

**September 29, 2018**

To,  
**Bombay Stock Exchange Ltd.**  
Department of Corporate Services,  
P.J. Towers, Dalal Street,  
Mumbai – 400001.

**Sub.:** Annual Report for the year 2017-18.

**Ref.:** Submission pursuant to Reg.34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BSE Code:** 514474

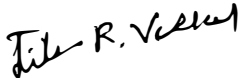
Dear Sir/Madam,

With reference to above subject, please find attached herewith Annual Report for the year 2017-18 of Fairdeal Filaments Limited duly approved by the members in the 28<sup>th</sup> Annual General Meeting of the Company held on Saturday, 29<sup>th</sup> September, 2018 at 11.00 AM at the Registered Office of the Company.

Kindly take on your record the same.

Thanking You.

Yours faithfully,  
**For Fairdeal Filaments Limited**



**Jitesh Varkal**  
**Company Secretary**

Encl.: As above



# 28th **ANNUAL REPORT** 2017-18





## VISION

“To be one of the world's best integrated textile enterprise, steered by research, innovation and excellence, while transcending customer and stakeholder expectations.”

## MISSION

- Strive to offer innovative, customized and value-added services to our customers.
- Innovate constantly in our business.
- Optimize the use of all resources, through state of the art technology.
- Surpass compliance and global quality standards.
- Actively explore and tap potential markets and products.
- Become a process driven organization.
- Expand people-development initiatives.
- Be an ethical, transparent and a responsible global organization.

## CULTURAL VALUES

- Customer satisfaction.
- Visionary leadership.
- Passionate about creativity, innovation and excellence.
- Adaptable and open to change, thus breaking the status-quo.
- Concern for the environment and the community.
- Ethical, transparent and global corporate citizens.

## COMPANY PROFILE

At Fairdeal we are engaged in manufacturing synthetic fabric on water jet looms with complete back ward integration of yarn manufacturing and we have various yarns preparatory activities e.g. sizing, twisting, texturising etc.

Our manufacturing set ups are located at Kim and Karanj locations in Surat district, Gujarat. Company utilises a total working space of 100,000 sq. ft. of constructed area for its processes and administrative purpose.

We are yarn marketing agent for various yarn manufacturing companies, textile being higher power requiring industry we have installed one 0.6 MW wind mill to cater part of our power need through green sources. During the FY 2017-18 we have generated net wind energy of 8.14 lakh units which catered approx. 14% of our total power need.

We take care of Mother Nature in all our activities by ensuring the least effect on environment hence we move one step ahead of the legal requirement and take extra care hence all our processes are clean and environment friendly. We use approx. 135 million litres of water annually which we completely recycle back to our processes and have zero liquid discharge policy.

Being a part of society we acknowledge our responsibility towards it hence we have taken up project for rural development program in conjunction with an active social organization OASIS for the uplifting of rural community at factory surrounding area. The program aims at providing the personal development of the people in the villages.

We are running skill development program with support of the Central Government / State Government to provide employment to youths from surrounding villages and migrants from other states.



## MANAGING DIRECTOR'S MESSAGE



**Dhirubhai Shah**

Dear Fellow Members,

This gives me privilege to share my thoughts with you through this annual communiqué and I take this opportunity to share with you what we did in the year gone by and my vision for the company, for the future.

Financial year 2017-18 has been a year full of challenges and opportunities. It's been a year of big reforms by Government, rollout of Goods and Services Tax (GST) has been a historic event in the Indian economy. Though GST will be beneficial to the all in long run but it has created short term turbulence in the textile industry. Textile Industry major part of which run under unorganised sector mainly consisting from sme/ msme manufacturers to the whole seller to traders, and they always been under lesser compliance environment hence faced big heat of this event. On the other hand there have been more opportunities in the export markets which saw a good growth in demand both in fabric and yarn exports due to China's loss of cost competitiveness and focus on higher value addition segments.

Demand for manmade fibre (MMF) has been increasing globally in past two three decades primarily driven by increasing consumption of MMF due to limited cotton production and supply coupled with other factors such as lower prices of MMF. As per an estimate the consumption of MMF has increased to 70% and cotton / natural fibre has reduced to 30% globally whereas the consumption of MMF is still on very lower side in our country which is 40% MMF and 60% natural fibre. This shows the growth potential in the MMF industry in India in coming years. As China's share is expected to reduce in textile export globally in this changed global environment there will be more opportunity for other textile manufacturing countries like us.

