03.2018		-	-	600000	1.28
15.	Abhishek Shrikishan Poddar	119999	1.28	1.04.2017		-	-	119999	1.28
				27.10.2017	Stock Split (Allotment)	599995	1.28	599995	1.28
				31.03.2018		-	-	599995	1.28
16.	Dharaprasad Ramrikhdas Poddar	19999	0.21	1.04.2017		-	-	19999	0.21
				27.10.2017	Stock Split (Allotment)	99995	0.21	99995	0.21
				31.03.2018		-	-	99995	0.21
17.	Shyاملata Sureshkumar Poddar	300	0.00	1.04.2017		-	-	300	0.00
				27.10.2017	Stock Split (Allotment)	1500	0.00	1500	0.00
				31.03.2018		-	-	1500	0.00
18.	Arvindkumar Mahabirprasad Poddar	200	0.00	1.04.2017		-	-	200	0.00
				27.10.2017	Stock Split (Allotment)	1000	0.00	1000	0.00
				31.03.2018		-	-	1000	0.00
19.	HSP Enterprises LLP	125	0.00	1.04.2017		-	-	125	0.00
				27.10.2017	Stock Split (Allotment)	625	0.00	625	0.00
				31.03.2018		-	-	625	0.00
20.	DPP Enterprises LLP	116	0.00	1.04.2017		-	-	116	0.00
				27.10.2017	Stock Split (Allotment)	580	0.00	580	0.00
				31.03.2018		-	-	580	0.00
21.	Rishabh Sureshkumar Poddar	100	0.00	1.04.2017		-	-	100	0.00
				27.10.2017	Stock Split (Allotment)	500	0.00	500	0.00
				31.03.2018		-	-	500	0.00
22.	Rajiv A Poddar	100	0.00	1.04.2017		-	-	100	0.00
				27.10.2017	Stock Split	500	0.00	500	0.00
				31.03.2018		-	-	500	0.00
23.	Vijaylaxmi Arvindkumar Poddar	100	0.00	1.04.2017		-	-	100	0.00
				27.10.2017	Stock Split (Allotment)	500	0.00	500	0.00
				31.03.2018		-	-	500	0.00

Sr. No.	Name Of Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/decrease		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
24	GPP Enterprises LLP	100	0.00	1.04.2017		-	-	100	0.00
				27.10.2017	Stock Split (Allotment)	500	0.00	500	0.00
				31.03.2018		-	-	500	0.00
25	RAP Enterprises LLP	100	0.00	1.04.2017		-	-	100	0.00
				27.10.2017	Stock Split (Allotment)	500	0.00	500	0.00
				31.03.2018		-	-	500	0.00
26	TMP Enterprises LLP	25	0.00	1.04.2017		-	-	25	0.00
				27.10.2017	Stock Split (Allotment)	125	0.00	125	0.00
				31.03.2018		-	-	125	0.00
27	VKP Enterprises LLP	25	0.00	1.04.2017		-	-	25	0.00
				27.10.2017	Stock Split (Allotment)	125	0.00	125	0.00
				31.03.2018		-	-	125	0.00
28	AKP Enterprises LLP	25	0.00	1.04.2017		-	-	25	0.00
				27.10.2017	Stock Split (Allotment)	125	0.00	125	0.00
				31.03.2018		-	-	125	0.00
29	S P Investrade (India) Limited	11	0.00	1.04.2017		-	-	11	0.00
				27.10.2017	Stock Split (Allotment)	55	0.00	55	0.00
				31.03.2018		-	-	55	0.00
30	Sanchna Trading & Finance Ltd	11	0.00	1.04.2017		-	-	11	0.00
				27.10.2017	Stock Split (Allotment)	55	0.00	55	0.00
				31.03.2018		-	-	55	0.00
31	Balgopal Holding & Traders Ltd	10	0.00	1.04.2017		-	-	10	0.00
				27.10.2017	Stock Split (Allotment)	50	0.00	50	0.00
				31.03.2018		-	-	50	0.00
32	Poddar Brothers Investment Private Limited	10	0.00	1.04.2017		-	-	10	0.00
				27.10.2017	Stock Split (Allotment)	50	0.00	50	0.00
				31.03.2018		-	-	50	0.00
33	Vishal Furnishings Ltd	10	0.00	1.04.2017		-	-	10	0.00
				27.10.2017	Stock Split (Allotment)	50	0.00	50	0.00
				31.03.2018		-	-	50	0.00
34	S P Finance and Trading Limited	10	0.00	1.04.2017		-	-	10	0.00
				27.10.2017	Stock Split (Allotment)	50	0.00	50	0.00
				31.03.2018		-	-	50	0.00

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	DSP Blackrock Micro Cap Fund (*)	491825	5.25	2504015	5.34
2.	Reliance Capital Trustee Co. Ltd. -A/C Reliance Small Cap Fund	252864	2.70	1264513	2.70
3.	K India Opportunities Fund Limited	95451	1.02	442721	0.94
4.	DSP Blackrock Core Fund	0	0.00	410100	0.87
5.	Investor Education and Protection Fund Authority	0	0.00	248085	0.53
6.	Canara Robeco Mutual Fund A/C Canara Robeco Balance (*)	43505	0.46	225285	0.48
7.	Dolly Khanna	44698	0.48	197299	0.42
8.	Jeewan Kumar Puri (*)	28702	0.31	143510	0.31
9.	Biyani Financial Services Pvt. Ltd.	28714	0.31	136070	0.29
10.	Supriya Sumesh Khanna (*)	25890	0.28	129450	0.28

\* various sub accounts

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

Sr. No.	Name of Directors / KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri. Ramesh Poddar- Chairman and Managing Director	333899	3.56	1669495	3.56
2.	Shri. Pawan D. Poddar- Joint Managing Director	156352	1.67	781760	1.67
3.	Shri. Shrikishan D. Poddar-Executive Director	307400	3.28	1537000	3.28
4.	Smt. Ashadevi R. Poddar-Executive Director	645411	6.89	3227055	6.89
5.	Shri. Gaurav P. Poddar – President and Executive Director	390400	4.16	1952000	4.16
6.	Shri. Ashok Jalan – Sr. President cum Director	1117	0.01	5585	0.01
7.	Shri. Harish Motiwalla – Independent Director	0	0.00	100	0.00

**Note:** During the year the Equity Shares of the Company were sub-divided from the face value of ₹ 10/- each fully paid-up into 5 Equity Shares of ₹ 2/- each fully paid-up. (Record date 26th October, 2017).

**V. INDEBTEDNESS**

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

(₹ In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20255.42	10206.32	-	30461.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>20255.42</b>	<b>10206.32</b>		<b>30461.74</b>
Change in Indebtedness during the financial year				
• Addition	11189.33	15706.77	-	26896.10
• Reduction	-	-	-	-
<b>Net Change</b>	<b>11189.33</b>	<b>15706.77</b>		<b>26896.10</b>
Indebtedness at the end of the financial year				
i) Principal Amount	31344.39	25913.09	-	57257.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	100.36	-	-	100.36
<b>Total (i + ii + iii)</b>	<b>31444.75</b>	<b>25913.09</b>		<b>57357.84</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Ramesh Poddar	Shrikishan Poddar	Pawan Poddar	Gaurav Poddar	Ashadevi Poddar	Ashok Jalan	
1.	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	258.82	240.12	212.16	161.42	32.69	67.24	972.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.21	5.84	6.05	1.35	2.13	0.40	20.98
	(c) Profits in lieu of salary under	-	-	-	-	-	-	-
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Commission	270.00	192.00	240.00	156.00	30.00	30.00	918.00
	- as % of profit	1.41	1.00	1.25	0.81	0.16	0.16	4.79
	- others, specify...	-	-	-	-	-	-	-
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	534.03	437.96	458.21	318.77	64.82	97.64	1911.43
	Ceiling as per the Act	5% of the net profit of the Company for anyone MD/WTD and 10% of the net profit of the Company for all such Directors taken together						

### B. Remuneration to other Directors:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mangesh Teli	Harish Motiwalla	Ashok Garodia	Dileep Shinde	Pramod Jalan	Shailesh Vaidya	Tarun Govil	
1.	Independent Directors								
	• Fee for attending board / committee meetings	3.25	4.25	1.50	3.75	2.00	1.25	1.50	17.50
	• Commission	1.50	6.00	1.50	1.50	1.50	1.50	4.00	17.50
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	4.75	10.25	3.00	5.25	3.50	2.75	5.50	35.00
2.	Other Non-Executive Directors	Not Applicable							
	Total (2)	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	4.75	10.25	3.00	5.25	3.50	2.75	5.50	35.00
	<b>Total Managerial Remuneration</b>								1946.43
	Overall Ceiling as per the Act	11% of the net profit of the Company for all the Directors including MD/WTD							

### C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager/Other Directors :

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68.48	33.85	102.33
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.44	0.15	0.59
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	68.92	34.00	102.92

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

There were no penalties, punishment or compounding of offences against the Company or against any of its Directors or Officers in default, during the year ended 31<sup>st</sup> March, 2018.

**ANNEXURE - III**

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 : -

**A) CONSERVATION OF ENERGY :**

- i) The steps taken or impact on conservation of energy:
  - (a) Electrical Energy:
    - Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
    - Improving power factor by optimum choice of power factor improvement capacitors.
    - Monitoring the overall energy consumption, by reducing losses and improvement of efficiency of all Class A utilities.
  - (b) Fuel Oil Consumption:
    - The Company is carrying out at all its plants, regular maintenance of steam lines/steam traps and user equipments to ensure high efficiency levels throughout the year. The new improvements are reviewed regularly and implemented wherever found suitable.
- ii) The steps taken by the Company for utilizing alternate sources of energy :
  - The Company has taken various initiatives for utilizing alternate energy efficient sources like Tubelight with LED and high efficiency motor.
- iii) The Capital investment on energy conservation equipments :
  - The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments.

**B) TECHNOLOGY ABSORPTION:**

- i) Efforts made in technology absorption :
  - a) The Company has an in-house Research and Development Department (R & D) which carries out activities such as product and quality improvement, development of new designs, new products, cost control and energy conservation.
  - b) The Company has been developing in-house modifications / improvements in process technology in its various manufacturing sections which, when found suitable, are integrated into the regular manufacturing operation.
- ii) The benefits derived as a result of the above :
  - (a) Quality improvement
  - (b) Energy Conservation
  - (c) The R & D activities have resulted into development of new designs and Products.
- iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) : Not Applicable.
- iv) Expenditure incurred on R & D.
  - a) Capital – ₹ Nil
  - b) Recurring – ₹ 334.07 Lakhs

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO: (₹ in Lakhs)**

- a) Foreign Exchange Used - ₹ 1256.11
- b) Foreign Exchange Earned - ₹ 15306.30

For and on behalf of Board of Directors

**Ramesh D. Poddar**  
Chairman and Managing Director  
DIN- 00090104

Place: Mumbai  
Date: 29<sup>th</sup> May, 2018.

**REPORT ON CSR ACTIVITIES/ INITIATIVES**

[Pursuant to Section 135 of the Act & Rules made thereunder]

**1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs:**

The CSR Policy of the Company was approved by the Board of Directors at its Meeting held on 12th November, 2014. A gist of the Policy and the projects and programs that the Company can undertake under the CSR Policy is mentioned below :-

We at Siyaram have a vision to become an active partner in the Social Development of the Community and to protect and maintain the environment so as to ensure that the Next Generation gets sufficient education opportunities, proper healthcare facilities and to enjoy a clean and green environment. In order to meet its vision Siyaram will carry out CSR Activity as under:-

- Promotion of education to the needy children.
- Promoting healthcare including preventive healthcare.
- To improve Sanitation and develop Infrastructure facilities.
- To reduce Social and Economic Inequalities.
- To protect our environment.
- Any other activity as enumerated in Schedule VII of the Companies Act, 2013 and amended from time to time and approved by the CSR Committee.

The funding and monitoring of the implementation of the CSR activities is being done internally by the Company.

The CSR Policy is posted on the website of the Company at the link <http://www.siyaram.com/wp-content/uploads/2015/09/CSR-Policy-SSML.pdf>.

**2. The composition of the CSR Committee:**

Shri. Ramesh Poddar – Chairman

Shri. Pawan Poddar – Member

Shri. Harish Motiwalla – Member

**3. Average Net Profit of the company for last 3 financial years** : ₹ 12741.35 Lakhs

**4. Prescribed CSR expenditure (2% of amount)** : ₹ 254.83 Lakhs

**5. Details of CSR activities/projects undertaken during the year:**

a) Total amount to be spent for the financial year : ₹ 254.83 Lakhs

b) Total amount spent during the year : ₹ 283.13 Lakhs

c) Amount un-spent, if any : Nil

d) Manner in which the amount spent during financial year, is detailed below:

1	2	3	4	5	6	7	8
Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/Programs 1. Local area/others- 2. specify the state /district (Name of the District/s, State/s where project/ program was undertaken	Amount outlay (budget) project/ program wise	Amount spent on the project / program Sub-heads: 1. Direct expenditure on project/ program, 2. Overheads:	Cumulative spend upto to the reporting period	Amount spent: Direct / through implementing agency*
1.	Promotion of Education	Education	(1)Fatehpur, Dist. Sikar, Rajasthan (2) Tarapur, Boisar. Dist -Palghar	₹ 82 Lakhs	₹ 81.44 Lakhs	₹ 81.44 Lakhs	Direct
2.	Public Services	Public Services.	Tarapur, Boisar, Dist- Palghar	₹ 8.81 Lakhs	₹ 8.79 Lakhs	₹ 8.79 Lakhs	Direct
3.	Promotion of Health Care	Health Care Activities	(1) Dadar, Mumbai (2) Amravati (3) Tarapur, Boisar, Dist - Palghar	₹ 202 Lakhs	₹ 192.90 Lakhs	₹ 192.90 Lakhs	Rotary Club of Bombay Queen City Foundation /Direct

6. In case, the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board Report.

The Company was required to spend ₹ 254.83 Lakhs during the current year for CSR activities however; the Company has spent ₹ 283.13 Lakhs during the year which is more than what was required.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Ramesh D. Poddar**

Chairman of CSR Committee/  
Chairman and Managing Director  
DIN- 00090104

**Pawan D. Poddar**

Joint Managing Director  
DIN- 00090521

Place : Mumbai.

Date : 29<sup>th</sup> May, 2018.

**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 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members/ Board of Directors,

Siyaram Silk Mills Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions of the Act, Rules and regulations as mentioned below and the adherence to good corporate practices by Siyaram Silk Mills Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2018, according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) 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;
- (5) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
  - i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable to the Company during the audit period.**
  - iv) 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;
  - v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the**

**Company since it has not bought back any securities during the audit period.**

I 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

During the period under review, the Company has complied with the provisions of the Act, old Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

I further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the Audit Period,

- a) the Company has approved –
  - Alteration in the Memorandum of Association and Articles of Association of the Company;
  - Sub-division of equity shares of the Company from face value of ₹ 10/- to ₹ 2/- [Record Date: 26th October, 2017].
- b) Cadini S.R.L., Italy, a Wholly Owned Subsidiary of the Company has been incorporated under the guidelines of the Chamber of Commerce, Italy on 4th August, 2017.

For J.H. Fatehchandka & Co.,  
Company Secretaries

Jugalkishore Fatehchandka  
Proprietor

Place: Mumbai  
Date: 29<sup>th</sup> May, 2018

FCS No. : 3392  
C P No.: 4942

## DISCLOSURE OF MANAGERIAL REMUNERATION

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the financial year 2017-18 and comparison of remuneration of each key managerial personnel (KMP) against the performance of the Company is as under :-

Sr. No.	Name of the Director / KMP	Designation	Remuneration of Directors / KMP for Financial year 2017-18 (₹ in lakhs)	% Increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees 2017-18	Comparison of the remuneration of the KMP against the performance of the Company
1	Shri Ramesh Poddar	Chairman and Managing Director	534.03	41.56	478.63	Remuneration of KMP's increased by 30.22%. Total Revenue increased by 9.98% and profit after tax increased by 23.08%.
2	Shri Pawan Poddar	Joint Managing Director	458.21	34.76	410.68	
3	Shri Shrikishan Poddar	Executive Director	437.96	31.84	392.53	
4	Smt. Ashadevi Poddar	Executive Director	64.82	38.77	58.10	
5	Shri Gaurav Poddar	President and Executive Director	318.77	8.64	285.70	
6	Shri Ashok Jalan	Sr. President cum Director	97.64	24.76	87.51	
7	Dr. Mangesh D Teli	Non Executive & Independent Director	4.75	73.82	4.28	
8	Shri Ashok N Garodia	Non Executive & Independent Director	3.00	140.00	2.69	
9	Shri Dilip H. Shinde	Non Executive & Independent Director	5.25	110.00	4.71	
10	Shri Pramod S. Jalan	Non Executive & Independent Director	3.50	133.33	3.14	
11	Shri Harish N. Motiwalla	Non Executive & Independent Director	10.25	173.33	9.19	
12	Shri Tarun Kumar Govil	Non Executive & Independent Director	5.50	450.00	4.93	
13	Shri Shailesh Vaidya	Non Executive & Independent Director	2.75	450.00	2.46	
14	Shri Surendra Shetty	Chief Financial Officer	68.92	7.40	61.77	
15	Shri William Fernandes	Company Secretary	34.00	13.98	30.47	

- ii) The median remuneration of employees of the Company during the financial year was ₹ 1.12 lakhs;
- iii) In the financial year, there was an increase of 29.74% in the median remuneration of the employee.
- iv) There were 6222 permanent employee on the rolls of the Company as on 31st March, 2018.
- v) Relationship between average increase in remuneration and Company performance: Total Revenue increased by 9.98%, Profit after Tax increased by 23.08% for the financial year 31st March, 2018 where as average increase in median remuneration was in line with the performance of the Company.
- vi) Total Remuneration of Key Managerial Personnel was increase by around 30.22% in F.Y. 2017-18, whereas total Revenue increased by 9.98% Profit after tax increased by 23.08%.
- Variation in Market Capitalisation of the Company: The market Capitalisation as on 31st March, 2018 was ₹ 2,851.34 Crore ( ₹ 1,591 Crore as on 31st March, 2017).
  - Price earnings ratio of the Company was ₹ 25.55 as at 31st March, 2018 and was ₹ 17.48 as on 31st March, 2017.
  - The Company has not made any public offer in the recent past and accordingly, comparison of Public offer price and the current market price of the Company's shares will not be relevant.
- vii) Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year was 9.19% whereas increase in managerial remuneration for the same financial year was 30.22%.
- viii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendation for the Nomination and Remuneration committee as per the Remuneration Policy for Director, Key Managerial Personnel and other Employees.
- ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year not applicable and
- x) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**BUSINESS RESPONSIBILITY REPORT**

Securities Exchange Board of India (SEBI) vide Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") mandated top 500 listed companies of India by market capitalization to publish a Business Responsibility Report (BRR) based on National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business.

Siyaram Silk Mills Limited (the Company) established in the year 1978, with business interests in Textile & Apparel sectors is pleased to present its first BRR for the financial year 2017-18.

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. **Corporate Identity Number (CIN) of the Company** : L17116MH1978PLC020451
2. **Name of the Company** : Siyaram Silk Mills Limited
3. **Registered address** : H-3/2, MIDC, A- Road, Tarapur, Boisar,  
Dist. Palghar – 401 506, Maharashtra
4. **Website** : www.siyaram.com
5. **Email ID** : sharedept@siyaram.com
6. **Financial Year reported** : 2017-18
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)** : Textile – NIC Code: 131
8. **List three key products /services that the Company manufactures/ provides(as in balance sheet):**
  - (a) Fabrics
  - (b) Readymade Garments.
  - (c) Dyed Yarn.
9. **Total number of locations where business activity is undertaken by the Company:**
  - (a) No. of International Locations - 1( Subsidiary)
  - (b) No. of National Locations - All Over India
10. **Markets served by the Company** : National and International.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1. **Paid up Capital(INR)** : ₹ 9.37 Crores
2. **Total Turnover(INR)** : ₹ 1732.76 Crores
3. **Total profit after taxes(INR)** : ₹ 111.35 Crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:**

The Company's total spending on CSR activities for the year ended 31st March, 2018 was ₹ 2.83 Crores, which was more than 2% of the average net profit of the Company for the last 3 financial years.

5. **List of activities in which expenditure in 4 above has been incurred:**

Sr. No.	Category of CSR activity	Amount (₹ in crores)
1.	Health Care Services	1.93
2.	Education	0.81
3.	Public Services	0.09
	<b>Total</b>	<b>2.83</b>

## SECTION C: OTHER DETAILS

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

As on 31st March, 2018 the Company has 1(one) foreign subsidiary by the name CADINI S.R.L.

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

The Subsidiary is a separate entity and hence it will follow BR Initiatives as per the rules and regulations applicable to it.

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

No. Other entities do not participate in the BR initiatives of the Company.

## SECTION D: BR INFORMATION

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

#### (a) Details of the Director/Director responsible for implementation of the BR policy/policies

Sr. No.	Name	DIN	Designation
1.	Shri. Ashok Jalan	00456869	Sr. President cum Director

#### (b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN	00456869
2.	Name	Shri. Ashok Jalan
3.	Designation	Sr. President cum Director
4.	Telephone No.	022 -3040 0500
5.	Email ID	sharedept@siyaram.com

### 2. Principle-wise (as per NVGs) BR Policy/policies

#### (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics*	Product Life Cycle Sustainability*	Employee Well-being*	Stakeholder Engagement*	Human-Rights*	Environment*	Policy Advocacy*	Community Development*	Customer Value*
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/International standards? If yes, specify?(50 words)	The Policies conform to the principles of National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business.								
4	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the Implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	On the website of the Company viz. www.siyaram.com under Investor Relations.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to Implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y

9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ Evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\*Revisited and revised regularly

(b) If answer to the question at Serial Number 1 against any principle, is 'No', please explain why:(Tick upto 2 options):

Not Applicable

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of the Company will be assessed annually by the Management.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company will publish BRR on an annual basis. This report is available on the website of the Company viz. [www.siyaram.com](http://www.siyaram.com)

## SECTION E – PRINCIPLE-WISE PERFORMANCE

### Principle 1 (P1) : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors / NGOs/ others?

The Policy relating to ethics, bribery and corruption covers Siyaram Silk Mills Limited and its employees. Siyaram considers Corporate Governance as an integral part of effective management. As a result, the Company has adopted a Code of Business Conduct and Ethics ('the Code') which covers the Company and is also applicable to its Board of Directors and all Employees of the Company. The members of the Board of Directors and the members of the Senior Management of the Company are required to affirm annually compliance of this Code. The Code is available on the Company's website at the link <http://www.siyaram.com/wp-content/uploads/2015/09/SSML-CODE-OF-CONDUCT-Directors-Sr.Mgt-Revised.pdf>.

This Code requires the Directors and employees of the Company to act honestly, fairly, ethically and with integrity. This Code helps the Directors and employees to conduct themselves in professional, courteous and respectful manner and also to ensure that their independent judgment is not subordinated.

The Corporate Governance framework is further supported by a Vigil Mechanism Policy which serves as a mechanism for its directors and employees to report any genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal, and hence to help ensure the Company continues to uphold its high standards.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so.

The Company's stakeholders include our investors, clients, employees, vendors/partners and local communities. The Company endeavors to resolve the complaints received from the stakeholders. The details of investors complaints received and resolved during the past financial year are given in the Corporate Governance Report.

### Principle 2 (P2) : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company manufactures products which by their nature are environment friendly. The Company understands its obligations relating to social and environmental concerns, risks and opportunities. The Company ensures fulfillment of compliance obligations that relate to its products, environmental aspects and occupational health and safety.

The three products are:

- i. Fabrics
- ii. Readymade Garments.
- iii. Dyed Yarn.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

The Company is committed to environmental sustainability. The Company works towards reduction and optimal utilization of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas.

As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at each product level.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company on continuous basis takes several measures to conserve the consumption of energy and water. The Company is committed to reduction of waste, conservation of raw material and pursuing zero pollution through various initiatives, technological upgradation and improvement projects.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavours to focus on protection of environment, stakeholders interest and cost effectiveness while procuring any raw material or goods. The main raw materials wool, polyester fibre and viscose are procured from manufacturers/ producers who are well reputed keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation and optimization of logistics which in turn help to mitigate the impact on climate.

4. Has the company taken any steps to procure goods and services from local small producers, including communities surrounding their place of work? Yes

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company encourages local procurement of goods and services around its plants proximity and region. Several community development and training initiatives are regularly conducted by the Individual plant's HR team in order to educate the local vendors, improve their capability and enhance their skills and raise their scope for employment and their standard of living.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).Also, provide details thereof, in about 50 words or so.

The Company endeavours to manage the environmental impacts of organizational activities, products and services. The percentage of recycling of products and waste falls in the range of less than 5%.

### Principle 3 (P3) : Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees. – 8821
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis – 2599
3. Please indicate the Number of permanent women employees. – 650
4. Please indicate the Number of permanent employees with disabilities. – 5
5. Do you have an employee association that is recognized by management? – Yes
6. What percentage of your permanent employees is members of this recognized employee association? 0.96%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: NIL

Category	No. of Complaints filed during the Financial Year	No. of Complaints pending as on end of the Financial Year
Child labour/forced labour /involuntary labour	NIL	N.A.
Sexual Harassment	NIL	N.A.
Discriminatory Employment	NIL	N.A.

8. What percentage of your under mentioned employees were given safety & skillup –gradation training in the last year?

(a) Permanent Employees	–	62.73%
(b) Permanent Women Employees	–	70.02%
(c) Casual/Temporary/Contractual Employees	–	61.54%
(d) Employees with Disabilities	–	100%

**Principle 4 (P4) : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its key internal as well as external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalize stakeholders?

The Company is committed to the welfare of marginalized and vulnerable sections of the society. The Company engages with its stakeholders on an ongoing basis. The Company has also identified specific areas like educating and training underprivileged/vulnerable stakeholders which help them to improve their standard of living.

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

The Company has various initiatives along the lines of providing assistance to needy and poor students sponsoring their fees and Boarding and lodging expenses.

The Company has also contributed to the construction of 2 floors for use as accommodation by cancer patients and their family during treatment. The Company also provides medical assistance and conducts free medical check-up for needy and poor people through NGO's.

**Principle 5 (P5) : Businesses should respect and promote Human Rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group / JointVentures/ Suppliers/ Contractors/ NGOs/ Others?

The Company remains committed to respect and protect human rights. The Company's Code of Business Conduct & Ethics and the human resource practices cover most of the aspects. The Company does not hire child labour, forced labour or involuntary labour.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints relating to human rights were received in the past financial year.

**Principle 6 (P6) : Business should respect, protect and make efforts to restore the environment**

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

Yes, the Company's policy is extended to the entire group and their subsidiaries follow and adopt the practices/policies of the Company. The Company ensures that it implemented at all these levels.

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

No, the Company has limited global operations.

In line with the Company's commitment towards conservation of energy, all its units continue with their efforts to reduce wastage, optimize consumption and also to improve energy efficiency through innovative measures.

3. Does the Company identify and assess potential environmental risks ?Y/N  
Yes, the Company has a mechanism to identify and assess risks including environmental risks.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also ,if Yes, whether any environmental compliance report is filed?  
Yes. The Company is a member of Tarapur Environment Protection Society, through which it has contributed to the setting up of a Common Effluent Treatment Plant in Tarapur for treatment of effluents.
5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for webpage etc.  
The Company has taken various initiatives in energy efficiency like replacement of Tubelight with LED and high efficiency motor.
6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB /SPCB for the financial year being reported?  
Yes, the emissions /waste generated by the Company is within the permissible limits given by MPCB/ GPCB.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
During the Financial Year 2017-18, there were no unresolved show cause/ legal notices received from MPCB / GPCB.

**Principle 7 (P7) : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - a. Bombay Chamber of Commerce and Industry.
  - b. Confederation of Indian Industries.
  - c. Federation of Textile Manufacturers Association.
  - d. Federation of Indian Export Organisation.
  - e. Chamber of Textile Trade and Industry.
  - f. Clothing Manufacturers Association of India.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
Yes, the Company has been raising various issues like tariff hike, policy for Textile Industry, energy issues etc. through the above mentioned associations.

**Principle 8 (P8) : Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  
The Company has a well-defined CSR policy which is in line with the Companies Act, 2013. The Company has taken various CSR initiatives for the support and development of society. The report on the CSR projects carried by the Company is annexed to the Board's Report.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?  
The Company has undertaken various CSR projects directly as well as through NGOs / external agencies. All the projects are monitored by various specific team constituted by the Company.

3. Have you done any impact assessment of your initiative?

A report on each project is taken from NGO's/ Trusts which is reviewed by the internal team from time to time as well as the CSR Committee. The CSR Committee monitor the implementation of the projects undertaken.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent ₹ 2.83 crore on the CSR Activities during the financial year 2017-18. The amount was spent on areas as mentioned in Annexure IV to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The Company has a dedicated team of employees to drive and monitor the CSR activities.

Also various activities such as monthly reports, follow-up field visits, telephonic and email communications are carried out by the Company on regular basis.

**Principle 9 (P9) : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

As on the end of the financial year, there was negligible percentage of unresolved complaints.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes, the Company displays product information on the products label as required by law.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No case have been filed against the Company for unfair trade practices, irresponsible advertising and anti-competitive behaviour for the past five years.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

Yes, Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction levels and consumer's trends. The Company also request the customer to put their complaints and / or suggestions in the complaint box kept at various retail outlets / stores to enable the Company to provide better service to them.

## CORPORATE GOVERNANCE REPORT

[As required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI (LODR) Regulations, 2015")]

### I. Company's Philosophy

Siyaram's philosophy on corporate governance is to attain the highest level of transparency, accountability and equity in all facets of its operations with the objective to enhance the long term shareholders' value, while at the same time protect the interest of other stakeholders. The Company believes that proper Corporate Governance facilitates effective management and control of business. The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

The Company endeavors to adopt best practices of Corporate Governance and adherence of the same in a spirit which goes beyond mere regulatory compliance. The Company has a strong legacy of fair, transparent and ethical governance practices.

### II. Board of Directors

#### Composition:

The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. As on 31st March, 2018, the Board comprises of 13(thirteen) Directors, out of which 6(six) are Executive and Non Independent Directors and 7(seven) are Non-Executive and Independent Directors. The Chairman is an Executive Director as well as a Promoter of the Company.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Chairmanship/ Memberships held by them as on 31st March, 2018 are given below:

Name of Directors	Category of Directors	Attendance		Directorship in other Public Companies*	Committee Positions**	
		Board	Last AGM		Chairman	Member
Shri. Ramesh D. Poddar DIN: 00090104	Chairman and Managing Director – Promoter	5	Yes	-	-	1
Shri. Pawan D. Poddar DIN: 00090521	Joint Managing Director – Promoter	5	Yes	-	-	1
Shri. Shrikishan D. Poddar DIN: 00160323	Executive Director-Promoter	4	Yes	-	-	-
Prof. (Dr.) Mangesh. D. Teli DIN: 00218899	Non-Executive & Independent Director	5	No	-	-	1
Shri. Shailesh S. Vaidya DIN: 00002273	Non-Executive & Independent Director	4	No	3	-	-
Shri. Ashok M. Jalan DIN: 00456869	Senior President cum Director	5	Yes	-	-	-
Shri. Ashok N. Garodia DIN: 00206017	Non-Executive & Independent Director	5	Yes	-	-	-
Shri. Dileep H. Shinde DIN: 00270687	Non-Executive & Independent Director	5	No	-	1	1
Shri. Pramod S. Jalan DIN:00215144	Non-Executive & Independent Director	5	No	-	-	-
Shri. Harish N. Motiwalla DIN: 00029835	Non-Executive & Independent Director	5	Yes	8	5	4
Shri. Gaurav P. Poddar DIN: 03230539	President and Executive Director-Promoter	5	Yes	-	-	-
Shri. Tarun Kumar Govil DIN: 06924673	Non-Executive & Independent Director	5	No	1	1	1
Smt. Ashadevi R. Poddar DIN: 00169841	Executive Director-Promoter	5	No	-	-	-

\* The Directorship held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under section 25 of the Companies Act, 1956/section 8 of the Companies Act, 2013 and private limited Companies.

\*\* Memberships/ Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all public limited companies have been considered.

#### Notes:

1. Shri. Ramesh D. Poddar, Smt. Ashadevi R. Poddar, Shri. Pawan D. Poddar, Shri. Shrikishan D. Poddar and Shri. Gaurav P. Poddar are related to each other. None of the other Directors are related to any other Director on the Board.
2. Except Shri Harish Motiwalla who holds 100 Equity Shares of the Company, no other Non-Executive / Independent Director holds any shares or convertible instruments of the Company.

**Board Meetings:**

During the year, 5(five) Board Meetings were held on 27th May, 2017, 26th July, 2017, 11th November, 2017, 27th November, 2017 and 29th January, 2018. The Annual General Meeting was held on 9th September, 2017.

**Board procedures:**

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Schedule II Part A of SEBI (LODR) Regulations, 2015, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director(s)/Executive Director(s), at the Board Meetings, keep the Board apprised of the overall performance of the Company.

**III. Audit Committee**

**Terms of Reference:**

The scope of activities of the Audit Committee is as set out in Schedule II Part C of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. These broadly include review of reports of the Internal Auditors and to discuss the same with them periodically, to meet Statutory Auditors to discuss their findings/ suggestions, to review weaknesses in internal controls reported by Internal and Statutory Auditors, to review financial reporting systems and internal control systems, to review quarterly/half yearly/annual financial results and other matters.

**Audit Committee Composition:**

The Audit Committee consists wholly of Independent Directors having requisite knowledge of Finance, Accounts and Company Law. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18(1) of SEBI (LODR) Regulations, 2015. The Company Secretary, Shri. William V. Fernandes acts as the Secretary of the Committee. The Chairman of the Committee was present at the last Annual General Meeting.

**Audit Committee Meetings:**

During the year under review, the Committee met 5 (five) times on 27th May, 2017, 26th July, 2017, 11th November, 2017, 27th November, 2017 and 29th January, 2018.

**Name of the Committee Members along with their attendance is given below:**

Name of the Member	Designation	No. of meeting attended
Shri. Harish N. Motiwalla	Chairman	5
Prof. (Dr.) Mangesh. D. Teli	Member	5
Shri. Dileep H. Shinde	Member	5

**IV. Nomination and Remuneration Committee:**

**Terms of Reference:**

Terms of reference of the Committee, includes considering the matters relating to the Company's Policies on remuneration payable and determining the package to the Managing Directors, Executive Directors and Whole-time Directors, commission to be paid to the Directors and other matters specified in section 178 of the Companies Act, 2013 and as set out in part D of Schedule II of SEBI (LODR) Regulations, 2015.

**Nomination and Remuneration Committee Composition:**

The Committee consists wholly of Non Executive and Independent Directors. The Chairman of the Committee is an Independent Director.

**Meetings:**

During the year the Committee met 2 (two) times on 27th May, 2017 and 27th November, 2017.

**Name of the Committee Members along with their attendance is given below:**

Name of the Member	Designation	No. of meeting attended
Shri. Harish N. Motiwalla	Chairman	2
Prof. (Dr.) Mangesh. D. Teli	Member	2
Shri. Pramod S. Jalan	Member	2

**Remuneration Policy:**

The Company follows a policy on remuneration of Directors and Senior Management Employees as enumerated below:

**Remuneration of Non Executive Directors**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and commission, if any, after approval of the members.

## Remuneration of Managing Directors/ Whole Time Directors.

- At the time of appointment or re-appointment of the Managing Director(s)/ Whole Time Director(s), such remuneration shall be paid as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing Director(s)/ Whole Time Director(s) within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Director(s) & CEO/ Whole Time Director(s) is broadly divided into salary, allowances, perquisites, amenities, retirement benefits and commission (subject to availability of profits).
- In determining the remuneration the Nomination and Remuneration Committee shall ensure/ consider the following :-
  - The relationship of remuneration and performance benchmark is clear.
  - Responsibility required to be shouldered by the Managing Director(s)/ Whole Time Director(s), the industry benchmarks and the current trends.
  - The Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/KPIs.

## Remuneration of Senior Management Employees:

- In determining the remuneration of the Senior Management employees i.e. KMPs, the Nomination and Remuneration Committee shall ensure/ consider the following :
  - The relationship of remuneration and performance benchmark is clear.
  - The remuneration including annual increment is decided based on the criticality of the roles and responsibilities the Company's performance vis-à-vis the annual budget achievement, individual performance vis-à-vis KRAs/ KPIs industry benchmark and current compensation trends in the market.

## Details of Directors' Remuneration \* for the year 2017-18 are given below:-

(₹ in Lakhs)

Name of Director	Salary & Other Perquisites	Sitting Fees	Commission	Total Remuneration
Shri. Ramesh D Poddar	264.03	Nil	270.00	534.03
Shri. Pawan D Poddar	218.21	Nil	240.00	458.21
Shri Shrikishan D Poddar	245.96	Nil	192.00	437.96
Prof.(Dr.) Mangesh. D. Teli	Nil	3.25	1.50	4.75
Shri. Shailesh. S. Vaidya	Nil	1.25	1.50	2.75
Shri. Ashok M. Jalan	67.64	Nil	30.00	97.64
Shri. Ashok N. Garodia	Nil	1.50	1.50	3.00
Shri. Dileep H. Shinde	Nil	3.75	1.50	5.25
Shri. Pramod S. Jalan	Nil	2.00	1.50	3.50
Shri. Harish N. Motiwalla	Nil	4.25	6.00	10.25
Shri. Gaurav P. Poddar	162.77	Nil	156.00	318.77
Shri. Tarun Kumar Govil	Nil	1.50	4.00	5.50
Smt. Ashadevi R. Poddar	34.82	Nil	30.00	64.82
<b>Total</b>	<b>993.43</b>	<b>17.50</b>	<b>935.50</b>	<b>1946.43</b>

\* Remuneration includes Salary, Allowance, Commission, Perquisites, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Provision for Gratuity and Leave Salary.

### Pecuniary relationship or transaction

There were no other pecuniary relations or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors or Executive Directors.

### Service Contract, Notice Period and Severance Fees

The Managing Director(s)/Executive Director(s)/Whole-Time Director(s) are appointment for a period of 5(five) years with a notice period of 3(three) months from either party for resigning/ terminating the services of the Company. No severance fee has been paid or payable by the Company.

**V. Stakeholders Relationship Committee:**

**Terms of Reference:**

The Stakeholders Relationship Committee deals with all matters relating to Stakeholders/Investors Grievance and its redressal.

**Stakeholders Relationship Committee Meetings:**

During the year the Stakeholders Relationship Committee met 4 (four) on 27th May, 2017, 26th July, 2017, 11th November, 2017 and 29th January, 2018.

Name of the Committee Members along with their attendance is given below:-

Name of the Member	Designation	No. of meeting attended
Shri. Dileep H. Shinde	Chairman- Non-Executive & Independent Director	4
Shri. Ramesh D. Poddar	Member	4
Shri. Pawan D. Poddar	Member	4

**Stakeholders Grievance Redressal:**

During the year ended 31st March, 2018, 16 (Sixteen) Shareholders Complaints were received and 2 (Two) remained unresolved at the end of the year. For effective and efficient grievance management, the Company has dedicated E-mail ID. sharedept@siyaram.com.

The Company Secretary, Shri. William V. Fernandes, has been designated as Compliance Officer.

**VI. Corporate Social Responsibility Committee.**

**Terms of Reference**

The Committee is formed with the object:-

- To frame and review the CSR Policy and to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To implement and monitor the CSR activities undertaken by the Company.

**CSR Committee Composition, Meetings held and Attendance:**

**Composition:**

The CSR Committee is comprised of 3(three) directors including one Independent Director.

**Meetings:**

During the year the Committee met 4 (four) times on 27th May, 2017, 26th July, 2017, 11th November, 2017 and 29th January, 2018.

Name of the Committee Members along with their attendance is given below:

Name of the Member	Designation	No. of meeting attended
Shri Ramesh D. Poddar	Chairman	4
Shri. Pawan D. Poddar	Member	4
Shri. Harish N. Motiwalla	Member-Independent Director	4

**VII. Other Committees:**

**Share Transfer Committee:**

**Terms of Reference:**

The Share Transfer Committee deals with all matters relating to transfer of shares, issue of duplicate/ new shares, sub-divided and consolidated share certificates, demat / remat, etc.

The above said Committee has met 27 times during the financial year ended 31st March, 2018.

Name of the Committee Members along with their attendance is given below:

Name of the Member	Designation	No. of meeting attended
Shri Pawan D. Poddar	Chairman	27
Shri Ramesh D. Poddar	Member	22
Shri Shrikishan D. Poddar	Member	25
Shri Ashok M. Jalan	Member	27

## Finance Committee

### Terms of Reference:

The Finance Committee deals with matters relating to borrowing powers delegated by the Board and opening/ closing bank accounts and other banking matters.

### Finance Committee Meetings:

During the year the Committee met 3 (three) times on 29th June, 2017, 4th September, 2017 and 12th October, 2017.

Name of the Committee Members along with their attendance is given below:

Name of the Member	Designation	No. of meeting attended
Shri. Ramesh D. Poddar	Chairman	3
Shri. Pawan D. Poddar	Member	3
Shri. Shrikishan D. Poddar	Member	3
Shri. Ashok M. Jalan	Member	3

## VIII. Information on Annual General Meeting:

Financial Year	Date	Time	Venue
2014-2015	18th July, 2015	11.00 a.m.	Plot No.G-4/1(A),MIDC, Tarapur, Boisar, Dist.Palghar-401506.
2015-2016	10th September,2016	11.00 a.m.	Plot No.G-4/1(A),MIDC, Tarapur, Boisar, Dist.Palghar-401506.
2016-2017	9th September, 2017	11.00 a.m.	Plot No.G-4/1(A),MIDC, Tarapur, Boisar, Dist.Palghar-401506.

No Extra-ordinary General Meeting was held in the last 3 financial years.

### Details of Special Resolutions passed at the last three A.G.Ms/ by Postal Ballot:

**2014-2015:** Authority to the Board to enter into related party transactions with M/s. Balkrishna Synthetics Ltd. upto a limit of ₹ 75 crores for the F. Y. 2015-16.

**2015-2016:** Re-appointment and remuneration of Shri Pawan D. Poddar as Joint Managing Director for a further period of 5 years w.e.f. 1st August, 2016.

Authority to the Board/ Committee to Borrow money in excess of the aggregate of the paid up share capital of the Company and its free reserves provided that the total amount so borrowed shall not exceed the limit of ₹ 1000 crores.

Authority to the Board/ Committee to create charges, mortgages and hypothecations upto a limit of ₹ 1000 crores.

**2016-2017:** Amendment in Clause V (a) of the Memorandum of Association and Article 4 of the Articles of Association of the Company.

**No Special Resolution was passed in the last year through Postal Ballot.**

## IX. Means of Communication:

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual results and announces forthwith results to all the Stock Exchanges, where the shares are listed. The same are published in one English daily newspaper and one Marathi newspaper (Mumbai edition) and displayed on the Company's website- [www.siyaram.com](http://www.siyaram.com).

**X. General Shareholder Information:**

1.	<b>Annual General Meeting :</b> Day/ Date: Time : Venue:	Tuesday, 14th August, 2018 11.00 a.m. Plot No.G-4/1(A), MIDC, Tarapur, Boisar, Dist. Palghar – 401 506, Maharashtra
2.	<b>Financial Calendar (Tentative)</b>	
	Financial Year of the Company	1st April, 2018 to 31st March, 2019.
	Results for the Quarter ending: June 30, 2018 September 30, 2018 December 31, 2018 March 31, 2019	On or before 14th August, 2018. On or before 14th November, 2018 On or before 14th February, 2018 On or before 15th May, 2019 (Unaudited) Or on or before 30th May, 2019 (Audited).
3.	<b>Date of Book Closure:</b>	Tuesday, 31st July, 2018 to Friday, 3rd August, 2018 (both days inclusive).
4.	<b>Dividend</b>	Final Dividend if declared will be paid on or after 18th August, 2018.
5.	<b>Listing of Equity Shares on the Stock Exchanges:</b>	1. BSE Ltd. P. J. Towers Dalal Street, Fort, Mumbai 400 001 2. National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Listing Fees as applicable have been paid.

**6. Stock Code/Symbol:**

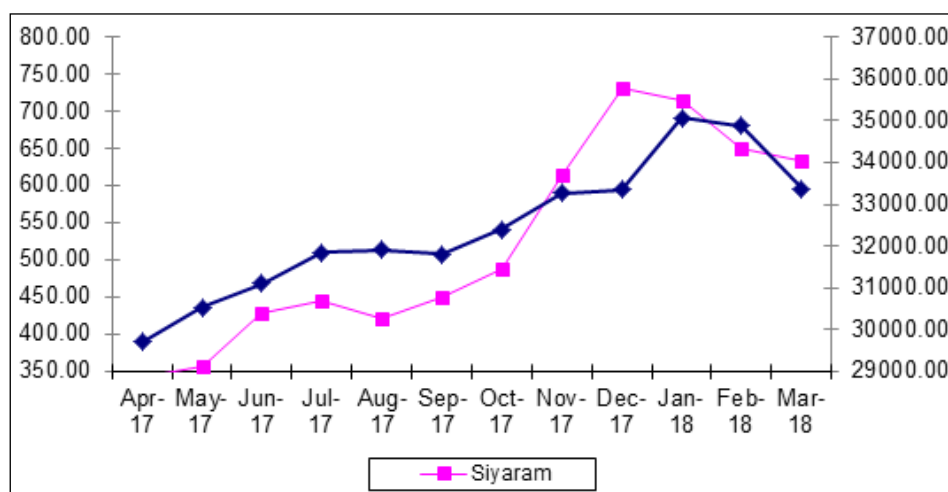
<b>(a) Stock Exchange</b>	<b>Stock Code/ Symbol</b>
1. Bombay Stock Exchange Ltd.	503811
2. National Stock Exchange of India Ltd.	SIYSIL
<b>(b) Demat ISIN Number in NSDL &amp; CDSL for Equity Shares</b>	INE 076B01028

**7. Stock Market Price Data:**

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-2017	1774.00	1656.75	1775.00	1666.65
May-2017	1910.70	1664.00	1913.00	1658.00
June-2017	2364.00	1915.00	2375.00	1899.95
July-2017	2499.00	1955.30	2500.00	1956.55
Aug-2017	2311.00	1895.45	2299.95	1882.00
Sep-2017	2395.00	2101.00	2420.00	2085.50
Oct-2017*	2850.00	562.00	2799.90	562.30
Nov-2017	680.00	550.00	681.20	545.00
Dec-2017	799.00	665.00	782.05	661.20
Jan-2018	784.95	645.00	790.00	644.15
Feb-2018	712.30	588.40	698.80	575.00
Mar-2018	673.00	595.00	659.00	593.35

**Note:** During the year the Equity Shares of the Company were sub-divided from the face value of ₹ 10/- each fully paid-up into 5 Equity Shares of ₹ 2/- each fully paid-up. (Record date 26th October, 2017).