In the changed environment I feel there is need of bigger business entities to create scale and integration which will make them cost competitive and capable of generating volume. This may require the consolidation of businesses in all levels in textile industry to tap the opportunity in the global market. In our group we are also on the path of consolidating our textile business under one roof / entity hence we are exploring to merge our company with another group company Shalton Silk Industries Limited (SSIL). Both the companies are having similar line of business in addition SSIL has more diversified product portfolio. Manufacturing/administrative set ups being at same / adjacent places this will create synergies in operation and management.

Looking forward we see opportunities in both backward and forward processes in our business. Hence we are exploring possibilities and studying the various possibilities in details and further our major thrust for the near future is maximum utilisation of the existing resources of the Company.

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**BOARD OF DIRECTORS**

<b>Mr. Jayantilal R. Shah</b>	Chairman
<b>Mr. Dhirajlal R. Shah</b>	Managing Director
<b>Mr. Arvind R. Shah</b>	Whole-time Director
<b>Mr. Rajendra K. Desai</b>	Independent Director
<b>Mr. Nandish S. Vin</b>	Independent Director
<b>Ms. Sonia P. Khanna</b>	Woman Independent Director

**COMPANY SECRETARY**

**Mr. Jitesh R. Varkal**

**CFO**

**Mr. Satish H. Shah**

**AUDITORS**

**M/s. Rangoonwala Associates**  
Chartered Accountants, Surat.

**SECRETARIAL AUDITOR**

**Bhairav H. Shukla**  
Practicing Company Secretary

**BANKERS**

1. **Bank of Baroda**, Zampa Bazar, Surat.
2. **ICICI Bank**, Ahmedabad.

**PLANT LOCATION**

1. Mota Borsara, Kim, Taluka : Mangrol, District : Surat.
2. Limodara Patiya, Karanj, Taluka : Mandvi, District : Surat.

**REGISTERED OFFICE**

3rd Floor, Dawer Chambers, Near Sub-Jail,  
Ring Road, Surat - 395002.  
Tel. No. : (0261) 4190200  
Fax No. : (0261) 2635550  
E-mail : info@shahlon.com  
Website : www.shahlon.com

**REGISTRARS AND TRANSFER AGENTS****MCS SHARE TRANSFER AGENT LIMITED**

88, Sampatrao Colony, 1st Floor, Neelam Apartments,  
Above Chhapanbhog Sweet, Vadodara - 390007, Gujarat.  
Tel No. : (0265) 2314757 / 2350490  
Fax No. : (0265) 2341639  
E-mail : mcsltdbaroda@yahoo.com

**ISIN for NSDL & CDSL**

INE719D01011

# 28<sup>th</sup>

## ANNUAL REPORT 2017-18

## NOTICE

Notice is hereby given that the 28th Annual General Meeting of members of FAIRDEAL FILAMENTS LIMITED will be held on Saturday, 29th day of September, 2018 at 11:00 A.M. at the Registered Office of the company situated at 3rd Floor, Dawer Chambers, Nr. Sub Jail, Ring Road, Surat- 395002 to transact the following Business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2018, together with the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Shri Arvind R. Shah (DIN 00010483), Director who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

#### 4. To ratify the Remuneration of Cost Auditors.

To consider and, if thought fit, to pass 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, Companies (Cost records and Audit Rules) 2014 and The Companies (Audit and Auditors) Rules, 2014 (including any amendment or statutory modification thereto for the time being in force), the remuneration payable to M/s. Kannaujya & Co., Cost Accountants, having Firm Registration No.102990 appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company pertaining to textile product for the financial year ending 31st March, 2019, amounting to Rs. 25,000/- (Rupees Twenty Five Thousand) as also the payment of taxes as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