8. Performance of Siyaram Silk Mills Limited share price in comparison to BSE Sensex.



9. Registrar and Transfer Agents:

Name & Address: TSR Darashaw Ltd., 6-10, 1 <sup>st</sup> Floor, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011	Telephone No. : 91 (022) 66568484 Fax No. : 91 (022) 66568494 E-mail : csg-unit@tsrdarashaw.com Website : www.tsrdarashaw.com
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10. Share Transfer System:

The shares received for transfers duly completed in all respect in physical form are registered and dispatched normally within three weeks. Demat confirmations are normally sent within two weeks. All transfer requests received are processed and approved by the Shareholders'/ Investors' Grievance Committee.

11. Distribution of Shareholding as on 31<sup>st</sup> March, 2018.

Sr. No.	No of shares	Holding	Amount (₹)	% to Capital	No of Holders	%to Total Holders
1	1 to 500	1497249	2994498	3.19	9809	72.42
2	501 to 1000	1288968	2577936	2.75	1772	13.08
3	1001 to 2000	1463155	2926310	3.12	1053	7.77
4	2001 to 3000	914588	1829176	1.95	369	2.72
5	3001 to 4000	644560	1289120	1.38	183	1.35
6	4001 to 5000	385412	770824	0.82	84	0.62
7	5001 to 10000	949322	1898644	2.03	131	0.98
8	10001 and above	39726826	79453652	84.76	143	1.06
	<b>TOTAL</b>	<b>46870080</b>	<b>93740160</b>	<b>100.00</b>	<b>13544</b>	<b>100.00</b>

12. Shareholding pattern as on 31<sup>st</sup> March, 2018.

Sr. No.	Category	No of shares held	Percentage of Shareholding
1.	Promoters	31434515	67.07
2.	Banks/Financial Institutions	11717	0.03
3.	FII/OCBs/Foreign Companies	770336	1.64
4.	Private Corporate Bodies	1562026	3.33
5.	Mutual Funds/UTI/Insurance Cos/ Trust	3994313	8.52
6.	Non Residents Individuals	139408	0.30
7.	IEPF Account	248085	0.53
8.	Indian Public	8709680	18.58
	<b>Grand Total</b>	<b>46870080</b>	<b>100.00</b>

**13. Dematerialization of shares and liquidity:**

97.59% of the Company's paid up Equity Share Capital is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL) as on 31st March, 2018.

**14. Outstanding GDRs / ADRs / Warrants or any Convertible instruments:**

As of date the Company has not issued these types of securities.

**15. Plant Locations:**

<b>Weaving</b>	H-3/2, MIDC, A- Road, Tarapur, Boisar, Dist. Palghar – 401 506. Maharashtra D- 23/1, MIDC, Tarapur, Boisar, Dist. Palghar – 401 506. Maharashtra E/125, MIDC, Tarapur, Boisar, Dist. Palghar – 401 506. Maharashtra Survey No.367, P.O. Saily, Silvassa (U.T.) -396 230. J-177,178, 193, G-81 & 82, MIDC, Tarapur, Boisar, Dist Palghar – 401506.
<b>Yarn</b>	G-1/1, MIDC, Tarapur, Boisar, Dist.Palghar-401506. Maharashtra.
<b>Readymade Garments</b>	481/1-2, Dabhel, Daman, Daman & Diu (U.T.)-396210. Plot No.722,Dabhel, Daman, Daman & Diu (U.T.)- 396210.
<b>Cutting and Packing</b>	G -4/1(A), MIDC, Tarapur, Boisar, Dist. Palghar – 401 506. Maharashtra. Bldg No. AD, Shree Rajlaxmi Commercial Complex, Kalher Village, Agra Road, Tal. Bhiwandi, Dist. Thane – 421 306. Maharashtra.
<b>Dyeing</b>	H 3/1, MIDC 'A' Raod, Tarapur, Boisar, Dist Palghar – 401 506. Maharashtra
<b>Indigo Yarn Dyeing</b>	Plot No. T-9, Addl. MIDC, Nandgaon Peth, Textile Part, Amravati- 444901, Maharashtra.

**16. Address for Correspondence:**

SIYARAM SILK MILLS LIMITED		REGISTRAR & SHARE TRANSFER AGENT
Registered Office H-3/2, MIDC, A - Road, Tarapur, Boisar, Dist: Palghar- 401 506, Maharashtra Tel: 7506794051 Fax : 02525 – 272475	Corporate Office B-5, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400 013 Tel: 022-3040 0500/501 Fax : 022- 30400599 Email : sharedept@siyaram.com	TSR Darashaw Ltd. 6-10, 1st Floor, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 Tel : 22-66568484, Fax : 022-66568494 E-mail : csg-unit@tsrdarashaw.com Website : www.tsrdarashaw.com

**XI. Other Disclosures:**

(1) Disclosures on materially significant related party transactions.

Necessary disclosures are made in Note No.40.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

(2) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(3) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

(4) The Company has a well defined Risk Management Policy covering identifying business risks of the Company and laying procedures for minimizing the risk.

(5) No money was raised by the Company through public issue, rights issue, preferential issues etc., in the last financial year.

(6) Vigil Mechanism/ Whistle Blower Policy.

The Company has in place a Whistle Blower Policy for Directors and Employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethical policy. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The protected disclosure should be made to the Chairman of the Audit Committee to the email ID: hnmotiwalla.ca@gmail.com.

**XII. The Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015.**

**XIII Non-Mandatory Requirements.**

The Company has complied with the following non-mandatory requirements of SEBI (LODR) Regulations, 2015.

- During the year under review, there is no audit qualification on the Company's Financial Statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.
- The Internal Auditor reports to the Audit Committee on a quarterly basis at Audit Committee meeting.

**XIV Disclosure of other Compliance.**

**1. Code of Conduct**

The code of conduct for the Directors and the Employees of the Company has been laid down by the Board and it is internally circulated and necessary declaration has been obtained. Declaration regarding compliance by Board Members and Senior Management with the said code is given in Annexure-A to this Report. In addition the Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 2015. The Code is applicable to all the Directors and Designated Employees. The Code also aims to prevent dealing in the shares by persons having access to unpublished price sensitive information.

**2. Subsidiary Companies:**

Cadini S.R.L., Italy, a Wholly Owned Subsidiary of the Company has been incorporated under the guidelines of the Chamber of Commerce, Italy on 4th August, 2017.

As required by SEBI (LODR) Regulations, 2015, the Minutes of the Shareholders Meetings, the Financial Statements and Investments made by the Subsidiary are placed before the Board/ Audit Committee of the Company for review. The other requirements of SEBI (LODR) Regulations, 2015 relating to subsidiary are complied with.

The Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at the following link <http://www.siyaram.com/wp-content/uploads/2016/11/SSML-Policy-for-determining-material-subsiidiaries.pdf>.

**3. The Management Discussions and Analysis Report forms part of the Annual Report.**

For and on behalf of the Board of Directors

**RAMESH D. PODDAR**

Chairman & Managing Director  
DIN 00090104

Place: Mumbai,  
Date: 29th May, 2018.

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**Annexure – A**  
**Declaration**

I, Ramesh D. Poddar, Chairman and Managing Director hereby declare that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2018.

For SIYARAM SILK MILLS LIMITED

**Ramesh D. Poddar**

Chairman and Managing Director  
DIN 00090104

Place: Mumbai  
Date: 29th May, 2018.

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD**

We, the undersigned certify that:

- (a) We have reviewed financial statements and cash flow statement for the year and that to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements give a true and fair view of the state of affairs of Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and report significant issues to the Audit Committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
- (d) We indicate to the Auditors and to the Audit Committee :
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - iii) instances of significant fraud of which we have become aware of and which involve management or other employees who have a significant role in the Company's internal control system over the financial reporting. However, during the year there were no such changes or instances.

For SIYARAM SILK MILLS LIMITED

**Ramesh D. Poddar**  
Chairman & Managing Director  
DIN 00090104

**Surendra S. Shetty**  
Chief Financial Officer

Place: Mumbai  
Date: 29th May, 2018.

## INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
Siyaram Silk Mills Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 15th September, 2017.
2. This report contains details of compliance of conditions of Corporate Governance by Siyaram Silk Mills Limited ('the Company') for the year ended 31st March, 2018, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

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

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

### **Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31st March, 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

### **Opinion**

8. In our opinion and best on the procedures performed by us and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### **Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**FOR SONGIRA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(FIRM REG. NO. 128085W)**

**DHARMENDRA S. SONGIRA**  
**PARTNER**  
**MEMBERSHIP NO. 113275**

**PLACE: MUMBAI**  
**DATE: 29TH MAY, 2018**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**Siyaram Silk Mills Limited**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Siyaram Silk Mills Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statement").

**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 including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

**Opinion**

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian accounting standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations on its financial position in its standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR SONGIRA & ASSOCIATES**  
**Chartered Accountants**  
**(Firm Reg. No. 128085W)**

**DHARMENDRA S. SONGIRA**  
**Partner**  
**Membership No. 113275**

**Place: Mumbai**  
**Date: 29th May, 2018**

## Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2018, we report that:

- (i) a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds/lease deeds of immovable properties (which are included under the Note 2 of the financial statements – 'Property, plant and equipments') are held in the name of the Company except for the immovable properties which were acquired by entities that have since been amalgamated with the Company.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured loans to a company covered in the register maintained under section 189 of the Act; and with respect to same;
- a) In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest,
- b) The schedule of repayment of principal and payment of interest has been stipulated and the repayment/ receipts of the principal amount and the interest are regular;
- c) There is no overdue amount in respect of loans granted to such company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans and advances given, investments made, guarantees and securities made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Goods and Service Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2018 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the dues in respect of Income Tax, Sales Tax, Duty of Customs, Excise Duty and Service Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

Name of Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act	Income Tax	1.26	2010-11	Assessing Authority of Income tax
Brihan Mumbai Mahanagar Palika	Property Tax	442.13	April 2010 to March 2018	Bombay High Court
Textile Committee Act	Cess	15.92	1998-2000	Bombay High Court
Central Excise And Service Tax Act	Excise Duty/ Service tax (Including Interest and Penalty)	96.83 695.45 4.87	1992-94 1998-00 2003-04	Assessing authority Assessing authority Assessing authority

- (viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans from bank/ government. Further as per the records of the Company, during the year there were no loans or borrowings from any financial institution or debenture holders.
- (ix) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained. Further as per the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**FOR SONGIRA & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 128085W)

**DHARMENDRA S. SONGIRA**  
Partner  
Membership No. 113275

Place: Mumbai  
Date: 29th May, 2018

**Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Siyaram Silk Mills Limited ('the Company'), as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR SONGIRA & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 128085W)  
**DHARMENDRA S. SONGIRA**  
Partner  
Membership No. 113275

**Place: Mumbai**  
**Date: 29th May, 2018**

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018**

(₹ In Lakhs)

	Note No.	As at March 31, 2018	As at March 31, 2017
<b>I ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Property, Plant and Equipment	2	41,804.85	38,167.19
b) Capital Work-in-Progress	3	9,250.70	3,605.08
c) Investment Properties	4	1,278.03	1,395.09
d) Goodwill	5	322.30	965.14
e) Other Intangible Assets	5	467.51	351.14
f) Investment in Subsidiary	6	757.10	-
g) Financial Assets			
i) Investments	6	2,500.00	-
ii) Loans	7	292.42	220.81
iii) Other Non- Current Financial Assets	8	3.06	2.53
h) Other Non Current Assets	9	3,051.52	3,166.11
<b>Total Non Current Assets</b>		<b>59,727.49</b>	<b>47,873.09</b>
<b>2) Current Assets</b>			
a) Inventories	10	43,015.71	31,557.26
b) Financial Assets			
i) Trade Receivables	11	42,176.89	30,454.88
ii) Cash and Cash Equivalents	12	2,204.35	399.96
iii) Bank Balance Other Than Cash & Cash Equivalents	13	78.21	63.19
iv) Loans	14	417.01	322.86
v) Other Current Financial Assets	15	17.11	20.38
c) Current Tax Assets (Net)	16	1,215.89	1,492.92
d) Other Current Assets	17	6,458.22	3,704.21
<b>Total Current Assets</b>		<b>95,583.39</b>	<b>68,015.66</b>
<b>TOTAL ASSETS</b>		<b>1,55,310.88</b>	<b>1,15,888.75</b>
<b>II EQUITY AND LIABILITIES :</b>			
<b>1) Equity</b>			
a) Equity Share Capital	18	937.40	937.40
b) Other Equity	19	66,925.03	58,723.40
<b>Total Equity</b>		<b>67,862.43</b>	<b>59,660.80</b>
<b>2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	20	13,449.60	6,388.80
ii) Other Financial Liabilities	21	4,024.71	3,782.23
b) Provisions	22	921.48	1,119.19
c) Deferred Tax Liabilities (Net)	16	1,523.30	1,976.41
d) Other Non-Current Liabilities	23	753.27	810.67
<b>Total Non Current Liabilities</b>		<b>20,672.36</b>	<b>14,077.30</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	24	41,426.69	20,349.65
ii) Trade Payables	25	18,106.11	14,016.39
iii) Other Financial Liabilities	26	2,641.71	3,866.78
b) Other Current Liabilities	27	4,284.40	3,624.20
c) Provisions	28	317.18	293.63
<b>Total Current Liabilities</b>		<b>66,776.09</b>	<b>42,150.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,55,310.88</b>	<b>1,15,888.75</b>

**SIGNIFICANT ACCOUNTING POLICIES**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **Songira & Associates**  
Chartered Accountants  
( Firm Registration No.128085W )

(**Dharmendra S. Songira**)  
Partner  
Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**  
Chairman & Managing Director  
DIN 00090104

**P.D.PODDAR**  
Joint Managing Director  
DIN 00090521

**S. S. SHETTY**  
Chief Financial Officer

**W.V. FERNANDES**  
Company Secretary

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ In Lakhs)

	Note No.	Current Year	Previous Year
<b>I Income</b>			
Revenue from Operations	29	1,73,275.58	1,57,393.34
Other Income	30	2,633.59	2,549.73
Total Income		<u>1,75,909.17</u>	<u>1,59,943.07</u>
<b>II Expenses:</b>			
a) Cost of Materials Consumed		69,224.70	58,101.28
b) Purchases of Stock-in-Trade		16,904.65	15,231.92
c) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(8,752.99)	527.80
d) Employee Benefits Expense	32	18,976.09	16,860.30
e) Finance Costs	33	3,421.80	3,169.82
f) Depreciation and Amortization Expense	34	6,054.72	5,454.56
g) Other Expenses	35	52,351.43	46,998.80
Total Expenses		<u>1,58,180.40</u>	<u>1,46,344.48</u>
<b>III Profit Before Exceptional Items and Tax</b>		<u>17,728.77</u>	<u>13,598.59</u>
<b>IV Exceptional Item</b>	48	601.54	-
<b>V Profit Before Tax</b>		<u>17,127.23</u>	<u>13,598.59</u>
<b>VI Tax Expense:</b>	16		
a) Current Tax		6,405.00	4,520.00
b) Deferred Tax		(440.24)	(22.78)
c) Income Tax Related to Earlier Years		3.08	-
		<u>5,967.84</u>	<u>4,497.22</u>
<b>VII Profit for the year</b>		<u>11,159.39</u>	<u>9,101.37</u>
<b>VIII Other Comprehensive Income</b>			
A. Item that will not be reclassified to Profit & Loss			
i) Remeasurement of defined benefit Plan	43	(37.20)	(83.21)
ii) Income Tax related to items no. (i) above		12.87	28.80
Other Comprehensive Income (OCI), net of tax expenses		<u>(24.33)</u>	<u>(54.41)</u>
<b>IX Total Comprehensive Income for the year</b>		<u>11,135.06</u>	<u>9,046.96</u>
<b>X Earning per equity share nominal value of Share ₹ 2 each</b>			
Basic & Diluted Earning Per Share in (₹)	36	23.81	19.42

**SIGNIFICANT ACCOUNTING POLICIES**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **Songira & Associates**  
Chartered Accountants  
( Firm Registration No.128085W )

**(Dharmendra S. Songira)**  
Partner  
Membership No. 113275

Mumbai, 29th May, 2018

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**P.D.PODDAR**  
Joint Managing Director  
DIN 00090521

**W.V. FERNANDES**  
Company Secretary

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ In Lakhs)

	Current Year	Previous Year
<b>A CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit Before exceptional Items and Tax as per Statement of Profit and loss	17,728.77	13,598.59
Adjustments for:		
Depreciation and Amortisation of Expenses	6,054.72	5,454.56
Foreign Exchange Gain (Net)	(25.76)	(85.98)
Profit on Sale of Fixed Assets (Net)	(308.06)	(199.73)
Loss on Sale of Current Investments	-	2.79
Interest Income	(1,546.61)	(1,387.54)
Apportioned Income from Government Grant	(153.57)	(79.03)
Finance cost	3,421.80	3,169.82
Provision for expected Credit Loss/doubtful debts	102.43	40.09
	<u>7,544.95</u>	<u>6,914.98</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>25,273.72</b>	<b>20,513.57</b>
Adjustments for:		
Trade and Other Receivables	(14,981.55)	5,966.72
Inventories	(11,458.45)	1,512.33
Trade and other Payables	4,468.41	(2,746.00)
Taxes paid (Net)	(6,131.05)	(4,951.91)
	<u>(28,102.64)</u>	<u>(218.86)</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(2,828.92)</b>	<b>20,294.71</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and Equipment/Intangible Assets	(14,585.62)	(8,647.12)
Investment in Subsidiary	(757.10)	-
Purchase of Non-Current Investment	(2,500.00)	-
Sale of Current Investment	-	44.77
Sale Proceeds of Property, Plant and Equipments	527.31	283.25
Interest Received	1,546.61	1,387.54
<b>NET CASH USED IN INVESTING ACTIVITIES.</b>	<b>(15,768.80)</b>	<b>(6,931.56)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	28,397.69	1,000.43
Repayment of Borrowings	(1,277.52)	(11,038.84)
Exchange rate difference	25.76	85.98
Finance cost	(3,825.41)	(3,473.49)
Dividend Paid	(2,422.23)	(29.11)
Tax on Dividend paid	(496.18)	-
<b>NET CASH GENERATED/ (USED) IN FINANCING ACTIVITIES</b>	<b>20,402.11</b>	<b>(13,455.03)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,804.39</b>	<b>(91.88)</b>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	399.96	491.84
CASH AND CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 12)	<b>2,204.35</b>	<b>399.96</b>

The accompanying notes are an integral part of the standalone financial statements.

- Notes : 1) The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flow.
- 2) Additions to property, plant, equipment and intangible assets include movement of capital work-in-progress and intangible assets under development respectively during the year.

As per our report of even date attached

For **Songira & Associates**  
Chartered Accountants  
( Firm Registration No.128085W )

**(Dharmendra S. Songira)**  
Partner  
Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**  
Chairman & Managing Director  
DIN 00090104

**S. S. SHETTY**  
Chief Financial Officer

**P.D.PODDAR**  
Joint Managing Director  
DIN 00090521

**W.V. FERNANDES**  
Company Secretary

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ In Lakhs)

**A EQUITY SHARE CAPITAL**

	Note No.	
As at April 1, 2016		937.40
Changes in Equity Share Capital during the year	18	-
As at March 31, 2017		937.40
Changes in Equity Share Capital during the year	18	-
<b>As at March 31, 2018</b>		<b>937.40</b>

**B OTHER EQUITY :**

Particulars	Capital Reserve	Share Premium Account	General Reserve	Retained Earnings	Total
<b>Balance as at April 1, 2016</b>	<b>70.18</b>	<b>799.61</b>	<b>46,500.00</b>	<b>2,306.65</b>	<b>49,676.44</b>
Total Comprehensive Income for the year	-	-	-	9,046.96	9,046.96
Transfer to General Reserve	-	-	6,000.00	(6,000.00)	-
<b>Balance as at 31st March, 2017</b>	<b>70.18</b>	<b>799.61</b>	<b>52,500.00</b>	<b>5,353.61</b>	<b>58,723.40</b>
Total Comprehensive Income for the year	-	-	-	11,135.06	11,135.06
Dividend for the year 2016-17	-	-	-	(1,406.11)	(1,406.11)
Interim Dividend for the year	-	-	-	(1,031.14)	(1,031.14)
Tax on Dividend/Interim Dividend	-	-	-	(496.18)	(496.18)
Transfer to General Reserve	-	-	7,500.00	(7,500.00)	-
<b>Balance as at March, 31, 2018</b>	<b>70.18</b>	<b>799.61</b>	<b>60,000.00</b>	<b>6,055.24</b>	<b>66,925.03</b>

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **Songira & Associates**

Chartered Accountants

( Firm Registration No.128085W )

(**Dharmendra S. Songira**)

Partner

Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**

Chairman & Managing Director  
DIN 00090104

**P.D.PODDAR**

Joint Managing Director  
DIN 00090521

**S. S. SHETTY**

Chief Financial Officer

**W.V. FERNANDES**

Company Secretary

**STANDALONE SIGNIFICANT ACCOUNTING POLICIES****A Basis of preparation****(i) Compliance with Ind AS**

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

**ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans – plan assets measured at fair value;

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**(iv) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**B Use of estimates and judgments**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and 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 Property, plant and equipment**

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence, regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Depreciation:**

- a) Depreciation is provided as per the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in case of Leasehold Land and assets at retail shops as stated in b & c below.
- b) Premium on leasehold land is amortized over the residual period of the lease and proportionate amount of premium written off is being charged to Statement of Profit & Loss.
- c) Cost of Furniture and Fixtures and Office Equipments of retail shops operated on lease basis is written off over the period of lease or within three years whichever is earlier.

**Asset Impairment:**

The Company reviews the carrying values of tangible assets for any possible impairment at each balance sheet date. Impairment loss, if any, is recognized in the year in which impairment takes place.

**D Intangible Assets:****Intangible Assets representing**

- a) Computer Software and Trade Mark are amortised using Straight Line method over a period of three years.
- b) Goodwill is amortized over a period of five years.

**E Investments Properties**

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

Depreciation on building is provided over its useful life using the straight line method.

Useful life considered for calculation of depreciation for assets class are as follows-

Non-Factory Building 60 years

**F Investment and other financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- 1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- 2) those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit & Loss are expensed in the Statement of Profit and Loss.

**(iii) Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

**G Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**H Valuation of Inventories**

Inventories are valued at lower of the cost and net realizable value. The cost is arrived at moving weighted average method and cost comprise all cost of purchasing, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

**I Revenue recognition**

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of Excise Duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes (VAT)/Goods and service Tax (GST). In case of Value added tax (VAT)/Goods and service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly it is excluded from the revenue.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

## **Sale of goods**

Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped onboard based on bill of lading.

## **Sales Return-**

The Company recognizes provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

## **Revenue from services**

Revenue from services is recognized in the accounting period in which the services are rendered.

## **Other operating revenue – Export incentives**

Export Incentives under various schemes are accounted in the year of export.

## **J Government grants and subsidies:**

- i. Grants and subsidies from the Government are recognized as and when received.
- ii. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.
- iii. Grants from the Government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- iv. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of related assets and presented within other income.

## **K Foreign Exchange Transaction:**

### **i. Functional and presentation currency**

The company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

### **ii Transactions and balances**

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation, differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

## **L Investment in Subsidiary**

Investment in subsidiary is carried at cost in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36.

## **M Borrowings**

Borrowings are initially recognized at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

## **N Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**O Tax Expenses:**

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity, in which case, the tax is also recognized in other comprehensive income or equity.

**- Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**- Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**P Leases:**

**Operating Lease as a lessee**

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as Lessee, are classified as operating leases. Payments made under operating leases are charged to the Statements of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

**As a Lessor**

Lease Income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipt are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**Q Provision, Contingent Liabilities and Contingent Assets:**

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**R Derivatives:**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise.

**S Gratuity and other post-employment benefits**

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurement of defined benefit plans in respect of post-employment are charged to the other comprehensive income.

**Employee Separation Costs**

Compensation to employee who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognizes the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

**T Earnings Per Share****Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**U. Standards issued but not Effective**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 – Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

**(a) Issue of Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

**(b) Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 – Investment Property
- iii. Ind AS 12 – Income Taxes
- iv. Ind AS 28 – Investments in Associates and Joint Ventures and
- v. Ind AS 112 – Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

2) PROPERTY, PLANT AND EQUIPMENTS :

(₹ In Lakhs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Electrical Installation	Furniture & Equipments	Vehicles	Total Amount
<b>Gross Carrying amount</b>								
Cost as at 1st April, 2016	406.08	3,224.49	15,067.41	19,275.96	1,016.71	2,709.21	676.90	42,376.76
Addition/Adjustments	-	0.33	92.61	4,181.45	4.63	606.69	193.76	5,079.47
Disposals	-	-	7.53	1,672.86	0.01	90.38	92.00	1,862.78
<b>Cost As at March 31, 2017</b>	<b>406.08</b>	<b>3,224.82</b>	<b>15,152.49</b>	<b>21,784.55</b>	<b>1,021.33</b>	<b>3,225.52</b>	<b>778.66</b>	<b>45,593.45</b>
Addition/Adjustments	-	8.12	4,686.05	3,167.35	25.22	867.79	176.47	8,931.00
Disposals	-	-	-	616.98	0.30	42.75	37.39	697.42
<b>Cost As at March 31, 2018</b>	<b>406.08</b>	<b>3,232.94</b>	<b>19,838.54</b>	<b>24,334.92</b>	<b>1,046.25</b>	<b>4,050.56</b>	<b>917.74</b>	<b>53,827.03</b>
<b>Accumulated Depreciation :</b>								
Balance as at 1st April, 2016	-	46.62	482.73	3,093.47	189.23	453.07	100.73	4,365.85
Depreciation for the year	-	47.25	485.65	3,538.11	180.11	474.02	114.53	4,839.67
Disposals*	-	-	3.10	1,629.74	0.01	84.06	62.35	1,779.26
<b>Accumulated Depreciation as at March 31, 2017</b>	<b>-</b>	<b>93.87</b>	<b>965.28</b>	<b>5,001.84</b>	<b>369.33</b>	<b>843.03</b>	<b>152.91</b>	<b>7,426.26</b>
Depreciation for the year	-	47.31	505.17	3,738.55	153.38	503.10	126.58	5,074.09
Disposals*	-	-	-	446.05	0.15	10.53	21.44	478.17
<b>Accumulated Depreciation as at March 31, 2018</b>	<b>-</b>	<b>141.18</b>	<b>1,470.45</b>	<b>8,294.34</b>	<b>522.56</b>	<b>1,335.60</b>	<b>258.05</b>	<b>12,022.18</b>
<b>Net Carrying amount</b>								
Balance as at 31st March, 2017	406.08	3,130.95	14,187.21	16,782.71	652.00	2,382.49	625.75	38,167.19
<b>Balance as at 31st March, 2018</b>	<b>406.08</b>	<b>3,091.76</b>	<b>18,368.09</b>	<b>16,040.58</b>	<b>523.69</b>	<b>2,714.96</b>	<b>659.69</b>	<b>41,804.85</b>

**Notes :**

- i) Building Includes cost of ownership Flats/Office Premises/Industrial unit in respect of which :
  - a) Co-operative societies are formed ₹ 231.30 lakhs (previous year ₹ 231.30 lakhs) (including shares of the face value of ₹ 0.06 lakhs)
  - b) Co-operative societies are yet to be formed ₹ 8943.38 lakhs (previous year ₹ 7500.73 lakhs)
- ii) Furnitures & Equipments includes office equipments
- iii) Refer note 20 for disclosure of property, plant and equipment pledged as security by the company.
- iv) Addition to fixed assets and depreciation during the Financial year Includes ₹ 66.93 lakhs and ₹ 2.68 lakhs respectively (Previous year ₹ Nil) on account of reclassification from Investment Property.
- v) Depreciation for the current year includes ₹ 1.77 lakhs (Previous year ₹ Nil) capitalized as preoperative expense.

**Capitalised borrowing Cost :**

Addition to block of Plant and equipment, Building and CWIP includes borrowing cost of ₹ 347.81 lakhs (previous year ₹ Nil) on account of capital expansion for manufacturing plant at Amravati and other Capital Expenditure.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

3) CAPITAL WORK IN PROGRESS :	AS AT 31-03-2018	AS AT 31-03-2017
Balance As At	9,250.70	3,605.08

4) INVESTMENT PROPERTIES :

<b>Gross Carrying Amount</b>	<b>1,533.49</b>	1,532.70
Addition	-	0.79
Disposal	66.93	-
	<u>1,466.56</u>	<u>1,533.49</u>
<b>Accumulated Depreciation</b>	<b>138.40</b>	91.78
Addition	52.81	46.62
Disposal	2.68	-
	<u>188.53</u>	<u>138.40</u>
<b>Net Carrying Amount</b>	<b>1,278.03</b>	1,395.09
	<u>1,278.03</u>	<u>1,395.09</u>
<b>Fair Value As At</b>	<b>1,798.47</b>	2,857.33
	<u>1,798.47</u>	<u>2,857.33</u>

Estimation of Fair Value :

The fair valuation is based on current price in active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market in respective area. The valuation is based on valuation performed by accredited independent valuer. The fair valuation is based on replacement cost method. The fair value measurement is categorised in level 3 fair value hierarchy

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Rental Income derived from Investment Properties	355.36	358.39
Direct Operating Expenses (including repairs and maintenance) generating rental income	58.94	61.42
Income arising from Investment properties before depreciation	296.42	296.97
Depreciation	52.81	46.62
Income from investment properties (Net)	<u>243.61</u>	<u>250.35</u>

**Premises given on Operating Lease :**

The company has given certain investment properties on operating lease. These lease arrangements range for a period between 2 and 5 years and include both cancellable and non-cancellable lease. Most of the leases are renewable for further period on mutually agreeable terms.

The Total future minimum lease rentals receivables at the balance sheet date is as under :

	31-03-2018	31-03-2017
For a period not later than one year	340.35	398.04
For a period later than one year and not later than five years	487.82	371.11
For a period later than five years	-	-

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

5) INTANGIBLE ASSETS :

	Goodwill	Other Intangible Assets		
		Trade Marks	Computer Software	Total
<b>Gross Carrying Amount :</b>				
Cost As at 1st April, 2016	1,607.99	618.23	184.11	802.34
Additions	-	-	52.65	52.65
Disposals	-	-	-	-
<b>Cost as at 31st March, 2017</b>	<b>1,607.99</b>	<b>618.23</b>	<b>236.76</b>	<b>854.99</b>
Additions	-	300.98	104.82	405.80
Disposals	-	-	-	-
<b>Cost as at 31st March, 2018</b>	<b>1,607.99</b>	<b>919.21</b>	<b>341.58</b>	<b>1,260.79</b>
<b>Accumulated Amortisation:</b>				
Accumulated Amortisation as at 1st April, 2016	321.60	116.09	140.74	256.83
Additions	321.25	178.53	68.49	247.02
Disposals	-	-	-	-
<b>Accumulated Amortisation as at 31st March, 2017</b>	<b>642.85</b>	<b>294.62</b>	<b>209.23</b>	<b>503.85</b>
Additions	642.84	221.40	68.03	289.43
Disposals	-	-	-	-
<b>Accumulated Amortisation as at 31st March, 2018</b>	<b>1,285.69</b>	<b>516.02</b>	<b>277.26</b>	<b>793.28</b>
<b>Net Carrying amount :</b>				
Balance as at 31st March, 2017	965.14	323.61	27.53	351.14
<b>Balance as at 31st March, 2018</b>	<b>322.30</b>	<b>403.19</b>	<b>64.32</b>	<b>467.51</b>

6) INVESTMENT (UNQUOTED)

- a) Investment in Subsidiary Company, (at Cost)  
Share capital of 1 Million Euro fully paidup in Cadini SRL  
(Subscribed during the year)
- b) Investment Others : (Unquoted)  
(At fair value through profit & loss)  
25,00,000 Cumulative Redeemable Preference share of ₹ 100/-  
each fully paid up of Balkrishna Paper Mills Ltd (subscribed during the year)  
Aggregate amount of unquoted Investment  
Aggregate amount of Impairment in the value of Investment

AS AT 31-03-2018	AS AT 31-03-2017
757.10	-
2,500.00	-
3,257.10	-
-	-

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	AS AT 31-03-2018	AS AT 31-03-2017
<b>7) NON CURRENT LOANS - (UNSECURED, CONSIDERED GOOD) :</b>		
a) Other Loans		
i) Loans to Customer	92.51	108.31
ii) Loans to Employees	199.91	62.50
iii) Loans to Others	-	50.00
	<u>292.42</u>	<u>220.81</u>
<b>8) OTHER NON CURRENT FINANCIAL ASSETS :</b>		
a) Fixed Deposit	3.06	2.53
<b>9) OTHER NON CURRENT ASSETS :</b>		
a) Capital Advances	2,083.49	1,956.12
b) Other Loans & Advances		
i) Security Deposit	900.57	583.23
ii) Prepaid Expenses	67.46	25.22
iii) Contribution in Tarapur Environment Protection Society (Refer Note 48)	-	601.54
	<u>3,051.52</u>	<u>3,166.11</u>
<b>10) INVENTORIES :</b>		
(As taken, valued and certified by the Management)		
a) Raw Materials	11,022.21	8,253.55
b) Finished Goods	22,412.19	13,865.69
c) Stock - in - trade	1,729.25	2,513.90
d) Goods in Process	5,712.57	4,721.43
e) Stores and Spares	2,139.49	2,202.69
	<u>43,015.71</u>	<u>31,557.26</u>
<b>11) TRADE RECEIVABLES :</b>		
a) Trade Receivable from Others	42,418.69	30,611.28
b) Receivable from Related Parties	4.77	0.99
	<u>42,423.46</u>	<u>30,612.27</u>
Less : Allowance for Credit Loss/doubtful receivables	246.57	157.39
	<u>42,176.89</u>	<u>30,454.88</u>
<b>Breakup of Security Details :</b>		
Secured, Considered Good	2,151.53	1,457.12
Unsecured, Considered Good	40,025.36	28,997.76
Considered Doubtful	246.57	157.39
<b>Total</b>	<u>42,423.46</u>	<u>30,612.27</u>
Allowance for credit loss / doubtful Receivables	(246.57)	(157.39)
	<u>42,176.89</u>	<u>30,454.88</u>
<b>12) CASH AND CASH EQUIVALENTS :</b>		
a) Balance with Banks in Current Account	2,179.86	378.78
b) Cash on hand	24.49	21.18
	<u>2,204.35</u>	<u>399.96</u>

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	AS AT 31-03-2018	AS AT 31-03-2017
<b>13) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALANTS</b>		
a) Unclaimed dividend - Earmarked balances with banks	78.21	63.19

**14) LOANS (UNSECURED, CONSIDERED GOOD) :**

a) Inter Corporate Deposit*	175.00	-
b) Loans to Employees	240.26	322.15
c) Loans to Customer	1.75	0.71
	<u>417.01</u>	<u>322.86</u>

\* Intercorporate Loan given to related party S.P. Finance Trading Co. Ltd

**15) OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD) :**

a) Unbilled Revenue	17.11	18.38
b) Interest accrued and due	-	2.00
	<u>17.11</u>	<u>20.38</u>

**16) CURRENT TAX ASSETS AND DEFERRED TAX :**

a) Income Tax paid/TDS (Net of provisions of ₹ 13687 lakhs and as at 31st March 2017 ₹ 13048 lakhs)	1,215.89	1,492.92
b) Tax expenses recognized in the statement of Profit & Loss		
<b>Current Tax</b>		
Current tax on taxable income for the year	6,405.00	4,520.00
Tax in respect for earlier year	3.08	-
<b>Deferred Tax</b>		
Deferred Tax charge/(Credit)	(440.24)	(22.78)
<b>Total Income Tax Expense</b>	<u>5,967.84</u>	<u>4,497.22</u>

	Year ended 31-03-2018	Year ended 31-03-2017
c) A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:		
Expected income tax rate in India applicable to the Company	34.608%	34.608%
Profit before tax	17,728.77	13,598.59
Expected Income Tax expense at statutory Income tax rate	6,135.57	4,706.20
Income exempt from tax/items not deductible.	272.51	(186.20)
Income tax expense reported in the statement of Profit and Loss.	6,408.08	4,520.00
Deferred Tax Expense Reported in the statement of Profit and Loss.	(440.24)	(22.78)
	<u>5,967.84</u>	<u>4,497.22</u>

Consequent to reconciliation items shown above, the effective tax rate is 33.66% (2016-17 - 33.07%)

**STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

d) The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018.

(₹ In Lakhs)

Particulars	As at 31st March, 2016 Deferred Tax Asset/ Liabilities	Credit / (Charge) in Statement of Profit & Loss	As at 31st March, 2017 Deferred Tax Asset/ Liabilities	Credit / (Charge) in Statement of Profit & Loss	As at 31st March, 2018 Deferred Tax Asset/ Liabilities
Depreciation	(2,784.11)	(68.61)	(2,852.72)	223.73	(2,628.99)
Expenses Allowed in the year of Payment	727.96	116.55	844.50	(253.01)	591.49
Provision for Doubtful Debts	28.16	3.64	31.81	482.39	514.20
Total	(2,027.99)	51.58	(1,976.41)	453.11	(1,523.30)

**17) OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD) :**

- a) Advances for supply of goods & services
- b) Input Tax Refundable
- c) Interest Subsidy Receivable
- d) Balances with Customs, Port Trust & Excise
- e) Prepaid Expenses
- f) Security Deposits
- g) Others

	AS AT 31-03-2018	AS AT 31-03-2017
a) Advances for supply of goods & services	335.11	316.03
b) Input Tax Refundable	3,914.65	1,663.08
c) Interest Subsidy Receivable	1,019.85	943.99
d) Balances with Customs, Port Trust & Excise	456.53	176.15
e) Prepaid Expenses	454.98	420.52
f) Security Deposits	38.57	20.90
g) Others	238.53	163.54
	<u>6,458.22</u>	<u>3,704.21</u>

**18) SHARE CAPITAL :**

**Authorised**

- a) 5,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 1,10,00,000 Equity Shares of ₹ 10/- each) #
- b) 25,000 11% Redeemable Cumulative Preference Shares of ₹ 100/- each
- c) 7,50,000 Redeemable Preference Shares of ₹ 10/- each

**Issued**

4,68,70,080 Equity share of ₹ 2/- each. (Previous year 93,74,016 Equity share of ₹ 10/- each) #

**Subscribed and Fully Paid Up**

4,68,70,080 Equity share of ₹ 2/- each. (Previous year 93,74,016 Equity share of ₹ 10/- each) #

	AS AT 31-03-2018	AS AT 31-03-2017
a) 5,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 1,10,00,000 Equity Shares of ₹ 10/- each) #	1,100.00	1,100.00
b) 25,000 11% Redeemable Cumulative Preference Shares of ₹ 100/- each	25.00	25.00
c) 7,50,000 Redeemable Preference Shares of ₹ 10/- each	75.00	75.00
	<u>1,200.00</u>	<u>1,200.00</u>
<b>Issued</b>		
4,68,70,080 Equity share of ₹ 2/- each. (Previous year 93,74,016 Equity share of ₹ 10/- each) #	937.40	937.40
<b>Subscribed and Fully Paid Up</b>		
4,68,70,080 Equity share of ₹ 2/- each. (Previous year 93,74,016 Equity share of ₹ 10/- each) #	937.40	937.40

# Equity Share of the Face value of ₹ 10/- each has been sub-divided into 5 Equity shares of ₹ 2/- each as per resolution passed in AGM held on 9th September, 2017. (record date 26th October, 2017).

**STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

(₹ In Lakhs)

- i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31 <sup>st</sup> March,2018		As at 31 <sup>st</sup> March,2017	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year#	93,74,016	937.40	93,74,016	937.40
Issued during the year	-	-	-	-
Outstanding at the end of the year#	<u>4,68,70,080</u>	<u>937.40</u>	<u>93,74,016</u>	<u>937.40</u>

# Equity Share of the Face value of ₹ 10/- each has been sub-divided into 5 Equity shares of ₹ 2/- each as per resolution passed in AGM held on 9th September, 2017. (record date 26th October, 2017).

- ii) Terms/rights attached to equity :

The company has issued only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

- iii) Shareholder's holding more than 5 % shares in the Company

Name of the Shareholder's	As at 31 <sup>st</sup> March,2018		As at 31 <sup>st</sup> March,2017	
	No. of Share	% of Holding	No. of Share	% of Holding
PKP Enterprises LLP	1,11,18,935	23.72%	22,23,787	23.72%
DSP Blackrock Micro Cap Fund	25,04,015	5.34%	4,91,825	5.25%
Smt. Ashadevi Rameshkumar Poddar	32,27,055	6.89%	6,45,411	6.89%

(₹ In Lakhs)

**19) OTHER EQUITY :**

	AS AT 31-03-2018	AS AT 31-03-2017
a) Capital Reserve	70.18	70.18
b) Security Premium Account	799.61	799.61
c) General Reserve	60,000.00	52,500.00
d) Retained Earnings	6,055.24	5,353.61
	<u>66,925.03</u>	<u>58,723.40</u>

- i) Capital Reserve : Capital Reserve is utilised in accordance with provision of the Act.  
ii) Security Premium Reserve : Security Premium Reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provision of the Act.  
iii) Retained Earnings : Retained earnings are the profit that the Company has earned till date, less any transfer to general reserve, dividend or other distributions paid to shareholders.

**20) NON CURRENT BORROWINGS :**

	AS AT 31-03-2018		AS AT 31-03-2017	
	Non Current	Current	Non Current	Current
<b>Secured</b>				
a) Term Loans from Banks				
Rupee loan	6,501.09	2,445.76	6,306.86	3,705.91
Foreign currency loan	6,883.94	-	-	-
<b>Total Secured loan from Banks</b>	<u>13,385.03</u>	<u>2,445.76</u>	<u>6,306.86</u>	<u>3,705.91</u>
<b>Unsecured</b>				
a) From Government of Maharashtra (Interest free Sales Tax Loan)	64.57	17.38	81.94	17.38
	<u>13,449.60</u>	<u>2,463.14</u>	<u>6,388.80</u>	<u>3,723.29</u>

## STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

Note :

- i) Term loan aggregating to ₹ 5,946.85 lakhs is secured by way of exclusive charge created/ to be created on immovable properties situated at Maharashtra except immovable assets exclusively charged to the lenders and charge on movable fixed assets procured from those term loans. The remaining tenure of loans is 2 to 5 years.
- ii) Term loans in foreign currency (ECB) of ₹ 6,883.94 Lakhs and Rupee term loan of ₹ 3,000 Lakhs is secured by way of few office premises situated at Mumbai. The remaining tenure of the Loan is 2 to 7 years.
- iii) Interest on above said term loan are ranging from 8% to 11%.

(₹ In Lakhs)

	AS AT 31-03-2018	AS AT 31-03-2017
<b>21) OTHER FINANCIAL LIABILITIES NON CURRENT :</b>		
a) Security Deposit from Dealers / others	4,024.71	3,782.23
<b>22) LONG TERM PROVISIONS :</b>		
a) Provision for Employee benefits (Refer Note 43)	921.48	1,119.19
<b>23) OTHER NON CURRENT LIABILITIES :</b>		
a) Creditors for Capital Goods	236.77	129.11
b) Government Grant #	516.50	681.56
	<u>753.27</u>	<u>810.67</u>
# Represents unamortised amount of duty saved referred to in note 45.		
<b>24) CURRENT BORROWINGS :</b>		
<b>Secured</b>		
a) Working Capital Loans from Banks* :-		
i) Cash Credit/ Demand Loans/ Short Term Loan	13,561.68	8,629.93
ii) Packing Credit	1,951.92	1,512.70
iii) Bills Discounting	-	100.02
	<u>15,513.60</u>	<u>10,242.65</u>
<b>Unsecured</b>		
a) Short Term Loans from Banks (Including commercial Paper)	25,913.09	10,107.00
	<u>41,426.69</u>	<u>20,349.65</u>
* Working Capital loans from Banks are secured by hypothecation of Stocks, Book debts and second charge created over the few fixed assets of the Company.		
<b>25) TRADE PAYABLES :</b>		
a) Micro, Small and Medium Enterprises @	93.19	31.91
b) Trade Payable Others	17,354.82	13,789.59
c) Amount due to related parties (Refer Note 40)	658.10	194.89
	<u>18,106.11</u>	<u>14,016.39</u>

- @ i) There is no principal amount due and remaining unpaid. No interest paid / payable during the year by the company to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006.
- ii) The above disclosure is based on the information available with the Company

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

**26) OTHER CURRENT FINANCIAL LIABILITIES :**

	AS AT 31-03-2018	AS AT 31-03-2017
a) Current Maturity of Long Term Debt (Refer Note No. 20 (i & ii))	2,463.14	3,723.29
b) Interest accrued and due on borrowings	100.36	80.30
c) Unpaid Dividend*	78.21	63.19
	<u>2,641.71</u>	<u>3,866.78</u>

\*There are no amount due and outstanding to be credited to Investor Education and Protection Fund.

**27) OTHER CURRENT LIABILITIES :**

a) Advance Received from Customer	297.72	392.63
b) Other Payables		
i) Statutory Dues	682.47	834.99
ii) Employees Dues	2,248.02	2,145.83
ii) Security Deposit	23.48	14.44
iii) Government Grant #	920.79	121.51
iv) Others	111.92	114.80
	<u>3,986.68</u>	<u>3,231.57</u>
	<u>4,284.40</u>	<u>3,624.20</u>

# Represents unamortised amount of duty saved referred to in note 45.

**28) SHORT-TERM PROVISIONS :**

a) Provision for employee benefits :		
i) Unavailed Leave (Refer note 43)	317.18	293.63

**29) REVENUE FROM OPERATIONS :**

	Current Year	Previous Year
a) Sale of Products	2,40,795.00	2,05,657.85
Less : Trade discount, Returns, Rebate etc.,	68,979.32	50,480.22
	<u>1,71,815.68</u>	<u>1,55,177.63</u>
b) Sale of Services (Job Charges Received)	1,147.28	1,942.47
c) Other operating revenues*	312.62	273.24
	<u>1,73,275.58</u>	<u>1,57,393.34</u>

\* Includes Scrap Sales & others.