By Order of Board of Directors of  
**Fairdeal Filaments Limited**

**Jitesh R. Varkal**  
Company Secretary

Place : Surat  
Date : 14.08.2018

## 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 INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the time of holding the meeting. A Proxy form is enclosed herewith. Corporate members are requested to send a duly certified copy of the Board resolution/authority letter, together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts relating to Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with by the provisions of section 40 of the Companies Amendment Act, 2017 notified w.e.f. May 7, 2018 by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on September 29, 2017.
4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
5. Brief details of the directors retiring by rotation/ seeking re-appointment at the ensuing Meeting, are annexed hereto as per requirements of regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company shall remain closed from **Saturday, 15th September, 2018 to Saturday, 29th September, 2018 (both days inclusive)** for the purpose of payment of Dividend for financial year ended 31st March, 2018 and the 28th AGM of the Company. The Record date for determining the name of the members eligible for Dividend on Equity share, if declared at this meeting, is **Friday, 14th September, 2018**.
7. Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched on or after **Saturday, 29th September, 2018** as under:
  - a. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on **Friday, 14th September, 2018**; and
  - b. to all those shareholders holding shares in physical form whose names stand on the Register of Members as on **Friday, 14th September, 2018**.
8. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f.05/12/2018. In view of the above and to avail various benefits of dematerialization, members holding shares in physical form are advised to dematerialize their shares on or before 05/12/2018.
9. Members holding shares in physical mode:
  - a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company / MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company if not registered with the Company as mandated by SEBI.
  - b) are advised to register the nomination in respect of their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website.
  - c) are requested to register / update their e-mail address with the Company / MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company for receiving all communications from the Company electronically.
  - d) are requested to notify immediately any change in their address by sending duly filled and signed 'INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION' along with all evidential documents as mentioned in the said form.
  - e) are requested to notify immediately any change in their bank mandates by sending duly filled and signed 'ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM' along with all evidential documents as mentioned in the said form.



10. Members holding shares in electronic mode:
- are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
  - are advised to contact their respective DPs for registering the nomination.
  - are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
  - are requested immediately to notify any change in their address, bank mandates, nomination, power of attorney, e-mail address, change in name etc. to their depository participant.

11. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2009-10, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on September 29, 2017 (date of the previous Annual General Meeting) on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority i.e. [www.iepf.gov.in](http://www.iepf.gov.in).

Please note that Members who have yet not en-cashed their dividend warrant(s) pertaining to dividend declared for the financial year 2010-11 and onwards are requested to lodge their unpaid dividend claims along with claimant's Proof of Identity and address immediately with the Company before transfer of said dividend amount to the IEPF.

Due dates for transfer of unclaimed/unpaid dividends for the financial year 2010-11 and thereafter to IEPF:

Financial Year	Date of Declaration of Dividend	Dividend Payment	Due Date for transfer to IEPF
2010-2011	30/09/2011	12.5%	06/11/2018
2011-2012	28/09/2012	12.5%	04/11/2019
2012-2013	30/09/2013	12.5%	06/11/2020
2013-2014	30/09/2014	5.00%	06/11/2021
2014-2015	30/09/2015	12.5%	06/11/2022
2015-2016	30/09/2016	12.5%	06/11/2023
2016-2017	29/09/2017	12.5%	05/11/2024

12. a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority i.e. [www.iepf.gov.in](http://www.iepf.gov.in).
- b) **The Company has now communicated individually the concerned shareholders whose shares are liable to be transferred to IEPF Authority during the financial year 2018-19 at their latest available address with the Company and simultaneously published a notice in the English newspaper the Financial Express and in Gujarati newspaper Gujarat Guardian dated 10/08/2018, for taking appropriate action. The Statement of details of such Shareholders and Shares due for transfer to IEPF Authority during the financial year 2018-19 and the Statement of Unclaimed Dividend amount for 7 consecutive years is placed on the website of the Company.**
- c) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from IEPF Authority. Concerned members/investors are advised to visit the web link: <http://www.iepf.gov.in/IEPF/refund.html> or contact Company or MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority.
13. Members/Proxy Holders should bring Attendance Slips duly filled in for attending the meeting. Members are requested to bring their copy of Annual Report at the Meeting.
14. Members seeking any information concerning the accounts and operations are requested to send their queries to the company at least 10 days before the date of the meeting, so that information required can be made available at the meeting.

15. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
16. The Board of Directors has appointed Shri Bhairav H. Shukla, Practicing Company Secretary (Membership No. FCS 6212) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
17. The facility for voting through ballot or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
18. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
19. The instructions and manner for availing e-Voting facility are as under:

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 26th September, 2018 (9.00 a.m.) and ends on 28th September, 2018 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address label/sticker affixed on the back page of the Annual Report.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **Fairdeal Filaments Ltd** on which you choose to vote.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

(xxi) Following person responsible to address the grievances connected with facility for voting by electronic means:

Name : Mr. Rakesh Dalvi

Designation : Deputy Manager

Address : Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai – 400001.