Note : Revenue from operations for period upto 30th June, 2017 included excise duty of ₹ 87.07 Lakhs (Previous Year ₹ 406.23 Lakhs). From 1st July, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collect GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31st March, 2018 is not comparable with 31st March, 2017.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

**30) OTHER INCOME :**

	Current Year	Previous Year
a) Miscellaneous Income	106.80	288.54
b) Interest Received	1,546.61	1,387.54
c) Rent Received	492.79	500.80
d) Profit on Sale of Assets (Net)	308.06	199.73
e) Sundry credit balance written back (Net)	-	8.11
f) Exchange Rate Difference	25.76	85.98
h) Apportioned Income from Government Grant (Refer Note No.45)	153.57	79.03
	<u>2,633.59</u>	<u>2,549.73</u>

**31) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE :**

a) Opening Stock		
Work - in - Progress	4,721.43	4,124.77
Finished Goods	13,865.69	14,448.25
Stock in Trade	2,513.90	3,055.80
	<u>21,101.02</u>	<u>21,628.82</u>
b) Less : Closing Stock		
Work - in - progress	5712.57	4,721.43
Finished Goods	22,412.19	13,865.69
Stock in Trade	1,729.25	2,513.90
	<u>29,854.01</u>	<u>21,101.02</u>
	<u>(8,752.99)</u>	<u>527.80</u>

**32) EMPLOYEE BENEFITS EXPENSE**

a) Salaries, Wages, Allowances and Bonus	17,121.68	14,996.92
b) Contribution to Provident, Gratuity and other funds (Refer note 43)	1,329.53	1,185.70
c) Workmen and Staff Welfare Expenses	524.88	677.68
	<u>18,976.09</u>	<u>16,860.30</u>

**33) FINANCE COST :**

a) Interest Expenses (Net of subsidy ₹ 146.39 lakhs (Previous year ₹ 608.12 lakhs)	3,754.45	3,060.74
b) Loss on foreign currency transactions and translation (net)	-	4.40
c) Other borrowing costs	15.16	104.68
	<u>3,769.61</u>	<u>3,169.82</u>
Less : Borrowing Cost Capitalised	347.81	-
	<u>3,421.80</u>	<u>3,169.82</u>

**34) DEPRECIATION AND AMORTISATION EXPENSES :**

Depreciation on Property, Plant and Equipments	5,069.64	4,839.67
Depreciation on Investment Properties	52.81	46.62
Amortization on Intangible Assets	932.27	568.27
	<u>6,054.72</u>	<u>5,454.56</u>

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

**35) OTHER EXPENSES :**

	Current Year	Previous Year
a) Consumption of Stores and Spare parts	2,095.75	2,116.87
b) Consumption of Packing Material	5,934.14	5,695.84
c) Processing and Labour Charges	16,174.96	13,351.41
d) Excise Duty (includes difference between the excise duty on opening and closing stock of finished goods)	110.14	559.86
e) Power and Fuel	5,407.60	5,134.34
f) Water Charges	198.49	185.01
g) Brokerage and Commission	3,631.77	3,466.11
h) Rent	1,151.96	672.93
j) Rates and Taxes	276.20	318.43
k) Freight and Forwarding Charges	1,822.90	1,830.16
l) Legal and Professional Charges (Refer Note No.39)	779.32	559.86
m) Directors Sitting Fees (Including Service Tax)	18.06	15.91
n) Commission to Non-Executive Directors	17.50	-
o) Insurance	296.41	539.88
p) Sales Promotion Expenses	1,860.47	2,714.43
q) Advertisement Expenses	5,141.07	3,713.40
r) Travelling and Conveyance	1,926.12	1,651.05
s) Loss on Sale/Diminution of Investment	-	2.79
t) Donation	15.00	8.92
u) Contribution towards CSR activity (Refer Note No.46)	283.13	213.27
v) Provision for Doubtful Debts/Expected Credit Loss	102.43	40.09
w) Sundry Debit Balance W/off (Net)	4.48	-
x) Miscellaneous Expenses	2,626.29	2,014.12
y) Repairs to :		
i) Building	837.94	703.62
ii) Machineries	509.27	419.21
iii) Others	1,130.03	1,071.29
	<b>2,477.24</b>	<b>2,194.12</b>
	<b>52,351.43</b>	<b>46,998.80</b>

**36) EARNING PER SHARE : ["EPS"] COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20:**

a) Net Profit after tax as per Statement of Profit & Loss	11,159.39	9,101.37
b) The weighted average number of Equity Shares #	4,68,70,080	4,68,70,080
c) Face value per equity share (₹)	2.00	2.00
d) Earnings per share Basic / Diluted (₹)	23.81	19.42

# As approved by the members of the Company in the last Annual General Meeting, the Equity Share of the face value of ₹ 10/- each has been sub-divided into 5 equity shares of ₹ 2/- each with effect from record date i.e. 26th October, 2017. The Earning per share figures for the year ended 31st March, 2017, have been restated to give effect to sub division of the shares as required by Ind AS 33.

**STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

(₹ In Lakhs)

**37) DIVIDEND DISTRIBUTION MADE AND PROPOSED :**

**a) Dividend on equity shares declared and paid during the year:**

- i) Final dividend of ₹ 15/- Per share for F.Y. 2016-17 (F.Y. 2015-16 ₹ Nil)  
Dividend distribution tax on Final dividend
- ii) Interim dividend of ₹ 2.20/- Per share for F.Y. 2017-18 (F.Y. 2016-17 ₹ Nil per share)  
Dividend distribution tax on interim dividend

**b) Proposed dividend on equity share not recognised as liability:**

- i) Final Dividend of ₹ 2/- Per share for F.Y. 2017-18 (Final Dividend of ₹ 3/- Per share for F.Y. 2016-17) (Refer Note no.18)  
Dividend distribution tax on Final Dividend

	Current Year	Previous Year
	1,406.11	-
	286.26	-
	<u>1,692.37</u>	-
	1,031.14	-
	209.92	-
	<u>1,241.06</u>	-
	937.40	1,406.10
	192.69	286.25
	<u>1,130.09</u>	<u>1,692.35</u>

**38) CONTINGENT LIABILITIES & COMMITMENTS :**

**a) Contingent Liabilities :**

- i) Guarantees given by the Company's bankers on behalf of the Company
- ii) Disputed claims for excise, sales tax and property tax
- iii) Income tax Demand, interest & penalty under dispute

**b) Commitments :**

- i) Estimated amount of contracts remaining to be executed on capital account and not provided

	1,027.50	915.10
	796.45	871.62
	1.26	1.26
	1,337.44	3,603.47

**39) LEGAL AND PROFESSIONAL EXPENSES INCLUDES AUDITORS REMUNERATION AND EXPENSES :**

**a) Statutory Auditors**

- i) For Audit Fees
- ii) For Limited Review
- iii) For Other Services
- iv) For Reimbursement of Expenses\*

**b) Cost Auditors**

- i) Cost Audit Fees

	23.00	22.00
	3.00	3.00
	17.31	20.50
	2.97	7.54
	<u>46.28</u>	<u>53.04</u>
	4.50	3.50

\* Including Service tax but excluding Goods & Service Tax (GST)

**40) RELATED PARTY DISCLOSURES :**

As per Accounting Standard 24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below.

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

- (a) **Key Management Personnel (KMP)** : Shri Ramesh D. Poddar - Chairman & Managing Director, Shri Pawan D. Poddar - Joint Managing Director, Shri Shrikishan Poddar - Executive Director, Shri Gaurav Poddar - President and Executive Director, Smt. Ashadevi R Poddar- Executive Director, Shri Ashok Jalan - Sr. President cum Director.
- (b) **Relatives of Key Management Personnel (KMP)** : Shri Avnish Poddar, Smt. Sangeeta Poddar, Shri Harshit S. Poddar, Smt. Anshruta Poddar w.e.f. February 2017 Smt. Vibha Poddar, Smt. Smriti Poddar, Smt. Megha Poddar upto 15th August 2017, Shri Abhishek Poddar upto December 2016.

**STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

- (c) **Non Executive Directors and Enterprises over which they are able to exercise significant influence:** Shri Harish N. Motiwalla, Prof. (Dr.) Mangesh D. Teli, Shri Shailesh S. Vaidya, Shri Ashok N. Garodia, Shri Dileep Shinde, Shri Pramod S. Jalan, Shri Tarun Kumar Govil, H. N. Motiwalla & Co.
- (d) **Subsidiary :** Cadini S.R.L. (100% wholly owned subsidiary, incorporated in Italy)
- (e) **Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders) :** Sanchana Trading & Finance Ltd., S.P. Finance & Trading Ltd, Santigo Textile Mills Ltd., Image Commercial Pvt. Ltd., Vishal Furnishings Ltd., Golden Fibres LLP, Beetee Textile Industries Ltd., MMI Foods, Balkrishna Paper Mills Ltd.
- (f) **Related Party Transactions :** (₹ In Lakhs)

Nature of Transaction	For the Year Ended 31.03.2018				For the Year Ended 31.03.2017			
	Key Management Personnel & Relatives	Subsidiary	Other related Parties	Total	Key Management Personnel & Relatives	Subsidiary	Other related Parties	Total
Managerial Remuneration	1,911.43	-	-	1,911.43	1467.83	-	-	1,467.83
Sitting Fees and Commission	-	-	35.00	35.00	13.25	-	-	13.25
Purchase of Goods/Services	-	-	3,357.06	3,357.06	-	-	1,587.06	1,587.06
Investment in subsidiary	-	757.10	-	757.10	-	-	-	-
Investment in Preference Share	-	-	2,500.00	2,500.00	-	-	-	-
Purchase of Fixed Assets	-	-	0.28	0.28	-	-	-	-
Sale of Fixed Assets	-	-	45.34	45.34	-	-	1.77	1.77
Sales of Goods/materials	-	-	700.87	700.87	-	-	654.42	654.42
Rent / Property Tax Received	-	-	68.01	68.01	-	-	68.10	68.10
Rent Paid	-	-	106.99	106.99	-	-	121.73	121.73
Interest Received	-	-	13.44	13.44	-	-	-	-
Interest Paid	-	-	-	-	-	-	12.22	12.22
Intercompany Deposits Given	-	-	550.00	550.00	-	-	-	-
Intercompany Deposits Matured	-	-	-	-	-	-	100.00	100.00
Intercompany Deposits Returned	-	-	375.00	375.00	-	-	-	-
Commission Paid	-	-	108.62	108.62	-	-	84.34	84.34
Salary paid	184.17	-	-	184.17	175.33	-	-	175.33
Insurance Maturity Received	-	-	-	-	143.74	-	-	143.74
Reimbursement towards Acquisition of Assets	-	-	383.81	383.81	-	-	-	-

Notes : i) Parties identified by the Management and relied upon by the Auditors.

ii) No amount in respect of the related parties have been written off/back or are provided for during the year

**g) Balance on account of:**

(₹ In Lakhs)

	As on 31st March, 2018	As on 31st March, 2017
<b>1. Trade Payable (other related parties)*</b>		
Balkrishna Paper Mills Ltd.	-	0.46
Beetee Textile Industries Ltd.	366.02	18.07
Golden Fibres LLP	118.99	-
Sanchana Trading & Finance Ltd.	1.80	0.59
Santigo Textile Mills Ltd.	16.81	23.79
Vishal Furnishings Ltd.	154.48	151.98
<b>Total</b>	<b>658.10</b>	<b>194.89</b>

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	As on 31st March, 2018	As on 31st March, 2017
<b>2. Trade Receivable (other related parties)*</b>		
Golden Fibres LLP.	-	0.99
Balkrishna Paper Mills Ltd.	4.69	-
MMI Foods	0.09	-
<b>Total</b>	<b>4.78</b>	<b>0.99</b>
<b>3. Trade Receivable Capital Goods*</b>		
Golden Fibres LLP	-	1.77
Balkrishna Paper Mills Ltd.	1.23	-
Beetee Textile Industries Ltd.	52.20	-
<b>Total</b>	<b>53.43</b>	<b>1.77</b>
<b>4. Inter Corporate Deposit Placed</b>		
S.P.Finance & Trading Ltd.	175.00	-
<b>5. Investment in Subsidiary</b>		
CADINI SRL	757.10	-
<b>6. Investment in Preference Share</b>		
Balkrishna Paper Mills Ltd	2,500.00	-

\* Includes reimbursement

h) Disclosure in respect of material transactions with related parties during the Year ( included in 'f' above ) (₹ In Lakhs)

	Current Year	Previous Year
<b>Purchase of Goods / Materials/Services.</b>		
Beetee Textile Industries Ltd.	1,419.49	592.72
Image Commercial Pvt Ltd.	-	0.90
Santigo Textile Mills Ltd.	299.92	529.70
Balkrishna Paper Mills Ltd.	-	0.37
Vishal Furnishings Ltd.	278.74	455.16
Golden Fibres LLP.	1,358.91	-
H.N. Motiwalla & Co.	-	5.18
Tarun Kumar Govil	-	3.03
<b>Purchase of Fixed Assets</b>		
Beetee Textile Industries Ltd.	0.05	-
Vishal Furnishings Ltd.	0.23	-
<b>Sales of Fixed Assets</b>		
Beetee Textile Industries Ltd.	44.30	-
Golden Fibres LLP.	-	1.77
Balkrishna Paper Mills Ltd.	1.04	-
<b>Sales of Goods / Materials/ Services</b>		
Beetee Textile Industries Ltd.	40.30	-
Vishal Furnishings Ltd.	652.33	652.67
Balkrishna Paper Mills Ltd.	7.13	1.75
Golden Fibres LLP.	1.11	-
<b>Rent Paid</b>		
Beetee Textile Industries Ltd.	49.14	56.27
Sanchana Trading & Finance Ltd.	2.45	3.94
Vishal Furnishings Ltd.	55.40	61.52

	Current Year	Previous Year
<b>Payment to Key Managerial Personnel</b>		
Ramesh Poddar	534.03	377.25
Shrikishan Poddar	437.96	332.18
Pawan Poddar	458.21	341.03
Gaurav P. Poddar	318.77	293.40
Asha Devi Poddar	64.82	46.71
Ashok Kumar Jalan	97.64	77.26
<b>Sitting Fees &amp; Commission</b>		
Harish N Motiwalla	10.25	3.75
Prof. (Dr.) Mangesh D. Teli	4.75	2.75
Shailesh S. Vaidya	2.75	0.50
Ashok N. Garodia	3.00	1.25
Dilip H. Shinde	5.25	2.50
Pramod S. Jalan	3.50	1.50
Tarun Kumar Govil	5.50	1.00
<b>Salary to Relatives of KPM.</b>		
Avnish Poddar	29.68	29.58
Vibha Poddar	28.37	27.74
Smriti Poddar	28.09	27.74
Sangeeta Poddar	28.18	29.50
Harshit S.Poddar	28.05	28.78
Abhishek Poddar (Upto December 2016)	-	21.01
Megha Poddar (Upto 15th August 2017)	14.82	6.46
Anshruta Poddar (WEF February, 2017)	26.98	4.52

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	Current Year	Previous Year
<b>Rent Received :</b>		
Balkrishna Paper Mills Ltd.	39.25	45.10
Beetee Textile Industries Ltd.	18.74	14.78
Golden Fibres LLP	1.44	1.65
Santigo Textile Mills Ltd.	2.43	1.92
Vishal Furnishing Ltd.	5.96	4.65
MMI Foods	0.19	-
<b>Inter Corporate Deposit Matured:</b>		
S.P. Finance & Trading Ltd.	-	100.00
<b>Inter Corporate Deposit Recovered.:</b>		
S.P. Finance & Trading Ltd.	375.00	-
<b>Investment in Subsidiary :</b>		
CADINI S.R.L.	757.10	-
<b>Reimbursement towards acquisition of property</b>		
Vishal Furnishing Ltd	383.81	-

	Current Year	Previous Year
<b>Interest Received:</b>		
S.P. Finance & Trading Ltd.	13.44	-
<b>Interest Paid :</b>		
S.P. Finance & Trading Ltd.	-	12.22
<b>Insurance Maturity Recd.</b>		
Abhishek Poddar (Upto December 2016)	-	143.74
<b>Commission/ Incentive Paid :</b>		
Vishal Furnishings Ltd.	108.62	84.34
<b>Inter Corporate Deposit Given:</b>		
S.P. Finance & Trading Ltd.	550.00	-
<b>Investment in Preference Share :</b>		
Balkrishna Paper Mills Ltd	2,500.00	-

i) Executive Director Compensation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i) Short term employee benefits	1,789.86	1,316.68
ii) Post employment benefits	121.57	151.15
<b>Total</b>	<b>1,911.43</b>	<b>1,467.83</b>

41) The Company is engaged only in Textile business and there are no separate reportable segments as per Ind AS 108.

42) Operating lease arrangements

The Company has significant operating leases for premises. These lease arrangements range for a period between 1 years to 12 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	1,151.96	672.93
With respect to non cancellable operating lease, the future minimum lease payment as at balance sheet date :		
For a period not later than one year	1,090.86	774.23
For a period later than one year and not later than five years	4,423.66	3,307.66
For a period later than five years	1,327.66	-

43) Defined Benefit and Contribution Plan

Providend Fund and Superannuation Fund are Defined Contribution Plan. Contribution paid for Providend Fund and Superannuation Fund are recognised as expense for the year :

(₹ In Lakhs)

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Employer's contribution to Providend Fund/Pension Scheme	1,054.93	1,158.76
Employer's contribution to Superannuation Fund	16.90	19.11

**STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

**Defined Benefit Plan:- Gratuity (Funded)**

The employees' gratuity fund scheme managed by a Trust is a defined benefit fund. The present value of the obligation is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
<b>I) Reconciliation of Opening and Closing balances of Defined Benefit Obligation</b>		
Defined Benefit Obligation at Beginning of the year	1,547.03	1,145.10
Liability transferred in/ Acquisitions	-	192.65
Current Service Cost	201.39	158.69
Past Service Cost	88.67	
Interest Cost	117.11	91.15
Actuarial (Gain)/loss	26.34	86.96
Benefit Paid	(171.62)	(127.52)
Defined Benefit Obligation at the end of the year	1,808.92	1,547.03
<b>II) Reconciliation of Opening and Closing balances of Fair value of plan Assets</b>		
Defined Benefit Obligation at Beginning of the year	842.12	607.03
Actual return on plan Assets	52.89	52.06
Assets transferred in/ Acquisitions	-	121.27
Actuarial (Gain)/loss	-	-
Employers contribution	218.74	189.28
Benefit Paid	(171.62)	(127.52)
Fair value of plan assets at year end	942.13	842.12
<b>III) Reconciliation of fair value of Assets and Obligations</b>		
Fair value of Plan Assets	942.13	842.12
Present Value of Obligation	(1,808.92)	(1,547.03)
Amount Recognised in Balance Sheet [Surplus/(Deficit)]	(866.79)	(704.91)
<b>IV) Expenses recognised during the year</b>		
<u>In Income Statement</u>		
Current Service Cost	201.39	158.69
Interest Cost	53.36	42.83
Past Service Cost	88.67	-
Return on Plan Assets	-	-
Net Cost	343.42	201.52
<u>In Other Comprehensive Income</u>		
Actuarial (Gain)/ Loss	26.34	86.95
Return on Plan Assets	10.86	(3.74)
Net (Income)/Expense for the period recognised in OCI	37.20	83.21
<b>V) Investment Details</b>		
Insurance Fund	942.13	842.13
<b>VI) Actuarial Assumption</b>		
Financial Assumptions :		
Discount rate	7.87%	7.57%
Salary Escalation Rate #	4.00%	4.00%
Rate of Employee Turnover	2.00%	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

**VII) Sensitivity Analysis :**

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared with the previous period.

(₹ In Lakhs)

Gratuity :	As at 31 <sup>st</sup> March, 2018			As at 31 <sup>st</sup> March, 2017		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Discount rate	100bps	(114.76)	133.20	100bps	(107.85)	125.59
Salary Escalation Rate	100bps	133.93	(117.17)	100bps	128.92	(112.27)
Attrition Rate	100bps	41.70	(48.03)	100bps	35.25	(40.80)

**VIII) Risk Exposure - Asset Volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities.

**44) FAIR VALUE MEASUREMENT**

**Financial Instrument by category and hierarchy**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values :

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation technique.**

Level 1 : Quoted (unadjusted) price in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

Financial Assets and Liabilities	As at 31 <sup>st</sup> March, 2018				As at 31 <sup>st</sup> March, 2017			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>At Amortised Cost</b>								
<b>Financial Assets</b>								
- Loans	709.43	-	-	709.43	543.67	-	-	543.67
- Trade Receivable	42,176.89	-	-	42,176.89	30,454.88	-	-	30,454.88
- Other Financial Assets	774.21	-	-	774.21	22.91	-	-	22.91
- Cash & Cash Equivalents	2,204.35	-	-	2,204.35	399.96	-	-	399.96
- Other Bank Balance	78.21	-	-	78.21	63.19	-	-	63.19
	<b>45,943.09</b>	-	-	<b>45,943.09</b>	<b>31,484.61</b>	-	-	<b>31,484.61</b>
<b>At FVTPL</b>								
<b>Financial Assets</b>								
- Other Financial Assets	2,500.00	-	-	2,500.00	-	-	-	-
<b>At Amortised Cost</b>								
<b>Financial Liabilities</b>								
- Borrowings	54,876.29	-	-	54,876.29	26,738.45	-	-	26,738.45
- Other Financial Liabilities	6,666.42	-	-	6,666.42	7,649.01	-	-	7,649.01
- Trade Payables	18,106.11	-	-	18,106.11	14,016.39	-	-	14,016.39
	<b>79,648.82</b>	-	-	<b>79,648.82</b>	<b>48,403.85</b>	-	-	<b>48,403.85</b>

**Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 :  
(₹ In Lakhs)

	Equity Instrument
As at 1 April 2016	47.56
Acquisitions	-
Disposal	44.77
Gain/losses recognised in profit or loss	2.79
As at 31 <sup>st</sup> March, 2017	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>-</b>

**Financial risk management objectives and policies**

In the course of business, the company is exposed to certain financial risk that could have considerable influence on the Company's business and its performance. These include market risk ( including currency risk, interest risk and other price risk), credit risk and liquidity risk. The Board of Directors review and approves risk management structure and policies for managing risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides service to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

**STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

**a) Market Risk - Interest rate risk :**

Interest rate risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Sensitivity analysis below has been determined based on the exposures to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible changes in interest rates.

**Exposure to interest rate risk**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Total Borrowings	61,364.14	34,243.97
% of Borrowings out of above bearing variable rate of interest	77.33%	88.96%

**Interest rate sensitivity**

A change of 50 bps in interest rates would have following Impact on profit before tax

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
50 bp increase would decrease the profit before tax by	237.28	152.31
50 bp decrease would Increase the profit before tax by	(237.28)	(152.31)

**b) Market Risk- Foreign currency risk.**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Company manages its foreign Currency risk by hedging transaction that are expected to occur within a maximum 12 month periods for hedge of forecasted sales and purchases in foreign currency.

The hedging is done through foreign currency forward contracts.

**Derivative instruments and unhedged foreign currency exposure**

Market Risk - Foreign Currency Risk:-

**i) Derivative contracts outstanding as at 31st March, 2018**

(₹ In Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
Forward Contract to Sell	USD	975.66	USD	645
Forward Contract to Buy	USD	6829.63	USD	-

ii) The following table shows foreign currency exposures in USD, EUR, GBP and JPY on financial instruments at the end of the reporting period.

**Foreign Currency Exposure**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018				As at 31 <sup>st</sup> March, 2017			
	USD	GBP	EUR	JPY	USD	GBP	EUR	JPY
Trade and Other Payables	-	-	-	-	389	-	389	44
Trade and Other Receivables	735	121	6	-	12	-	-	-

## STANDALONE NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

iii) Sensitivity analysis of 5% change in exchange rate at the end of reporting period.

Foreign Currency Exposure

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2017				As at 31 <sup>st</sup> March, 2016			
	USD	GBP	EUR	JPY	USD	GBP	EUR	JPY
<b>5% Depreciation in INR</b>								
Impact on P&L	36.75	6.05	0.30	-	(18.84)	-	(19.45)	(2.20)
<b>5% Appreciation in INR</b>								
Impact on P&L	(36.75)	(6.05)	(0.30)	-	18.84	-	19.45	2.20

### c) Equity Price Risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the company to equity price risks. At the reporting date, the company do not hold any equity securities.

### d) Credit Risk

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Trade receivables consist of a large number of customers, spread across geographical areas. Outstanding customer receivables are regularly monitored.

The average credit period is in the range of 30 -90 days. However in select cases credit is extended which is backed by security deposit/bank guarantee/letter of credit and other forms. The Company's Trade receivables consist of a large number of customers, across geographies hence the Company is not exposed to concentration risk.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates.