Email id : [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Phone number : 18002005533

(xxii) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e. 22nd September, 2018, may obtain the login ID and password by sending a request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Issuer/RTA. However, if person is already registered with CDSL for e voting then existing User ID and password can be used for casting vote.

20. Electronic copy of the Notice of the 28th annual general meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 28th annual general meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

21. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting the duly filled in “E-mail Registration Form”, available on the website of the Company, to the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

The Notice of annual general meeting and the copies of audited financial statements, directors’ report, auditors’ report etc. will also be displayed on the website ([www.shahlon.com](http://www.shahlon.com)) of the Company.

## ANNEXURE TO THE NOTICE

### BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS, 2015

#### Item No. 3 of the Notice

As regards re-appointment of Shri Arvind R. Shah referred to in Item No. 3 of the notice, following necessary disclosures are made for the information of the shareholders:

- (a) a brief resume of the director AND nature of his expertise in specific functional areas;  
Mr. Arvind R. Shah is a science graduate aged about 60 years is having rich experience of more than 30 years in textile business. He is a Promoter-Director since inception of the company. He is heading marketing department and has efficiently developed large number of local as well as export customer base.
- (b) disclosure of relationships between directors inter-se;  
Brother of Shri Dhirajilal R. Shah, Managing Director of the Company and Shri Jayantilal R. Shah, Director of the Company.
- (c) names of listed entities in which the person also holds the directorship and the membership of Committees of the board : Nil
- (d) shareholding in the company as on June 30,2018:  
Shri Arvind R. Shah holds 40,000(0.66%) equity shares of Rs.10/- each.
- (e) Number of Meetings of Board attended during the year (2017-18):  
Shri Arvind R. Shah had attended Eight (8) Board Meetings out of Eight (8) Board Meetings held during the year.
- (f) Number of other Directorships as on June 30, 2018: Nil

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

#### Item No. 4 of the Notice

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment and remuneration of an amount not exceeding Rs.25,000(Rupees Twenty Five thousand only)plus taxes as applicable and reimbursement of out-of-pocket expenses for the financial year ended 31stMarch, 2019 payable to the Cost Auditors M/s Kannaujiya & Co., Cost Accountants, having Firm Registration No.102990, to conduct the audit of the cost records of the Company for the aforesaid financial year.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors), Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors of the Company has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

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

The Board recommends the resolution for approval by the members.

By Order of Board of Directors of  
**Fairdeal Filaments Limited**

**Jitesh R. Varkal**  
Company Secretary

Place : Surat  
Date : 14.08.2018

## DIRECTORS' REPORT

Your Directors are pleased to present 28th Annual Report alongwith the audited financial statements for the Financial Year ended March 31, 2018.

### FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2017-18	2016-17
Total Revenue	21872.71	20451.27
Profit before interest and depreciation	947.83	854.90
Less : Interest	416.46	407.31
Depreciation	265.57	259.34
Profit before Tax	265.80	188.25
Less : Provision for Current Taxation	90.28	39.64
Provision for Deferred Taxation	(25.73)	(4.39)
Profit after Tax adjustment	201.25	153.00
Excess/(Short) provision for taxation in earlier year	-	23.03
Net Profit	201.25	176.02
Add : Balance brought forward from previous year	771.17	686.17
Amount available for Appropriation	972.42	862.19
Less : Proposed Dividend	-	75.63
Tax on Dividend	-	15.40
Balance Carried to Balance Sheet	972.42	771.17

### OPERATIONAL PERFORMANCE

Your Company has achieved turnover of Rs. 21872.71 lacs during the year under review as compared to Rs. 20451.27 lacs for the previous year registering a growth 6.95% compared to previous year. Increase in turnover is mainly on account of increase in trading business.

Earnings before Interest, Depreciation and Tax (EBIDTA), during the year under review are Rs. 947.83 lacs as compared to Rs.854.90 lacs for the previous year. Profit before tax for the financial year under review has increased to Rs. 265.80 lacs from Rs.188.25 lacs for the previous year. Your Company has earned a Net Profit after tax of Rs. 201.25 lacs increase by 14.33% from Rs.176.02 lacs of previous year.

### INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA) has notified on February 16, 2015 the Companies (Indian Accounting Standards) Rules, 2015 w.e.f. 01.04.2015 (Ind AS) which is applicable to our company from April 1, 2017 with a transition date of April 1, 2016. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014.