### Ageing of Account receivables

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Not Due	12,386.87	17,652.01
0-3 Months	20,293.60	4,917.66
3-6 Months	6,064.63	4,831.29
6 Months to 12 Months	2,591.41	2,007.12
Beyond 12 months and less than 3 years	840.38	1,046.80
<b>Total</b>	<b>42,176.89</b>	<b>30,454.88</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

### e) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Company access to funds from debt markets through commercial paper programs and short term working capital loans.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ In Lakhs)

Particulars	Within 1 year	More than 1 year	Total
As on 31 <sup>st</sup> March 2018			
Borrowings	43,889.83	13,449.60	57,339.43
Trade and other Payables	18,106.11		18,106.11
Other Financial Liabilities	178.57	4,024.71	4,203.28
As on 31 <sup>st</sup> March 2017			
Borrowings	24,072.94	6,388.80	30,461.74
Trade and other Payables	14,016.39	-	14,016.39
Other Financial Liabilities	143.49	3,782.23	3,925.72

**45) EXPORT PROMOTION CAPITAL GOODS (EPCG) :**

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

**46) DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:**

(₹ In Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Amount required to be spent as per Section 135 of the Act	254.83	229.30
Amount spent during the year on:		
(i) Construction / acquisition of an asset	186.90	189.80
(ii) On purpose other than (i) above	96.23	23.47
Total	283.13	213.27

**47) DETAILS OF PRE-OPERATIVE EXPENSES INCLUDED IN CAPITAL WORK IN PROGRESS :**

Particulars	Current Year
a) Salaries, Wages, Allowances and Bonus	120.31
b) Contribution to Provident, Gratuity and other funds	6.50
c) Workmen and Staff Welfare Expenses	4.67
d) Processing & Labour Charges	0.91
e) Power & Fuel	2.23
f) Rent	3.30
g) Legal & Professional Charges	0.07
h) Travelling & Conveyance Expenses	16.57
i) Freight & Forwarding Charges	4.05
j) Insurance	0.67
k) Miscellaneous Expenses	9.27
l) Repairs to Others	4.75
m) Depreciation	1.77
	<u>175.07</u>

48) As per legal opinion obtained, the contribution made towards the common effluent treatment plant of ₹ 601.54 lakhs has been considered as revenue expenditure and is written off in the books of account during the year and shown as exception item. In the earlier year the said contribution was shown as other non-current assets.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

### 49) Event after reporting period :

The Board of Directors of the Company has recommended a Final Dividend @ 100% i.e. ₹ 2/- per equity share for the financial year 2017-18 (Refer Note 37).

### 50) Approval of Financial Statement

The financial statements were approved for issue by the Board of Directors on 29th May, 2018.

### 51) The previous period figures have been regrouped reclassified, wherever considered necessary.

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As per our report of even date attached

For **Songira & Associates**  
Chartered Accountants  
( Firm Registration No.128085W )

**(Dharmendra S. Songira)**  
Partner  
Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**  
Chairman & Managing Director  
DIN 00090104

**S. S. SHETTY**  
Chief Financial Officer

**P.D.PODDAR**  
Joint Managing Director  
DIN 00090521

**W.V. FERNANDES**  
Company Secretary

### Independent Auditors' Report

To the Members of  
Siyaram Silk Mills Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Siyaram Silk Mills Limited (hereinafter referred to as "the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated financial Statements').

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

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor's on separate financial statements and on the financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and its consolidated profit, consolidated total comprehensive income, its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Other Matters

- (a) We did not audit the financial statements and financial information in respect of a foreign subsidiary, whose financial statements reflect total assets of Rs.786.02 lakhs as at 31st March, 2018, total revenues of Rs.38.51 lakhs and net cash outflows amounting to Rs.83.94 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditors.

(b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and on the financial information of the subsidiary, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 and taken on record by the Board of Directors of the Company, none of the directors of the Company are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the financial information of the subsidiary:

- i. the consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group;
- ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR SONGIRA & ASSOCIATES**  
**Chartered Accountants**  
**(Firm Reg. No. 128085W)**

**DHARMENDRA S. SONGIRA**  
**Partner**  
**Membership No. 113275**

**Place: Mumbai**

**Date: 29th May, 2018**

### Annexure - A to the Independent Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Siyaram Silk Mills Limited (hereinafter referred to as 'the Company') The subsidiary company which is part of the Group is incorporated outside India and internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable to the subsidiary company.

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements 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 internal financial controls system over financial reporting of the Company.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 and to the best of our information and according to the explanations given to us, the Group, has maintained 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR SONGIRA & ASSOCIATES**  
Chartered Accountants  
(Firm Reg. No. 128085W)

**DHARMENDRA S. SONGIRA**  
Partner  
Membership No. 113275

Place: Mumbai  
Date: 29th May, 2018

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018**

(₹ In Lakhs)

	Note No.	As at March 31, 2018
<b>I ASSETS</b>		
<b>1) Non-Current Assets</b>		
a) Property, Plant and Equipment	2	41,850.83
b) Capital Work-in-Progress	3	9,250.70
c) Investment Properties	4	1,278.03
d) Goodwill	5	322.30
e) Other Intangible Assets	5	829.29
f) Financial Assets		
i) Investments	6	2,500.00
ii) Loans	7	292.42
iii) Other Non- Current Financial Assets	8	3.06
g) Other Non Current Assets	9	3,112.15
<b>Total Non Current Assets</b>		<b>59,438.78</b>
<b>2) Current Assets</b>		
a) Inventories	10	43,106.72
b) Financial Assets		
i) Trade Receivables	11	42,176.89
ii) Cash and Cash Equivalents	12	2,288.29
iii) Bank Balance Other Than Cash & Cash Equivalents	13	78.21
iv) Loans	14	417.01
v) Other Current Financial Assets	15	17.11
c) Current Tax Assets (Net)	16	1,215.89
d) Other Current Assets	17	6,600.90
<b>Total Current Assets</b>		<b>95,901.02</b>
<b>TOTAL ASSETS</b>		<b>1,55,339.80</b>
<b>II EQUITY AND LIABILITIES :</b>		
<b>1) Equity</b>		
a) Equity Share Capital	18	937.40
b) Other Equity	19	66,885.56
<b>Total Equity</b>		<b>67,822.96</b>
<b>2) Liabilities</b>		
<b>Non-Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	20	13,449.60
ii) Other Financial Liabilities	21	4,024.71
b) Provisions	22	921.48
c) Deferred Tax Liabilities (Net)	16	1,514.45
d) Other Non-Current Liabilities	23	753.27
<b>Total Non Current Liabilities</b>		<b>20,663.51</b>
<b>Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	24	41,426.69
ii) Trade Payables	25	18,140.74
iii) Other Financial Liabilities	26	2,641.71
b) Other Current Liabilities	27	4,327.01
c) Provisions	28	317.18
<b>Total Current Liabilities</b>		<b>66,853.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,55,339.80</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1	

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **Songira & Associates**  
Chartered Accountants  
( Firm Registration No.128085W )

(Dharmendra S. Songira)  
Partner  
Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**  
Chairman & Managing Director  
DIN 00090104

**S. S. SHETTY**  
Chief Financial Officer

**P.D.PODDAR**  
Joint Managing Director  
DIN 00090521

**W.V. FERNANDES**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST, MARCH 2018.**

(₹ In Lakhs)

	Note No.	Current Year
<b>I Income</b>		
Revenue from Operations	29	1,73,314.09
Other Income	30	2,633.60
<b>Total Income</b>		<u>1,75,947.69</u>
<b>II Expenses:</b>		
a) Cost of Materials Consumed		69,236.24
b) Purchases of Stock-in-Trade		16,930.73
c) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(8,776.86)
d) Employee Benefits Expense	32	18,979.02
e) Finance Costs	33	3,421.80
f) Depreciation and Amortization Expense	34	6,063.95
g) Other Expenses	35	52,450.97
<b>Total Expenses</b>		<u>1,58,305.85</u>
<b>III Profit Before Exceptional Items and Tax</b>		<u>17,641.84</u>
<b>IV Exceptional Item</b>	48	<u>601.54</u>
<b>V Profit Before Tax</b>		<u>17,040.30</u>
<b>VI Tax Expense:</b>	16	
a) Current Tax		6,405.00
b) Deferred Tax		(449.09)
c) Income Tax Related to Earlier Years		3.08
		<u>5,958.99</u>
<b>VII Profit for the year</b>		<u>11,081.31</u>
<b>VIII Other Comprehensive Income</b>		
A. Item that will not be reclassified to Profit & Loss		
i) Remeasurement of defined benefit Plan	43	(37.20)
ii) Income Tax related to items no. (i) above		12.87
		<u>(24.33)</u>
B. Item that will be reclassified to Profit or Loss		
i) Gains and loss arising from translating the financial statement of foreign operation		(38.61)
Other Comprehensive Income (OCI), net of tax expenses		<u>14.28</u>
<b>IX Total Comprehensive Income for the year</b>		<u>11,095.59</u>
<b>X Earning per equity share nominal value of Share ₹ 2 each</b>		
<b>Basic &amp; Diluted Earning Per Share in (₹)</b>	36	23.64
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1	

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **Songira & Associates**  
Chartered Accountants  
( Firm Registration No.128085W )

(**Dharmendra S. Songira**)  
Partner  
Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**  
Chairman & Managing Director  
DIN 00090104

**S. S. SHETTY**  
Chief Financial Officer

**P.D.PODDAR**  
Joint Managing Director  
DIN 00090521

**W.V. FERNANDES**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ In Lakhs)

	Current Year
<b>A CASH FLOW FROM OPERATING ACTIVITY</b>	
Profit Before exceptional Items and Tax as per Statement of Profit and loss	17,680.45
Adjustments for:	
Depreciation and Amortisation of Expenses	6,063.94
Foreign Exchange Gain (Net)	(25.76)
Profit on Sale of Fixed Assets (Net)	(308.06)
Interest Income	(1,546.61)
Appportioned Income from Government Grant	(153.57)
Finance cost	3,421.80
Provision for expected Credit Loss/doubtful debts	102.43
	<u>7,554.17</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>25,234.62</b>
Adjustments for:	
Trade and Other Receivables	(15,184.85)
Inventories	(11,549.46)
Trade and other Payables	4,545.65
Taxes paid (Net)	(6,131.05)
	<u>(28,319.71)</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(3,085.09)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Property Plant and Equipment/Intangible Assets	(15,002.61)
Purchase of Non-Current Investment	(2,500.00)
Sale Proceeds of Property, Plant and Equipments	527.31
Interest Received	1,546.61
<b>NET CASH USED IN INVESTING ACTIVITIES.</b>	<b>(15,428.69)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from Borrowings	28,397.69
Repayment of Borrowings	(1,277.52)
Exchange rate difference	25.76
Finance cost	(3,825.41)
Dividend Paid	(2,422.23)
Tax on Dividend paid	(496.18)
<b>NET CASH GENERATED/ (USED) IN FINANCING ACTIVITIES.</b>	<b>20,402.11</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,888.33</b>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	399.96
CASH AND CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 12)	<u>2,288.29</u>

The accompanying notes are an integral part of the consolidated financial statements.

- Notes : 1) The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flow.
- 2) Additions to property, plant, equipment and intangible assets include movement of capital work-in-progress and intangible assets under development respectively during the year.

As per our report of even date attached

For **Songira & Associates**  
Chartered Accountants  
( Firm Registration No.128085W )

**(Dharmendra S. Songira)**  
Partner  
Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**  
Chairman & Managing Director  
DIN 00090104

**S. S. SHETTY**  
Chief Financial Officer

**P.D.PODDAR**  
Joint Managing Director  
DIN 00090521

**W.V. FERNANDES**  
Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST, MARCH, 2018**

(₹ In Lakhs)

**A EQUITY SHARE CAPITAL**

	Note No.	
As at April 1, 2017		937.40
Changes in Equity Share Capital during the year	18	-
<b>As at March 31, 2018</b>		<b>937.40</b>

**B OTHER EQUITY :**

Particulars	Capital Reserve	Share Premium Account	General Reserve	Retained Earnings	Currency Fluctuation Reserve	Total
<b>Balance as at April 1,2017</b>	<b>70.18</b>	<b>799.61</b>	<b>52,500.00</b>	<b>5,353.61</b>	-	<b>58,723.40</b>
Total Comprehensive Income for the year	-	-	-	11,134.20	(38.61)	11,095.59
Dividend	-	-	-	(1,406.11)	-	(1,406.11)
Interim Dividend	-	-	-	(1,031.14)	-	(1,031.14)
Tax on Dividend/Interim Dividend	-	-	-	(496.18)	-	(496.18)
Transfer to General Reserve	-	-	7500.00	(7500.00)	-	-
<b>Balance as at March, 31 2018</b>	<b>70.18</b>	<b>799.61</b>	<b>60,000.00</b>	<b>6,054.38</b>	<b>(38.61)</b>	<b>66,885.56</b>

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **Songira & Associates**

Chartered Accountants

( Firm Registration No.128085W )

**(Dharmendra S. Songira)**

Partner

Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**

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**P.D.PODDAR**

Joint Managing Director

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**S. S. SHETTY**

Chief Financial Officer

**W.V. FERNANDES**

Company Secretary

**CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES****A Basis of preparation****(i) Compliance with Ind AS**

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans – plan assets measured at fair value;

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per The Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**(iv) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**B Principles of consolidation and equity accounting.**

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding Company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

**C Use of estimates and judgments**

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

**D Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Depreciation:**

- a) Depreciation is provided as per the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in case of Leasehold Land and assets at retail shops as stated in b & c below.
- b) Premium on leasehold land is amortized over the residual period of the lease and proportionate amount of premium written off is being charged to Statement of Profit & Loss.
- c) Cost of Furniture and Fixtures and Office Equipments of retail shops operated on lease basis is written off over the period of lease or within three years whichever is earlier.

**Asset Impairment:**

The Group reviews the carrying values of tangible assets for any possible impairment at each balance sheet date. Impairment loss, if any, is recognized in the year in which impairment takes place.

**E Intangible Assets:**

Intangible Assets representing

- a) Computer Software and Trade Mark are amortised using Straight Line method over a period of three years.
- b) Goodwill is amortized over a period of five years.

**F Investments Properties**

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

Depreciation on building is provided over its useful life using the Straight Line Method.

Useful life considered for calculation of depreciation for assets class are as follows-

Non-Factory Building 60 years

**G Investment and other financial assets**

**(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- 1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- 2) those measured at amortized cost.

The classification depends on The Group's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

At initial recognition, The Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit & Loss are expensed in the Statement of Profit and Loss.

**(iii) Debt instruments:**

Subsequent measurement of debt instruments depends on The Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

- (1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

**H Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**I Valuation of Inventories**

Inventories are valued at lower of the cost and net realizable value. The cost is arrived at moving weighted average method and cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of The Group.

**J Revenue recognition**

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes (VAT) / Goods and service Tax (GST). In case of Value added tax(VAT) / Goods and service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly it is excluded from the revenue.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to The Group and specific criteria have been met for each of The Group's activities as described below.

**Sale of goods**

Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped on board based on bill of lading.

**Sales Return-**

The Group recognizes provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

**Revenue from services**

Revenue from services is recognized in the accounting period in which the services are rendered.

Other operating revenue – Export incentives

Export Incentives under various schemes are accounted in the year of export.

**K Government grants and subsidies:**

- i. Grants and subsidies from the Government are recognized as and when received.
- ii. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.
- iii. Grants from the Government are recognized at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all attached conditions.
- iv. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of related assets and presented within other income.

**L Foreign Exchange Transaction:****i. Functional and presentation currency**

The Group's financial statements are presented in INR, which is also The Group's functional currency and presentation currency.

**ii. Transactions and balances**

Transactions in foreign currencies are initially recorded in the functional currency, using the spot an exchange rate at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognized as income or expenses in the period which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation, differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

**iii Group Companies**

The results and financial position of foreign operations that have a functional currency different form the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses

are translated at the dates of the transactions). On Consolidation, exchange differences arising from the translation of any net investment in foreign entity are recognised in other comprehensive income and all resulting exchange differences are recognised in other comprehensive income.

**M Borrowings**

Borrowings are initially recognized at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**N Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**O Tax Expenses:**

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity, in which case, the tax is also recognized in other comprehensive income or equity.

**Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**Q Leases:**

**Operating Lease as a lessee**

Lease in which a significant portion of the risks and rewards of ownership are not transferred to The Group as Lessee, are classified as operating leases. Payments made under operating leases are charged to the Statements of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for The Group's expected inflationary cost increases.

**As a Lessor**

Lease Income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipt are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**R Provision, Contingent Liabilities and Contingent Assets:**

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**S Derivatives:**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise.

**T Gratuity and other post-employment benefits**

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Group recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurement of defined benefit plans in respect of post-employment are charged to the other comprehensive income.

**Employee Separation Costs**

Compensation to employee who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognizes the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

**U Earnings Per Share**

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of The Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**V. Standards issued but not Effective**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 – Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Group from April 01, 2018.

**(a) Issue of Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

**(b) Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 – Investment Property
- iii. Ind AS 12 – Income Taxes
- iv. Ind AS 28 – Investments in Associates and Joint Ventures and
- v. Ind AS 112 – Disclosure of Interests in Other Entities

Applications of above standards are not expected to have any significant impact on the Group's Financial Statements.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

2) PROPERTY, PLANT AND EQUIPMENTS :

(₹ In Lakhs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Electrical Installation	Furniture & Equipments	Vehicles	Total Amount
<b>Gross Carrying amount</b>								
Cost as at 1st April, 2017	406.08	3,224.82	15,152.49	21,784.55	1,021.33	3,225.52	778.66	45,593.45
Addition/Adjustments	-	8.12	4,686.05	3,167.35	25.22	915.68	176.47	8,978.89
Disposals	-	-	-	616.98	0.30	42.75	37.39	697.42
<b>Cost As at March 31, 2018</b>	<b>406.08</b>	<b>3,232.94</b>	<b>19,838.54</b>	<b>24,334.92</b>	<b>1,046.25</b>	<b>4,098.45</b>	<b>917.74</b>	<b>53,874.92</b>
<b>Accumulated Depreciation :</b>								
Balance as at 1st April, 2017	-	93.87	965.28	5,001.84	369.33	843.03	152.91	7,426.26
Depreciation for the year	-	47.31	505.17	3,738.55	153.38	505.01	126.58	5,076.00
Disposals	-	-	-	446.05	0.15	10.53	21.44	478.17
<b>Accumulated Depreciation as at March 31, 2018</b>	<b>-</b>	<b>141.18</b>	<b>1,470.45</b>	<b>8,294.34</b>	<b>522.56</b>	<b>1,337.51</b>	<b>258.05</b>	<b>12,024.09</b>
<b>Net Carrying amount 31st March, 2018</b>	<b>406.08</b>	<b>3,091.76</b>	<b>18,368.09</b>	<b>16,040.58</b>	<b>523.69</b>	<b>2,760.94</b>	<b>659.69</b>	<b>41,850.83</b>

Notes :

- i) Building Includes cost of ownership Flats/Office Premises/Industrial unit in respect of which :
  - a) Co-operative societies are formed ₹ 231.30 lakhs (including shares of the face value of ₹ 0.06 lakhs)
  - b) Co-operative societies are yet to be formed ₹ 8943.38 lakhs.
- ii) Furnitures & Equipments includes office equipments
- iii) Refer note 20 for disclosure of property, plant and equipment pledged as security by the Group.
- iv) Addition to fixed assets and depreciation during the Financial year Includes ₹ 66.93 lakhs and ₹ 2.68 lakhs respectively on account of reclassification from Investment Property.
- v) Depreciation for the current year includes ₹ 1.77 lakhs being amount capitalized as preoperative expense.

Capitalised borrowing Cost :

Addition to block of Plant and equipment, Building and CWIP includes borrowing cost of ₹ 347.81 lakhs on account of capital expansion for manufacturing plant at Amravati and other Capital Expenditure.

(₹ In Lakhs)

3) CAPITAL WORK IN PROGRESS :

Balance As At

<b>AS AT</b>
<b>31-03-2018</b>
<b>9,250.70</b>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

4) INVESTMENT PROPERTIES :

	AS AT 31-03-2018
<b>Gross Carrying Amount</b>	
Cost as at 1 April, 2017	1,533.49
Addition	-
Disposal	66.93
	<u>1,466.56</u>
Accumulated Depreciation as at 1 April, 2017	138.40
Addition	52.81
Disposal	2.68
	<u>188.53</u>
<b>Net Carrying Amount</b>	<u>1,278.03</u>
<b>Fair Value As At</b>	<u>1,798.47</u>

Estimation of Fair Value :

The fair valuation is based on current price in active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market in respective area. The valuation is based on valuation performed by accredited independent valuer. The fair valuation is based on replacement cost method. The fair value measurement is categorised in level 3 fair value hierarchy

Particulars	Year ended 31st March, 2018
Rental Income derived from Investment Properties	355.36
Direct Operating Expenses (including repairs and maintenance) generating rental income	58.94
Income arising from Investment properties before depreciation	296.42
Depreciation	52.81
Income from investment properties (Net)	<u>243.61</u>

Premises given on Operating Lease :

The Group has given certain investment properties on operating lease. These lease arrangements range for a period between 2 and 5 years and include both cancellable and non-cancellable lease. Most of the leases are renewable for further period on mutually agreeable terms.

The Total future minimum lease rentals receivables at the balance sheet date is as under :

	Year ended 31st March, 2018
For a period not later than one year	340.35
For a period later than one year and not later than five years	487.82
For a period later than five years	-

5) INTANGIBLE ASSETS :

	Goodwill	Other Intangible Assets			Total
		Trade Marks	Computer Software	Others	
Cost As at 1st April, 2017	1607.99	618.23	236.76	-	854.99
Additions	-	300.98	104.82	369.10	774.90
Disposals	-	-	-	-	-
<b>Cost as at 31st March, 2018</b>	<b>1607.99</b>	<b>919.21</b>	<b>341.58</b>	<b>369.10</b>	<b>1629.89</b>
Accumulated Amortisation as at 1st April, 2017	642.85	294.62	209.23	-	503.85
Additions	642.84	221.40	68.03	7.32	296.75
Disposals	-	-	-	-	-
<b>Accumulated Amortisation as at 31st March, 2018</b>	<b>1285.69</b>	<b>516.02</b>	<b>277.26</b>	<b>7.32</b>	<b>800.60</b>
<b>Net Carrying Amount as at 31st March, 2018</b>	<b>322.30</b>	<b>403.19</b>	<b>64.32</b>	<b>361.78</b>	<b>829.29</b>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	AS AT 31-03-2018
<b>6) INVESTMENT (UNQUOTED)</b>	
a) Investment Others : (Unquoted at Cost)	
25,00,000 Cumulative Redeemable Preference share of ₹ 100/- each fully paid up of Balkrishna Paper Mills Ltd subscribed during the year	2,500.00
Aggregate amount of unquoted Investment	2,500.00
Aggregate amount of Impairment in the value of Investment	-
<b>7) NON CURRENT LOANS - (UNSECURED, CONSIDERED GOOD) :</b>	
a) Other Loans	
i) Loans to Customers	92.51
ii) Loans to Employees	199.91
	<u>292.42</u>
<b>8) OTHER NON CURRENT FINANCIAL ASSETS :</b>	
a) Fixed Deposit	<u>3.06</u>
<b>9) OTHER NON CURRENT ASSETS :</b>	
a) Capital Advances	2,083.49
b) Other Loans & Advances	
i) Security Deposit	961.20
ii) Prepaid Expenses	67.46
	<u>3,112.15</u>
<b>10) INVENTORIES :</b>	
(As taken, valued and certified by the Management)	
a) Raw Materials	11,089.35
b) Finished Goods	22,436.06
c) Stock - in - Trade	1,729.25
d) Goods in Process	5,712.57
e) Stores and Spares	2,139.49
	<u>43,106.72</u>
<b>11) TRADE RECEIVABLES :</b>	
a) Trade Receivable from Others	42,418.69
b) Receivable from Related Parties	4.77
	<u>42,423.46</u>
Less : Allowance for Credit Loss/doubtful receivables	246.57
	<u>42,176.89</u>
<b>Breakup of Security Details :</b>	
Secured, Considered Good	2,151.53
Unsecured, Considered Good	40,025.36
Considered Doubtful	246.57
<b>Total</b>	<u>42,423.46</u>
Allowance for credit loss / doubtful Receivables	(246.57)
	<u>42,176.89</u>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	AS AT 31-03-2018
<b>12) CASH AND CASH EQUIVALENTS :</b>	
a) Balance with Banks in Current Account	2,263.70
b) Cash on hand	24.59
	<u>2,288.29</u>
<b>13) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>	
a) Unclaimed dividend - Earmarked balances with banks	<u>78.21</u>
<b>14) LOANS (UNSECURED, CONSIDERED GOOD) :</b>	
a) Inter Corporate Deposit*	175.00
b) Loans to Employees	240.26
c) Loans to Customer	1.75
	<u>417.01</u>
* Intercorporate Loan given to related party S.P. Finance Trading Co. Ltd	
<b>15) OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD) :</b>	
a) Unbilled Revenue	<u>17.11</u>
<b>16) CURRENT TAX ASSETS AND DEFERRED TAX :</b>	
a) Income Tax paid/TDS (Net of provisions of ₹ 136.87 Crore)	<u>1,215.89</u>
b) Tax expenses recognized in the statement of Profit & Loss	
<b>Current Tax</b>	
Current tax on taxable income for the year	6,405.00
Tax in respect of earlier year	3.08
<b>Deferred Tax</b>	
Deferred Tax charge/(Credit)	<u>(449.09)</u>
<b>Total Income Tax Expense</b>	<u>5,958.99</u>
	<u>5,958.99</u>
c) A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:	<b>Year ended 31-03-2018</b>
Expected income tax rate in India applicable to the Group	34.608%
Profit before tax	17,641.84
Expected Income Tax expense at statutory Income tax rate	6,105.49
Income exempt from tax/items not deductible.	302.59
Income tax expense reported in the statement of Profit and Loss.	<u>6,408.08</u>
Deferred Tax Expense Reported in the statement of Profit and Loss.	<u>(449.09)</u>
	<u>5,958.99</u>

Consequent to reconciliation items shown above, the effective tax rate is 33.78%.