The transition from previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First time Adoption of Indian Accounting Standards."

### DIVIDEND

The Board of Directors has recommended a dividend of Rs.1.25/- (i.e., 12.50%) per equity share of Rs.10/- each (last year Rs.1.25/- per equity share) on the Paid-up Equity Share Capital of company for the year ended on 31st March, 2018 amounting to Rs.91.03 lacs (inclusive of tax on dividend of Rs.15.40 lacs). The dividend payment is subject to approval of members at the ensuing Annual General Meeting.

### DEPOSITS

Your Company has neither accepted nor renewed any deposit within the meaning of the Companies (Acceptance of Deposits) Rules, 2014.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Shri Arvind R. Shah (DIN 00010483), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

### NUMBER OF MEETINGS HELD

During the financial year 2017-18, the Board of Directors met eight (8) times on:

- 1) 27/04/2017,                      2) 30/05/2017,                      3) 14/08/2017,                      4) 13/09/2017,  
5) 09/12/2017,                      6) 18/01/2018,                      7) 12/02/2018                      and                      8) 29/03/2018.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Attendance of Directors at Board Meetings and Annual General Meeting:

S. No.	Name of the director	Status	Number of Board Meetings held	Number of Meetings attended	Attendance at the AGM-29/09/2017
1.	Jayantilal Raichand Shah	Chairman/PD/NED	8	8	Attended
2.	Dhirajlal Raichand Shah	Managing Director/PD/ED	8	8	Attended
3.	Arvind Raichand Shah	Whole-time Director/PD/ED	8	8	Attended
4.	Rajendra Kundanlal Desai	ID	8	8	Attended
5.	Nandish Vin	ID	8	8	Not attended
6.	Sonia Piyush Khanna	ID	8	4	Attended

PD-Promoter Director; NED – Non-Executive Director; ID – Independent Non-Executive Director; ED – Executive Director

During the financial year 2017-18, the Audit Committee met five (5) times on:

- 1) 30/05/2017,                      2) 14/08/2017,                      3) 13/09/2017,                      4) 09/12/2017, and 5)12/02/2018.

S. No.	Members of Audit Committee	Status	Number of Committee Meetings held	Number of Meetings attended
1.	Rajendra Kundanlal Desai	Chairman	5	5
2.	Nandish Vin	Member	5	5
3.	Jayantilal Raichand Shah	Member	5	5

No Nomination and Remuneration Committee meeting was held during the financial year under review.

During the financial year 2017-18, the Stakeholders Relationship Committee met eleven (11) times on:

- 1) 18/04/2017,                      2) 29/04/2017,                      3) 31/05/2017,                      4) 09/08/2017,                      5) 16/10/2017,                      6) 30/11/2017,  
7) 15/12/2017,                      8) 28/12/2017,                      9) 16/01/2018,                      10) 31/01/2018 and 11) 15/03/2018.

S. No.	Members of Stakeholders Relationship Committee	Status	Number of Committee Meetings held	Number of Meetings attended
1.	Jayantilal Raichand Shah	Chairman	11	11
2.	Dhirajlal Raichand Shah	Member	11	11
3.	Arvind Raichand Shah	Member	11	11

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your Company does not have any Subsidiary, Joint Venture/ Company or Associate Company.

### NOMINATION AND REMUNERATION POLICY:

Policy for selection and appointment of Directors and their remuneration:

The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the appointment and remuneration of the director, key managerial personnel (KMP) and other employees are as under:

The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and recommend to the Board their appointment, and also to formulate criteria for evaluation of performance of Independent Directors and the Board and to devise a policy on Board diversity.

- i. **Appointment criteria and qualification :** The Committee shall identify and ascertain the integrity, qualification, positive attributes, independence of a director, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Executives at Senior Management level in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The Company shall not appoint or continue the employment of any person as Managing or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- ii. **Remuneration Policy :** The Company has a standard remuneration policy for the Executive and Non-Executive Directors, which is periodically reviewed by the Nomination and Remuneration Committee. The broad idea for the policy is as under.

- The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.
- An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI(LODR) Regulations, 2015, as amended from time to time
- Non-Executive Directors shall be paid a sitting fee for Board Meeting and Committee Meetings fixed by the Board of Directors from time to time.
- The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the approval of the shareholders of the Company and Central Government, wherever required and shall be as per agreement as may be executed in accordance with the provisions of the Act and Rules made thereunder.
- The Nomination and Remuneration Policy is available on the company's website.