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

d) The movement in deferred tax assets and liabilities during the year ended March 31, 2018. (₹ In Lakhs)

Particulars	As at 1st April, 2017 Deferred Tax Asset/ (Liabilities)	Credit / (Charge) in Statement of Profit & Loss	As at 31st March, 2018 Deferred Tax Asset/ Liabilities
Depreciation	(2,852.72)	223.73	(2,628.99)
Expenses Allowed in the year of Payment	844.50	(244.16)	600.34
Provision for Doubtful Debts	31.81	482.39	514.20
Total	(1,976.41)	461.96	(1,514.45)

**17) OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD) :**

	AS AT 31-03-2018
a) Advances for supply of goods & services	347.75
b) Input Tax Refundable	4,042.27
c) Interest Subsidy Receivable	1,019.85
d) Balances with Customs, Port Trust & Excise	456.53
e) Prepaid Expenses	457.39
f) Security Deposits	38.57
g) Others	238.54
	<u>6,600.90</u>

**18) SHARE CAPITAL**

<b>Authorised</b>	
a) 5,50,00,000 Equity Shares of ₹ 2/- each #	1,100.00
b) 25,000 11% Redeemable Cumulative Preference Shares of ₹ 100/- each	25.00
c) 7,50,000 Redeemable Preference Shares of ₹ 10/- each	75.00
	<u>1,200.00</u>
<b>Issued</b>	
4,68,70,080 Equity share of ₹ 2/- each. #	937.40
<b>Subscribed and Fully Paid Up</b>	
4,68,70,080 Equity share of ₹ 2/- each. #	937.40

i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31 <sup>st</sup> March, 2018	
	No. of Shares	Amount
At the beginning of the year	93,74,016	937.40
Issued during the year	-	-
Outstanding at the end of the year#	<u>4,68,70,080</u>	<u>937.40</u>

#Equity Share of the Face value of ₹ 10/- each has been sub-divided into 5 Equity shares of ₹ 2/- each as per resolution passed in AGM held on 9th September, 2017. (record date 26th October, 2017).

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

ii) Terms/rights attached to equity :

The company has issued only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

iii) Shareholder's holding more than 5 % shares in the Company

Name of the Shareholder's	As at 31 <sup>st</sup> March,2018	
	No. of Share	% of Holding
PKP Enterprises LLP	11118935	23.72%
DSP Blackrock Micro Cap Fund	2504015	5.34%
Smt. Ashadevi Rameshkumar Poddar	3227055	6.89%

(₹ In Lakhs)

**19) OTHER EQUITY :**

	AS AT 31-03-2018
a) Capital Reserve	70.18
b) Security Premium Account	799.61
c) General Reserve	60,000.00
d) Retained Earnings	6,054.38
e) Foreign Currency Translation Reserve	(38.61)
	<u>66,885.56</u>

- i) Capital Reserve : Capital Reserve is utilised in accordance with provision of the Act.
- ii) Security Premium Reserve : Security Premium Reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provision of the Act.
- iii) Retained Earnings : Retained earnings are the profit that the Group has earned till date, less any transfer to general reserve, dividend or other distributions paid to shareholders.
- iv) Foreign Currency Translation Reserve : Exchange difference arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

(₹ In Lakhs)

**20) NON CURRENT BORROWINGS :**

	AS AT 31-03-2018	
	Non Current	Current
<b>Secured</b>		
<b>a) Term Loans from Banks</b>		
Rupee term loan	6,501.09	2,445.76
Foreign currency loan	6,883.94	-
Total Secured loan from Banks	<u>13,385.03</u>	<u>2,445.76</u>
<b>Unsecured</b>		
a) From Government of Maharashtra (Interest free Sales Tax Loan)	64.57	17.38
	<u>13,449.60</u>	<u>2,463.14</u>

Note :

- i) Term loan aggregating to ₹ 5,946.85 lakhs is secured by way of exclusive charge created/ to be created on immovable properties situated at Maharashtra except immovable assets exclusively charged to the lenders and charge on movable fixed assets procured from those term loans. The remaining tenure of loans is 2 to 5 years.
- ii) Term loans in foreign currency (ECB) of ₹ 6,883.94 Lakhs and Rupee term loan of ₹ 3,000 Lakhs is secured by ways of few office premises situated at Mumbai. The remaining tenure of the Loan is 2 to 7 years.
- iii) Interest on above said term loan are ranging from 8% to 11%.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	AS AT 31-03-2018
<b>21) OTHER FINANCIAL LIABILITIES NON CURRENT :</b>	
a) Security Deposit from Dealers / others	4024.71
<b>22) LONG TERM PROVISIONS :</b>	
a) Provision for Employee benefits (Refer Note 43)	921.48
<b>23) OTHER NON CURRENT LIABILITIES :</b>	
a) Creditors for Capital Goods	236.77
b) Government Grant #	516.50
	753.27
# Represents unamortised amount of duty saved referred to in note 45.	
<b>24) CURRENT BORROWINGS :</b>	
<b>Secured</b>	
a) Working Capital Loans from Banks* :-	
i) Cash Credit/ Demand Loans/ Short Term Loan	13,561.68
ii) Packing Credit	1,951.92
	15,513.60
<b>Unsecured</b>	
i) Short Term Loans from Banks (Including commercial Paper)	25,913.09
	41,426.69
* Working Capital loans from Banks are secured by hypothecation of Stocks, Book debts and second charge created over the few fixed assets of the Group.	
<b>25) TRADE PAYABLES :</b>	
a) Micro, Small and Medium Enterprises @	93.19
b) Trade Payable Others	17,389.45
c) Amount due to related parties (Refer Note 40)	658.10
	18,140.74
@ i) There is no principal amount due and remaining unpaid. No interest paid / payable during the year by the company to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006.	
ii) The above disclosure is based on the information available with the Group	
<b>26) OTHER CURRENT FINANCIAL LIABILITIES :</b>	
a) Current Maturity of Long Term Debt (Refer Note No. 20 (i & ii))	2463.14
b) Interest accrued and due on borrowings	100.36
c) Unpaid Dividend*	78.21
	2641.71

\*There are no amount due and outstanding to be credited to Investor Education and Protection Fund.

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

**27) OTHER CURRENT LIABILITIES :**

	AS AT 31-03-2018
a) Advance Received from Customer	336.34
b) Other Payables	
i) Statutory Dues	683.47
ii) Employees Dues	2,250.20
ii) Security Deposit	23.48
iii) Government Grant #	920.79
iv) Others	112.73
	<u>3,990.67</u>
	<u>4,327.01</u>

# Represents unamortised amount of duty saved referred to in note 45.

**28) SHORT-TERM PROVISIONS :**

a) Provision for employee benefits :	
i) Unavailed Leave (Refer note 43)	<u>317.18</u>

**29) REVENUE FROM OPERATIONS :**

	Current Year
a) Sale of Products	2,40,833.51
Less : Trade discount, Returns, Rebate etc.,	68,979.32
	<u>1,71,854.19</u>
b) Sale of Services (Job Charges Received)	1,147.28
c) Other operating revenues*	312.62
	<u>1,73,314.09</u>

\* Includes Scrap Sales & others.

**30) OTHER INCOME :**

a) Miscellaneous Income	106.80
b) Interest received	1,546.62
c) Rent received	492.79
d) Profit on Sale of Assets (Net)	308.06
e) Exchange Rate Difference	25.76
f) Apportioned Income from Government Grant (Refer Note No.45)	153.57
	<u>2,633.60</u>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	Current Year
<b>31) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE :</b>	
a) Opening Stock	
Work - in - Progress	4,721.43
Finished Goods	13,865.69
Stock In Trade	2,513.90
	<u>21,101.02</u>
b) Less : Closing Stock	
Work - in - Progress	5,712.57
Finished Goods	22,436.06
Stock In Trade	1,729.25
	<u>29,877.88</u>
	<u><u>(8,776.86)</u></u>
<b>32) EMPLOYEE BENEFITS EXPENSE</b>	
a) Salaries, Wages, Allowances and Bonus	17,124.22
b) Contribution to Provident, Gratuity and other funds (Refer note 43)	1,329.92
c) Workmen and Staff Welfare Expenses	524.88
	<u>18,979.02</u>
<b>33) FINANCE COST :</b>	
a) Interest Expenses (Net of subsidy ₹ 146.39 lakhs)	3,754.45
b) Other borrowing costs	15.16
	<u>3,769.61</u>
Less : Borrowing Cost Capitalised	347.81
	<u>3,421.80</u>
<b>34) DEPRECIATION AND AMORTISATION EXPENSES :</b>	
Depreciation on Property, Plant and Equipments	5,071.55
Depreciation on Investment Properties	52.81
Amortization on Intangible Assets	939.59
	<u>6,063.95</u>
<b>35) OTHER EXPENSES :</b>	
a) Consumption of Stores and Spare parts	2,097.99
b) Consumption of Packing Material	5,934.19
c) Processing and Labour Charges	16,203.57
d) Excise Duty (includes difference between the excise duty on opening and closing stock of finished goods)	110.14
e) Power and Fuel	5,407.60
f) Water Charges	198.49
g) Brokerage and Commission	3,631.77
h) Rent	1,172.81
i) Rates and Taxes	277.29
j) Freight and Forwarding Charges	1,822.90
k) Legal and Professional Charges (Refer Note no.39)	811.20
l) Directors Sitting Fees (Including Service Tax)	18.06

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

(₹ In Lakhs)

**35) OTHER EXPENSES : (contd.)**

	Current Year
m) Commission to Non-Executive Directors	17.50
n) Insurance	297.63
o) Sales Promotion Expenses	1,860.47
p) Advertisement Expenses	5,142.63
q) Travelling and Conveyance	1,927.00
r) Donation	15.00
s) Contribution towards CSR activity (Refer Note No.46)	283.13
t) Provision for Doubtful Debts/Expected Credit Loss	102.43
u) Sundry Debit Balance W/off (Net)	4.48
v) Miscellaneous Expenses	2,632.94
w) Repairs to :	
i) Building	837.94
ii) Machineries	509.27
iii) Others	1,134.54
	<u>2,481.75</u>
	<u>52,450.97</u>

**36) EARNING PER SHARE : ["EPS"] COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20:**

a) Net Profit after tax as per Statement of Profit & Loss	11,081.31
b) The weighted average number of Equity Shares (Refer Note No.18)	4,68,70,080
c) Face value per equity share (₹)	2.00
d) Earnings per share Basic / Diluted (₹)	23.64

**37) DIVIDEND DISTRIBUTION MADE AND PROPOSED :**

<b>a) Dividend on equity shares declared and paid during the year:</b>	
i) Final dividend of ₹ 15/- Per share for F.Y. 2016-17	1,406.11
Dividend distribution tax on Final dividend	286.26
	<u>1,692.37</u>
ii) Interim dividend of ₹ 2.20/- Per share for F.Y. 2017-18	1,031.14
Dividend distribution tax on interim dividend	209.92
	<u>1,241.06</u>
<b>b) Proposed dividend on equity share not recognised as liability:</b>	
i) Final Dividend of ₹ 2/- Per share for F.Y. 2017-18 (Refer Note No.18)	937.40
Dividend distribution tax on Final Dividend	192.69
	<u>1,130.09</u>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

**38) CONTINGENT LIABILITIES & COMMITMENTS :**

	Current Year
a) Contingent Liabilities :	
i) Guarantees given by the Company's bankers on behalf of the Company	1,027.50
ii) Disputed claims for excise, sales tax and property tax	796.45
iii) Income tax Demand, interest & penalty under dispute	1.26
b) Commitments :	
i) Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances)	1,337.44

**39) LEGAL AND PROFESSIONAL EXPENSES INCLUDES AUDITORS REMUNERATION AND EXPENSES :**

a) <b>Statutory Auditors</b>	
i) For Audit Fees	23.00
ii) For Limited Review	3.00
iii) For Other Services	17.31
iv) For Reimbursement of Expenses*	2.97
	46.28
b) <b>Cost Auditors</b>	
i) Cost Audit Fees	4.50
	4.50

\* Including Service tax but excluding Goods & Service Tax (GST)

**40) RELATED PARTY DISCLOSURES :**

As per Accounting Standard 24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below.

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

- (a) **Key Management Personnel (KMP)** : Shri Ramesh D. Poddar -Chairman & Managing Director, Shri Pawan D. Poddar -Joint Managing Director, Shri Shrikishan Poddar - Executive Director, Shri Gaurav Poddar - President and Executive Director, Smt Ashadevi R Poddar- Executive Director, Shri Ashok Jalan - Sr. President cum Director.
- (b) **Relatives of Key Management Personnel (KMP)** : Shri Avnish Poddar, Smt. Sangeeta Poddar, Shri Harshit S. Poddar, Smt. Anshruta Poddar w.e.f. February 2017 Smt. Vibha Poddar, Smt. Smriti Poddar, Smt.Megha Poddar upto 15th Aug.2017.
- (c) **Non Executive Directors and Enterprises** : Shri Harish N. Motiwalla, Prof.(Dr.) Mangesh D. Teli, Shri Shailesh S. Vaidya, Shri Ashok N. Garodia, Shri Dileep Shinde, Shri Pramod S. Jalan, Shri Tarun Kumar Govil, H. N. Motiwalla & Co.
- (d) **Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders)** : Sanchana Trading & Finance Ltd., S.P. Finance & Trading Ltd, Santigo Textile Mills Ltd., Image Commercial Pvt.Ltd., Vishal Furnishings Ltd., Golden Fibres LLP, Beetee Textile Industries Ltd., MMI Foods, Balkrishna Paper Mills Ltd.
- (e) **Related Party Transactions** (₹ In Lakhs)

Nature of Transaction	For the Year Ended 31.03.2018		
	Key Management Personnel & Relatives	Other related Parties	Total
Managerial Remuneration	1,911.43	-	1,911.43
Sitting Fees and Commission	-	35.00	35.00
Purchase of Goods/Services	-	3,357.06	3,357.06
Investment in Preference Share	-	2,500.00	2,500.00

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

Nature of Transaction	For the Year Ended 31.03.2018		
	Key Management Personnel & Relatives	Other related Parties	Total
Purchase of Fixed Assets	-	0.28	0.28
Sale of Fixed Assets	-	45.34	45.34
Sales of Goods/materials	-	700.87	700.87
Rent / Property Tax Received	-	68.01	68.01
Rent Paid	-	106.99	106.99
Interest Received	-	13.44	13.44
Intercorporate Deposits Given.	-	550.00	550.00
Intercorporate Deposits Returned	-	375.00	375.00
Reimbursement towards Acquisition of Assets	-	383.81	383.81
Commission Paid	-	108.62	108.62
Salary paid	184.17	-	184.17

**Notes :** i) Parties identified by the Management and relied upon by the Auditors.

ii) No amount in respect of the related parties have been written off/back or are provided for during the year

**f) Balance on account of:**

	As on 31st March, 2018
<b>1. Trade Payable (other related parties)*</b>	
Beetee Textile Industries Ltd.	366.02
Golden Fibres LLP	118.99
Sanchana Trading & Finance Ltd.	1.80
Santigo Textile Mills Ltd.	16.81
Vishal Furnishings Ltd.	154.48
<b>Total</b>	<b>658.10</b>
<b>2. Trade Receivable (other related parties)*</b>	
Balkrishna Paper Mills Ltd.	4.69
MMI Foods	0.09
<b>Total</b>	<b>4.78</b>
<b>3. Trade Receivable Capital Goods*</b>	
Balkrishna Paper Mills Ltd.	1.23
Beetee Textile Industries Ltd.	52.20
<b>Total</b>	<b>53.43</b>
<b>4. Inter Corporate Deposit Placed</b>	
S.P. Finance & Trading Ltd.	175.00
<b>5. Investment in Preference Share</b>	
Balkrishna Paper Mills Ltd	2,500.00

\* Includes reimbursement

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

g) Disclosure in respect of material transactions with related parties during the Year ( included in 'e' above )

	Current Year
<b>Purchase of Goods / Materials/Services.</b>	
Beetee Textile Industries Ltd.	1,419.49
Santigo Textile Mills Ltd.	299.92
Vishal Furnishings Ltd.	278.74
Golden Fibres LLP.	1,358.91
<b>Purchase of Fixed Assets</b>	
Beetee Textile Industries Ltd.	0.05
Vishal Furnishings Ltd.	0.23
<b>Sales of Fixed Assets</b>	
Beetee Textile Industries Ltd.	44.30
Balkrishna Paper Mills Ltd.	1.04
<b>Sales of Goods / Materials/ Services</b>	
Beetee Textile Industries Ltd.	40.30
Vishal Furnishings Ltd.	652.33
Balkrishna Paper Mills Ltd.	7.13
Golden Fibres LLP.	1.11
<b>Rent Paid</b>	
Beetee Textile Industries Ltd.	49.14
Sanchana Trading & Finance Ltd.	2.45
Vishal Furnishings Ltd.	55.40
<b>Rent Received :</b>	
Balkrishna Paper Mills Ltd.	39.25
Beetee Textile Industries Ltd.	18.74
Golden Fibres LLP	1.44
Santigo Textile Mills Ltd.	2.43
Vishal Furnishing Ltd.	5.96
MMI Foods.	0.19
<b>Inter Corporate Deposit Recovered.:</b>	
S.P.Finance & Trading Ltd.	375.00
<b>Investment in Preference Share :</b>	
Balkrishna Paper Mills Ltd	2500.00

	Current Year
<b>Payment to Key Managerial Personnel</b>	
Ramesh Poddar	534.03
Shrikishan Poddar	437.96
Pawan Poddar	458.21
Gaurav P Poddar	318.77
Asha Devi Poddar	64.82
Ashok Kumar Jalan	97.64
<b>Sitting Fees &amp; Commission</b>	
Harish N Motiwala	10.25
Prof. (Dr.) Mangesh D. Teli	4.75
Shailesh S Vaidya	2.75
Ashok N. Garodia	3.00
Dilip H. Shinde	5.25
Pramod S. Jalan	3.50
Tarun Kumar Govil	5.50
<b>Salary to Relatives of KPM.</b>	
Avnish Poddar	29.68
Vibha Poddar	28.37
Smriti Poddar	28.09
Sangeeta Poddar	28.18
Harshit S.Poddar.	28.05
Megha Poddar ( Left 15th Aug.2017)	14.82
Anshruta Poddar.	26.98
<b>Interest Received:</b>	
S.P.Finance & Trading Ltd.	13.44
<b>Commission/ Incentive Paid :</b>	
Vishal Furnishings Ltd.	108.62
<b>Inter Corporate Deposit Given:</b>	
S.P.Finance & Trading Ltd.	550.00

h) Executive Director Compensation

Particulars	Year ended March 31, 2018
i) Short term employee benefits	1,789.86
ii) Post employment benefits	121.57
<b>Total</b>	<b>1,911.43</b>

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

41) The Group is engaged only in Textile business and there are no separate reportable segments as per Ind AS 108.

**42) Operating lease arrangements**

The Group has significant operating leases for premises. These lease arrangements range for a period between 1 years to 12 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(₹ In Lakhs)

Particulars	Year ended March 31, 2018
Rent	1,172.81
With respect to non cancellable operating lease, the future minimum lease payment as at balance sheet date :	
For a period not later than one year	1,110.30
For a period later than one year and not later than five years	4,689.64
For a period later than five years	1,327.66

**43) Defined Benefit and Contribution Plan**

Providend Fund and Superannuation Fund are Defined Contribution Plan. Contribution paid for Providend Fund and Superannuation Fund are recognised as expense for the year :

Particulars	For the year ended 31-03-2018
Employer's contribution to Providend Fund/Pension Scheme	1,055.32
Employer's contribution to Superannuation Fund	16.90

**Defined Benefit Plan:- Gratuity (Funded)**

The employees' gratuity fund scheme managed by a Trust is a defined benefit fund. The present value of the obligation is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each year of service as giving rise to additional unit of employee: benefit entitlement and measures each unit separately to build up the final obligation.

	As at 31st March, 2018
<b>I) Reconciliation of Opening and Closing balances of Defined Benefit Obligation</b>	
Defined Benefit Obligation at Beginning of the year	1,547.03
Liability transferred in/ Acquisitions	-
Current Service Cost	201.39
Past Service Cost	88.67
Interest Cost	117.11
Actuarial (Gain)/loss	26.34
Benefit Paid	(171.62)
Defined Benefit Obligation at the end of the year	1,808.92
<b>II) Reconciliation of Opening and Closing balances of Fair value of plan Assets</b>	
Defined Benefit Obligation at Beginning of the year	842.12
Actual return on plan Assets	52.89
Assets transferred in/ Acquisitions	-
Actuarial (Gain)/loss	-
Employers contribution	218.74
Benefit Paid	(171.62)
Fair value of plan assets at year end	942.13

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

(₹ In Lakhs)

	As at 31st March, 2018
<b>III) Reconciliation of fair value of Assets and Obligations</b>	
Fair value of Plan Assets	942.13
Present Value of Obligation	(1,808.92)
Amount Recognised in Balance Sheet [Surplus/(Deficit)]	(866.79)
<b>IV) Expenses recognised during the year</b>	
In Income Statement	
Current Service Cost	201.39
Interest Cost	53.36
Past Service Cost	88.67
Return on Plan Assets	
Net Cost	343.42
In Other Comprehensive Income	
Actuarial (Gain)/ Loss	26.34
Return on Plan Assets	10.86
Net (Income)/Expense for the period recognised in OCI	37.20
<b>V) Investment Details</b>	
Insurance Fund	942.13
<b>VI) Actuarial Assumption</b>	
Particulars	
Financial Assumptions	
Discount rate	7.87%
Salary Escalation Rate #	4.00%
Rate of Employee Turnover	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**VII) Sensitivity Analysis :**

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared with the previous period.

(₹ In Lakhs)

Gratuity :	As at 31 <sup>st</sup> March, 2018		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Discount rate	100bps	(114.76)	133.20
Salary Escalation Rate	100bps	133.93	(117.17)
Attrition Rate	100bps	41.70	(48.03)

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

### VIII) Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities.

### 44) FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values :

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation technique.

Level 1 : Quoted (unadjusted) price in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(₹ In Lakhs)

Financial Assets and Liabilities	As at 31 <sup>st</sup> March, 2018			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>At Amortised Cost</b>				
<b>Financial Assets</b>				
- Loans	709.43	-	-	709.43
- Trade Receivable	42,176.89	-	-	42,176.89
- Other Financial Assets	20.17	-	-	20.17
- Cash & Cash Equivalents	2,288.29	-	-	2,288.29
- Other Bank Balance	78.21	-	-	78.21
	<b>45,272.99</b>			<b>45,272.99</b>
<b>At FVTPL</b>				
- Financial Assets				
- other Financial Assets	2,500.00			2,500.00
<b>At Amortised Cost</b>				
- Financial Liabilities				
- Borrowings	54,876.29	-	-	54,876.29
- Other Financial Liabilities	6,666.42	-	-	6,666.42
- Trade Payables	18,140.74	-	-	18,140.74
	<b>79,683.45</b>			<b>79,683.45</b>

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Financial risk management objectives and policies**

In the course of business, the group is exposed to certain financial risk that could have considerable influence on the Group's business and its performance. These include market risk ( including currency risk, interest risk and other price risk), credit risk and liquidity risk. The Board of Directors review and approves risk management structure and policies for managing risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides service to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The group uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

**a) Market Risk - Interest rate risk :**

Interest rate risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Sensitivity analysis below has been determined based on the exposures to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible changes in interest rates.

**Exposure to interest rate risk**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018
Total Borrowings	61,364.14
% of Borrowings out of above bearing variable rate of interest	77.33%

**Interest rate sensitivity**

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	2017-18
50 bp increase would decrease the profit before tax by	237.28
50 bp decrease would Increase the profit before tax by	(237.28)

**b) Market Risk- Foreign currency risk.**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Company manages its foreign Currency risk by hedging transaction that are expected to occur within a maximum 12 month periods for hedge of forecasted sales and purchases in foreign currency.

The hedging is done through foreign currency forward contracts.

## CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

### Derivative instruments and unhedged foreign currency exposure

Market Risk - Foreign Currency Risk:-

i) Derivative contracts outstanding as at 31st March, 2018

(₹ In Lakhs)

Particulars	As at 31st March, 2018	
	USD	₹
Forward Contract to Sell	975.66	
Forward Contract to Buy	6829.63	

ii) The following table shows foreign currency exposures in USD, EUR and GBP on financial instruments at the end of the reporting period.

Foreign Currency Exposure

Particulars	As at 31 <sup>st</sup> March, 2018		
	USD	GBP	EUR
Trade and Other Payables	-	-	-
Trade and Other Receivables	735	121	6

iii) Sensitivity analysis of 5% change in exchange rate at the end of reporting period.

Foreign Currency Exposure

Particulars	As at 31 <sup>st</sup> March, 2017		
	USD	GBP	EUR
<b>5% Depreciation in INR</b>			
Impact on P&L	36.75	6.05	0.30
<b>5% Appreciation in INR</b>			
Impact on P&L	(36.75)	(6.05)	(0.30)

### c) Equity Price Risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the company to equity price risks. At the reporting date, the group do not hold any equity securities.

### d) Credit Risk

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Trade receivables consist of a large number of customers, spread across geographical areas. Outstanding customer receivables are regularly monitored.

The average credit period is in the range of 30 -90 days. However in select cases credit is extended which is backed by security deposit/bank guarantee/letter of credit and other forms. The Group's Trade receivables consist of a large number of customers, across geographies hence the Group is not exposed to concentration risk.

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates.

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

**Ageing of Account receivables**

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018
Not Due	12,386.87
0-3 Months	20,293.60
3-6 Months	6,064.63
6 Months to 12 Months	2,591.41
Beyond 12 months and less than 3 years	840.38
<b>Total</b>	<b>42,176.89</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**e) Liquidity Risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Company access to funds from debt markets through commercial paper programs and short term working capital loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Within 1 year	More than 1 year	Total
As on 31 <sup>st</sup> March 2018			
Borrowings	43,889.83	13,449.60	57,339.43
Trade and other Payables	18,140.74	-	18,140.74
Other Financial Liabilities	178.57	4,024.71	4,203.28

**45) EXPORT PROMOTION CAPITAL GOODS (EPCG) :**

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

**46) DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:**

Particulars	Year ended 31 <sup>st</sup> March, 2018
Amount required to be spent as per Section 135 of the Act	254.83
Amount spent during the year on:	
(i) Construction / acquisition of an asset	186.90
(ii) On purpose other than (i) above	96.23
<b>Total</b>	<b>283.13</b>

**47)** The company has formed new overseas subsidiary namely 'CADINI SRL' in Italy with effect from 04/08/2017. Being the first year of consolidation previous year's consolidated figures are not applicable.

**48)** As per legal opinion obtained, the contribution made towards the common effluent treatment plant of ₹ 601.54 lakhs has been considered as revenue expenditure and is written off in the books of account during the year and shown as exception item. In the earlier year the said contribution was shown as other non-current assets.

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

49) For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below :

Name of the Entities	Country of Incorporation	Nature	Net Asset i.e. Total assets minus total liabilities		Share in Profit/(Loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
			As a % of consolidated net assets	Amount ₹ in Lakhs	As a % of consolidated net assets	Amount ₹ in Lakhs	As a % of consolidated net assets	Amount ₹ in Lakhs	As a % of consolidated net assets	Amount ₹ in Lakhs
			Parent :							
Siyaram Silk Mills Ltd.	India	Parent Company	100.06	67862.43	100.70	11159.39	(170.38)	(24.33)	100.36	11135.06
Foreign Subsidiary having no minority interest										
CADINI SRL	Italy	WOS	1.06	717.63	(0.70)	(78.08)	270.38	38.61	(0.36)	(39.47)
Less : Inter Company elimination & Consolidation adjustment			(1.12)	(757.10)						
			(0.06)	(39.47)	(0.70)	(78.08)	270.38	38.61	(0.36)	(39.47)
<b>Grand Total</b>			<b>(0.06)</b>	<b>67822.96</b>		<b>11081.31</b>		<b>14.28</b>		<b>11095.59</b>

50) Details of Pre-operative expenses included in Capital Work In Progress :

(₹ In Lakhs)

Particulars	Current Year
a) Salaries, Wages, Allowances and Bonus	120.31
b) Contribution to Provident, Gratuity and other funds	6.50
c) Workmen and Staff Welfare Expenses	4.67
d) Processing & Labour Charges	0.91
e) Power & Fuel	2.23
f) Rent	3.30
g) Legal & Professional Charges	0.07
h) Travelling & Conveyance Expenses	16.57
i) Freight & Forwarding Charges	4.05
j) Insurance	0.67
k) Miscellaneous Expenses	9.27
l) Repairs to Others	4.75
m) Depreciation	1.77
	<b>175.07</b>

51) Approval of Financial Statement

The consolidated financial statements were approved for issue by the Board of Directors on 29th May, 2018.

As per our report of even date attached

For **Songira & Associates**  
Chartered Accountants  
( Firm Registration No.128085W )

(**Dharmendra S. Songira**)  
Partner  
Membership No. 113275

Mumbai, 29th May, 2018

For and on behalf of the Board of Directors

**R.D.PODDAR**  
Chairman & Managing Director  
DIN 00090104

**S. S. SHETTY**  
Chief Financial Officer

**P.D.PODDAR**  
Joint Managing Director  
DIN 00090521

**W.V. FERNANDES**  
Company Secretary

Form AOC -1 Part "A" Subsidiaries

Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014

Sr. No.	Particulars	(₹ in Lakhs)
i	Name of Subsidiary	CADINI S.R.L.
ii	Reporting period for the subsidiary concerned	04.08.2017 to 31.03.2018
iii	Reporting Currency and Exchange rate as on the last date of the relevant financial year/period	EURO 1 EURO = INR 80.622
iv	Share Capital	757.10
v	Reserve & Surplus	(38.93)
vi	Total Assets	786.02
vii	Total Liabilities	67.85
viii	Investments	-
ix	Turnover	38.50
x	Profit before Taxation	(86.92)
xi	Provision for Taxation	8.85
xii	Profit after Taxation	(78.07)
xiii	Proposed Dividend	-
xiv	% of Shareholding	100%

For and on behalf of the Board

R.D.PODDAR  
Chairman & Managing Director

P.D.PODDAR  
Joint Managing Director

S. S. SHETTY  
Chief Financial Officer

W.V. FERNANDES  
Company Secretary

Mumbai, 29th May, 2018

## SIYARAM SILK MILLS LIMITED

CIN: L17116MH1978PLC020451

Regd. Off.: H-3/2, MIDC, A - Road, Tarapur, Boisar, Dist: Palghar- 401 506, Maharashtra. Tel.: 7506794051  
Corp. Off. : B-5, Trade World, 5th Floor, Kamala City, Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel (W), Mumbai – 400 013.

Website: www.siyaram.com Email: sharedept@siyaram.com

### NOTICE

Notice is hereby given that the 40th Annual General Meeting of the Members of **SIYARAM SILK MILLS LIMITED** will be held on Tuesday, 14th August, 2018 at 11.00 a.m. at Plot No. G-4/1(A), MIDC, Tarapur, Boisar, Dist. Palghar – 401 506, Maharashtra, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm Interim Dividend of ₹ 2.20 per Equity Share already paid for the financial year ended 31st March, 2018 and to declare Final Dividend on the Equity Shares of the Company for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Shri. Gaurav P. Poddar (DIN 03230539), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, framed thereunder, as amended from time to time and subject to such other permissions as may be necessary, M/s. Bhuta & Associates, Cost Accountants (FRN 100817), who are appointed as the Cost Auditors of the Company by the Board of Directors, to conduct audit of the cost records of the Company be paid remuneration for the Financial Year ending 31st March, 2019, of ₹ 4,50,000/- (Rupees Four Lakhs Fifty Thousand Only) plus applicable tax, reimbursement of traveling and other out-of-pocket expenses incurred by them in connection with the said Audit.”

By Order of the Board

(William Fernandes)  
Company Secretary

Place: Mumbai

Date: 29th May, 2018.

#### NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote on a Poll at the meeting instead of himself/herself.** The proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding 50(fifty) and holding in aggregate not more than 10% of the total share capital of the Company.
2. Proxy Forms, in order to be effective, should be duly completed, stamped and signed and must be lodged with the Company at its Registered Office not less than forty-eight hours before the commencement of the meeting. A blank proxy form is enclosed herewith.
3. The Explanatory Statement, as required by section 102(1) of the Companies Act, 2013 (“Act”) in respect of special business at item no. 4 of the Notice is annexed hereto.
4. All documents referred to in the accompanying Notice and Explanatory Statement will be open for inspection at the Registered Office and Corporate Office of the Company between 11.00 am to 1.00 pm on all working days except Saturdays, Sundays and Public Holidays up to the date of the Annual General Meeting (AGM).
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 31st July, 2018 to Friday, 3rd August, 2018 (both days inclusive) for the purpose of payment of final dividend for the year ended 31st March, 2018, if declared at the AGM.
6. Final dividend, if declared at the AGM will be paid on or after 18th August, 2018, in respect of shares held in physical form to those members whose names appear on the Register of Members of the Company as on close of business hours on 30th July, 2018 and in respect of shares held in electronic form to those ‘Deemed Members’ whose names appear in the statement of beneficial ownership furnished by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd.(CDSL) as on that date.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company’s Registrar and Share Transfer Agent/ Company.
8. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their

bank details, NECS mandates, nomination, power of attorney, change of address, etc., to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.

Members holding shares in physical form are requested to intimate all changes with respect to their bank details, change of address, etc. to the Company at its Corporate Office/ Registered Office or its Share Transfer Agent.

9. In terms of provisions of section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has transferred shares in respect of which no dividend has been claimed/encashed continuously for seven preceding years to the IEPF Authority after following the due procedure. Details of the aforesaid shares are available on the website of the Company. The aforesaid Rules also prescribe the procedure for claiming back the said shares from IEPF Authority.

The amount of dividend remaining unclaimed and unpaid for a period of seven years from the date of declaration, is required to be transferred to the Investor Education and Protection Fund (IEPF) Authority. Accordingly, the Company has transferred the unclaimed and unpaid amount pertaining to the dividend upto the financial year 2009-10 to the IEPF Authority. Members who have not encashed their dividend warrants for the financial year 2010-11 and onwards are requested to make their claims to the Company immediately. The unclaimed or unpaid dividend which have already been transferred or the shares which are transferred to the IEPF Authority can be claimed back by the Members from IEPF Authority by following the procedure given on its website i.e. <http://iepf.gov.in/IEPFA/refund.html>.

Information in respect of such unclaimed and unpaid dividends when due for transfer to the said Fund is given below:

Financial year ended	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31/03/2011	06/08/2011	11/08/2018	10/09/2018
31/03/2012	25/08/2012	30/08/2019	29/09/2019
31/03/2013	10/08/2013	15/08/2020	14/09/2020
31/03/2014	27/09/2014	02/10/2021	01/11/2021
31/03/2015	18/07/2015	23/08/2022	22/09/2022
31/03/2016	09/03/2016-Interim	14/03/2023	13/04/2023
31/03/2017	09/09/2017	15/09/2024	15/10/2024
31/03/2018	27/11/2017-Interim	02/12/2024	31/12/2024

10. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.

11. The members are requested to:
- Quote Registered Folio/Client ID & DP ID in all their correspondence;
  - Bring their copy of the Annual Report and Attendance Slip duly signed;
  - Send queries related to accounts to the Company at least 15 days before the date of the meeting.
12. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email address by sending their details to the Registrar and Share Transfer Agents, M/s. TSR Darashaw Ltd., for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.
13. Electronic copy of the Notice of the 40th AGM alongwith the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2017-18 is being sent in the permitted mode.
14. A route map giving directions to reach the venue of the 40th AGM is given along with this Notice. Please note that pick up vehicles will be available at Boisar Station (W), near United India Insurance Ltd. (Opp. Boisar Post Office) with Siyaram banner displayed on the vehicles from 10.00 am on the day of the meeting to transport the members to the venue of the meeting and back to the Station after the meeting. Members are requested to avail the said facility.
15. Pursuant to the provisions of section 108 of the Act read with the Rules framed thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") the Members are provided with the facility to cast their vote electronically i.e. using an electronic voting system from a place other than venue of the AGM (remote e-voting), through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The facility for voting through ballot/polling paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the AGM through ballot/polling paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again at the AGM.

The e-voting period commences on Thursday, 9th August, 2018 (9.00 a.m. IST) and ends on Monday, 13th August, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in

dematerialized form, as on 7th August, 2018 i.e. cut off date, may cast their vote electronically.

The details of the process and manner for remote e-voting are explained herein below :-

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below :-**

**How to Log-in to NSDL e-Voting website ?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Your password details are as given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password'

which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c. How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system ?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company which is 108598.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for Shareholders**

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [naithanipcs@gmail.com](mailto:naithanipcs@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Other Instructions**

- i. The e-voting period commences on Thursday, 9th August, 2018 (9.00 a.m. IST) and ends on Monday, 13th August, 2018 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on 7th August, 2018 i.e. cut off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 7th August, 2018 i.e. cut off date.
- iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), However, if he/she is already registered with NSDL for remote e-Voting than he/she can use his/her existing User ID and password for casting the vote.
- iv. Shri. Prasen Naithani, Practising Company Secretary (Membership No. FCS 3830) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, after conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter

unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or person authorized by him who shall countersign the same and declare the results of the voting forthwith.

- v. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.siyaram.com](http://www.siyaram.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The results shall also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

#### **16. Appointment / Re-appointment of Directors:**

At the ensuing Annual General Meeting, Shri. Gaurav P. Poddar, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment, resolution for his re-appointment is proposed for approval of the Members at item no. 3.

#### **ANNEXURE TO THE NOTICE**

##### **Explanatory statement pursuant to section 102 of the Companies Act, 2013 (“Act”) in respect of special business. Item No. 4**

In accordance with the provisions of section 148 of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”), the Company is required to appoint a Cost Auditor to audit the cost records of the Company.

On recommendation of the Audit Committee, the Board at its meeting held on 29th May, 2018 has approved the appointment of M/s. Bhuta & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2018-19 at a remuneration of ₹ 4,50,000/- plus applicable taxes and reimbursement of all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is to be ratified by the members in accordance with the provisions of the Act and Rule 14 of the Rules.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the Resolution at item no. 4 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no.4 of the Notice, for approval by the Members.

By Order of the Board

(William Fernandes)  
Company Secretary

Place: Mumbai  
Date: 29th May, 2018.

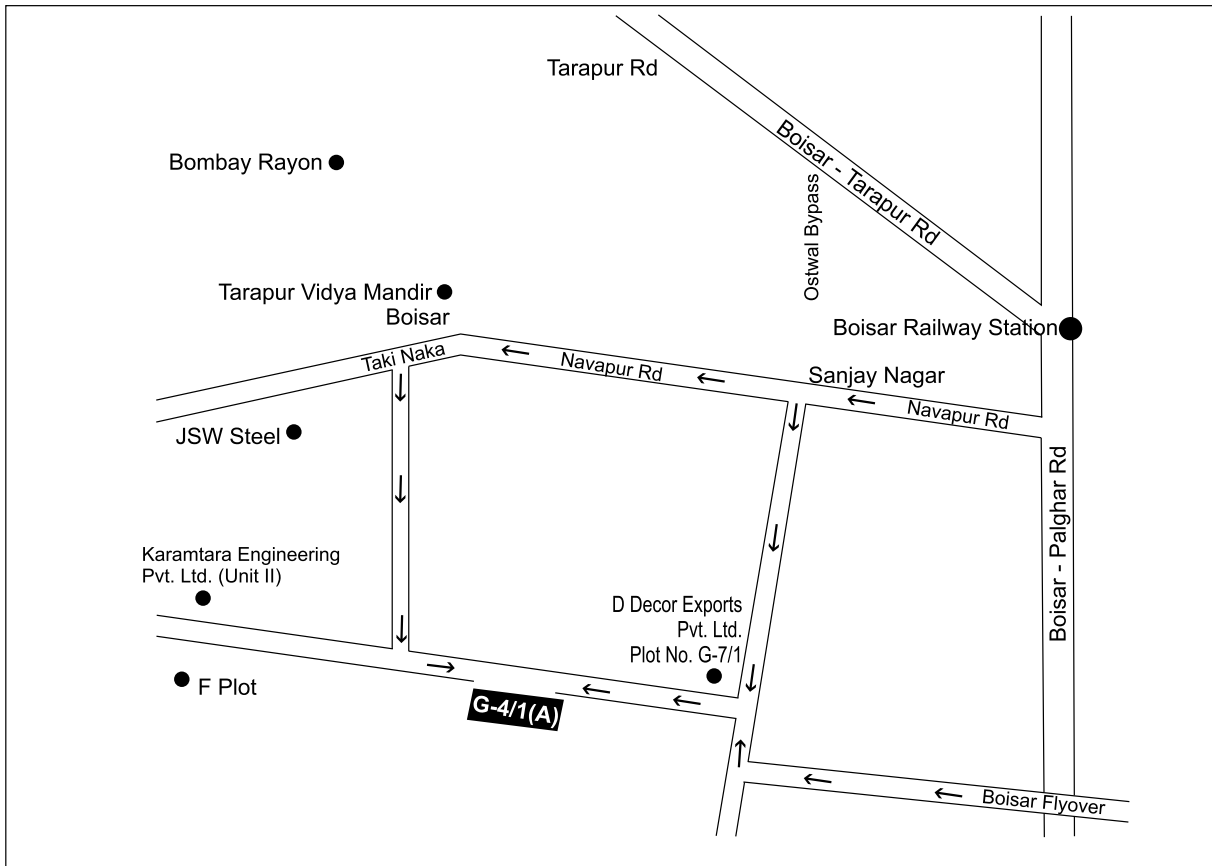
**Annexure to Item 3 of the Notice**

Details of Director seeking appointment / re-appointment at the ensuing Annual General Meeting (In pursuance of the Listing Regulations)

Name of the Director and number of shares held in the Company	Date of Birth	Date of Appointment on the Board	Qualifications	Expertise in specific functional area	List of other Companies (excluding Private Companies) in which Directorships and Committee Chairmanships/ Memberships, if any.	Relationship with other Directors and other Key Managerial Personal of the Company
Shri. Gaurav P. Poddar (DIN 03230539)  19,52,000 Equity Shares	04/02/1985	01/08/2012	B. Sc., MBA	Industrialist with experience in the Textile Industry especially in production and marketing of Readymade Garments	<b>Directorship</b> Cadini S.R.L., wholly owned subsidiary of the Company. <b>Membership in Committees</b> Nil	Related to Shri. Ramesh Poddar, Shri. Pawan Poddar, Smt. Ashadevi Poddar and Shri. Shrikishan Poddar, Directors of the Company.

**ROUTE MAP TO THE VENUE OF THE AGM**

Plot No. G-4/1(A), MIDC, Tarapur, Boisar, Dist. Palghar - 401506, Maharashtra



# FINANCIAL HIGHLIGHTS

(Figures in Lakhs)

YEAR	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>PRODUCTION</b>						
Cloth ( Mtrs)	852	752	810	688	656	622
Yarn (Kgs.)	52	41	43	36	45	38
Garments (Nos.)	67	55	56	43	37	25
<b>NET SALES (₹)</b>						
Local	157,905	1,44,038	1,48,965	1,40,634	1,22,192	98,926
Export	15,371	13,355	11,926	10,396	8,151	5,205
Gross Profit	23,182	19,053	17,872	15,985	12,717	10,361
Depreciation	6,055	5,455	5,160	4,090	2,915	2,182
Profit Before Tax	17,127	13,599	12,711	11,895	9,802	8,179
Provision for Tax	5,968	4,497	4,304	4,016	3,445	2,678
Net Profit	11,159	9,101	8,407	7,879	6,357	5,501
Dividend (%)	210	150	110	100	80	75
Net Worth per Share of ₹ 2/- each*	145	127	108	93	79	67
Earning Per Share*	24	19	18	17	14	12
Net Cash Accrual	13,816	14,533	13,637	10,571	8,782	7,193
Gross Block of Fixed Assets	82,572	77,025	64,829	58,949	56,955	51,515

\*Equity Shares of ₹ 10/- each subdivided into ₹ 2/- each during the year accordingly previous years figure has been restated

**Siyaram's**

**OXEMBERG**

 **J. HAMPSTEAD**  
WORLD'S FINEST FABRIC & APPAREL

 **CADINI**  
ITALY

**SIYARAM SILK MILLS LTD.**

Registered Office : H-3/2, MIDC , A - Road, Tarapur, Boisar, Palghar - 401 506, Maharashtra.  
Corporate Office : B/5, Trade World, Kamala Mills, S.B. Marg, Lower Parel (W), Mumbai - 400 013.  
Tel.: 022 - 30400500, Fax : 022 - 30400599, Email : [sharedept@siyaram.com](mailto:sharedept@siyaram.com)  
CIN : L17116MH1978PLC020451, Website : [www.siyaram.com](http://www.siyaram.com)