The committee presently consists of three Directors. The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee. Composition of the Nomination and Remuneration Committee is as under:

Name of Directors	Category	Position
Rajendra K. Desai	Non-Promoter / Independent / Non-Executive Director	Chairman
Nandish S. Vin	Non-Promoter / Independent / Non-Executive Director	Member
Jayantilal R. Shah	Promoter / Non-Executive Director	Member

## DETAILS OF REMUNERATION TO ALL THE DIRECTORS:

The company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending the Board meeting and Committee meeting. No sitting fees are paid to Executive Directors. The remuneration policy of the company is directed towards rewarding performance. The Company has no stock option scheme. Further no commission is paid to any of the Directors.

The details of remuneration paid to the Managing Director, Whole-time Director including sitting fees paid to Non-Executive Directors of the Company are given in Form MGT-9 forming part of this report.

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as per 'Annexure - 1'.

Shareholding of non-executive directors:

Name of Non-Executive Director	No. of shares held as on March 31, 2018	% share holding
Jayantilal R. Shah	1,30,000	2.1488
Rajendra K. Desai	1320	0.0218
Nandish S. Vin	NIL	NIL
Sonia P. Khanna	100	0.0017

## PARTICULARS OF EMPLOYEES

There were no employees whose remuneration was in excess of the limits in pursuance of section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, Technology Absorption and foreign exchange earnings and outgo is appended as an 'Annexure-2' to the Board's Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge, belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)& (5) of the Companies Act, 2013:

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

## 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, Shri Bhairav H. Shukla, Practicing Company Secretary, (CP: 5820) Surat, has been appointed as the Secretarial Auditors to conduct the Secretarial Audit of the Company, the Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as 'Annexure-3'. The report is self-explanatory and does not call for any further explanation / comments as required under Section 134(3)(f) of the Companies Act, 2013.



## STATUTORY AUDITORS AND AUDITOR'S REPORT

M/s Rangoonwala Associates, Chartered Accountants (Firm Registration No. 108632W) were appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting held on September 29, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

## COST AUDITORS

The Board of Directors on the recommendation of Audit Committee, approved the appointment of M/s. Kannaujiya & Co., Cost Accountants, Surat, as the Cost Auditors of the company for the year 2018-19 at a remuneration of Rs.25,000/- plus taxes as applicable and out of pocket expenses. The remuneration of the Cost Auditors is proposed to be ratified by the members at the ensuing Annual General Meeting.

The company has made and maintained books of account and records pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013.

The Cost Audit Report for the year ended on 31st March 2018 will be submitted by M/s. Kannaujiya & Co., Cost Accountants, Surat to the Board of Directors of the company. After consideration and examination by the Board of Directors, the company will furnish cost audit report to Central Government in prescribed form.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employee relations throughout the year were harmonious. Your company treats its human resources as its important asset contributing to the all-round growth of your company. Industrial relations have continued to be cordial at all levels of the organization during the year under review.

## INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

Your company is conscious about the need to line up modern management practices. The company has been successfully running RAMCO ERP software since long back. The company has implemented BI tools to add further values and to make the information flow more dynamic to top and mid management levels. The company has an internal control system commensurate with its size and nature of its business which covers areas such as optimum utilization of resources, accurate and prompt recording of transactions, safeguarding of assets, adherence to applicable accounting standards and policies, review of IT and other systems, compliance with prevalent statutes, management policies and procedures. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Financial Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

Statutory Auditors of the company has conducted audit of internal financial control system over financial reporting and operating effectiveness of such controls. Separate audit report on internal financial control is annexed to Auditors Report and forming part of this report.

## AUDIT COMMITTEE

Audit Committee presently consists of three Directors. The composition of Audit Committee is as follows.

Name of Directors	Category	Position
Rajendra K. Desai	Non-Promoter / Independent / Non-Executive Director	Chairman
Jayantilal R. Shah	Promoter / Non-Executive Director	Member
Nandish S. Vin	Non-Promoter / Independent / Non-Executive Director	Member

There are no instances where the Board has not accepted any recommendation of the Audit Committee.

## VIGIL MECHANISM / WHISTLEBLOWER POLICY :

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

## **BUSINESS RISK MANAGEMENT**

The Company has laid down a Risk Management Policy and identified threat of such events which if occur may adversely affect either or value to shareholders, ability of Company to achieve objectives, ability to implement business strategies. Such inherent risks are categorized into Strategic risk, Operating risk and Regulatory risk. Managing Director and Whole-time Director of the Company in consultation with Audit Committee will review from time to time the risk and suggest steps to be taken to control and mitigate the same through a properly defined framework. It may be noted that none of the identified risks is of a nature which would threaten the existence of the Company. We consistently and periodically review our systems and policies in order to establish sound risk management and internal control systems.

## **EXTRACT OF ANNUAL RETURN :**

Extract of the Annual Return of the company is annexed herewith as 'Annexure 4' pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

During the year under review, the company has not advanced any loans, given any guarantees or provided any security or made any investments covered under the provisions of section 186 of the Companies Act, 2013. Details of Investments earlier made under the provisions of the Companies Act, 1956, are provided in the notes to the Financial Statements.

## **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on arm's length basis. 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. There were no materially significant related party transactions which could have potential conflict with interest of the company at large.

Members may refer to Note no.30 to the Financial Statements which sets out related party disclosures pursuant to Ind AS.

## **EVALUATION OF THE BOARD'S PERFORMANCE**

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

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

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

## **MATERIAL CHANGES AFFECTING THE COMPANY**

The Board of Directors of the company at its meeting held on 14/07/2018, pursuant to deliberations upon the Report dated 26/06/2018 provided by M/s. Kannaujiya & Co., Cost Accountants, Surat, for consolidation of the business activities of certain group entities with the Company. Your Directors have accorded in principal approval to the proposed merger between Shahlon Silk Industries Private Limited, a private company incorporated under the provisions of Companies Act 1956 and having its registered office at 91, G.I.D.C., Khatodara, B/H.: Sub-Jail, Ring Road, Surat, Gujarat 395002, India ("SSIPL") and the Company by way of Scheme of Merger by Absorption under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations made thereunder ("Scheme") in accordance with the Scheme to be drafted and subject to the approval of the draft Scheme by the Board. For the purpose of the Scheme, your Directors have also considered appointment of various agencies in the process of proposed merger such as Legal Advisors and Attorney for drafting the Scheme, Valuer to carry out the valuation of the company and suggest the suitable share exchange ratio, Merchant Banker to advise and submit the fairness opinion report. This merger would lead to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and minimization of the administrative and operative costs.

Except above, there have been no other material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

## **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at work place and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The company has also complied with provisions relating to the constitution of Internal Complaints Committee under the said Act.

During the year under review, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2018.

### **CORPORATE GOVERNANCE :**

As per the Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the corporate governance provisions as specified in various regulations shall not apply, in respect of the companies having paid up equity share capital not exceeding Rs.10.00 crores and Net worth not exceeding Rs.25.00 crores as on the last day of previous financial year. Since the paid up equity share capital of the company is Rs.6.05 crores and networth is Rs.19.17 crores, compliance with the provisions regarding Corporate Governance Report is not apply to the company.

Hence, Corporate Governance Report does not form the part of Annual Report.

### **Acknowledgment**

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Financial Institutions, Government Authorities, Customers, Suppliers and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services of employees of the Company at all the levels.

For and on behalf of the Board of Directors

**Place :** Surat  
**Date :** 14.08.2018

**Jayantilal R. Shah**  
Chairman

## 'ANNEXURE - 1' TO THE DIRECTORS' REPORT 2018

### Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18	<b>Director's Name</b>	<b>Ratio to median remuneration</b>
		1 Mr. Dhirajlal R. Shah	33 : 1
		2 Mr. Arvind R. Shah	33 : 1
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2017-18 compared to 2016-17	<b>Director's / CFO / CEO / CS / Manager name</b>	<b>% increase in remuneration</b>
	1	Mr. Dhirajlal R. Shah	0%
	2	Mr. Arvind R. Shah	0%
	3	Mr. Jitesh R. Varkal	26.01%
	4	Mr. Satish H. Shah	5.39%
(iii)	Percentage increase in the median remuneration of employees in the financial year 2017-18 compared to 2016-17	6.40%	
(iv)	Number of permanent employees on the rolls of the company	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
		366	380
(v)	Average percentile increase in salaries of Employees other than managerial personnel	<b>During 2017-18</b>	
		6%	
		Justification for increase in managerial remuneration with reasons	Compared to the remuneration with respect to industry, size of the company and profile of the position and persons, the remuneration paid to managerial personnel is commensurate with their experience and ability.
(vi)	Key parameter for any variable component of remuneration availed by the Directors	Not applicable	

**Note :** The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

## 'ANNEXURE - 2' TO THE DIRECTORS' REPORT 2018

**Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.**

**(A) Conservation of energy-**

- (i) the steps taken or impact on conservation of energy;
  - Replaced 1.2Kw conventional 150 Nos. LED tube lights with latest technology LED lighting system of 2.4Kw LED tube light, at our plants which give same amount of light.
  - Replaced 0.75 Kw conventional 3 Nos. Street light with latest technology LED lighting system of 0.28 Kw 4 Nos. Street light, at our plants which give same amount of light.
  - Fixed the standard cost of power consumption for each and every machine of different qualities, if it is deviated from standard; we find out the root cause of it and make it proper.
- (ii) the steps taken by the company for utilising alternate sources of energy;
  - The Company is exploring potential of using alternate source of energy, which may be considered for implementation in future. The company has installed one 0.6MW windmill for captive generation of power.
- (iii) the capital investment on energy conservation equipments; - NIL

**(B) Technology absorption-**

- (i) The efforts made towards technology absorption and (ii) the benefits derived  
 Your company is keeping a close eye on the new product development and upgradation of technology in existing products. Upgradation in various areas of plant and machinery is continuously carried out. The company has adopted standard cost for each product quality and constantly comparing it with actual cost. If there is any major deviation, then proper and prompt remedial action is taken to improve it.  
 The company has added Split Warping Machine imported from Korea during FY 2016-17.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

the details of technology imported:	28 sets of new shuttle less waterjet looms 1 Split Warping Machine
the year of import:	2015
	2016
Whether the technology been fully absorbed:	Yes fully absorbed
if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and :	Not Applicable

- (iv) the expenditure incurred on Research and Development. – NIL.

**(C) Foreign exchange earnings and Outgo-**

Total Foreign Exchange used and earned.

**(Rs. in Lacs)**

	2017-18	2016-17
I) Foreign Exchange Earnings	<b>553.30</b>	666.22
II) Foreign Exchange Outgo:		
a) Raw Material	<b>130.53</b>	37.03
b) Consumable Goods	<b>36.88</b>	9.96
c) Capital Goods	<b>9.21</b>	195.22
d) Consumable Spares	<b>25.13</b>	11.11
e) Foreign Travelling	-	-
f) Commission Expenses on Export	<b>2.02</b>	2.66

## 'ANNEXURE - 3' TO THE DIRECTORS' REPORT 2018

Form No. MR - 3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2018

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

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

To,  
The Members,  
**FAIRDEAL FILAMENTS LTD**  
**(CIN-L17110GJ1990PLC013771)**  
3rd Floor Dawer Chambers,  
Nr.Sub-Jail, Ring Road,  
Surat – 395002.  
Gujarat, India.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fairdeal Filaments Ltd (hereinafter called the "Company") Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- I. The Companies Act, 2013 (the Act) and the rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable as there were no Foreign Director Investment, Overseas Direct Investment and External Commercial Borrowings during the financial year under review.)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable as the Company has not further issued any share capital during the financial year under review];**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not applicable as the Company has not issued shares to the Employees during the financial year under review];**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **[Not applicable as the Company had not issued and listed any debt securities during the financial year under review];**

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **[Not applicable as the company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **[Not applicable as the Company has not delisted / proposed to delist its equity shares from Stock Exchange during the financial year under review];**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **[Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review];**

VI. The management of the Company indentified and confirmed the following other laws as specifically applicable to the company.

1. Factories Act, 1948
2. The Environment (Protection) Act, 1986
3. Air (Prevention and Control of Pollution) Act, 1981
4. Water (Prevention and Control of Pollution) Act, 1974
5. Foreign Trade Regulation Act, 1992

The Company, its management & officers represented that the company has formed and formulated adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance other applicable laws, rules as applicable to the company to carry out operational / industrial activities.

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the company with the BSE Ltd.

I report that, during the year under review, the company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above subject to the following observation:

1. The Company has unfortunately missed to file in due time-limit the Board Resolution in e-Form MGT-14 in respect of approval to the financial statement for the year ended on 31st March, 2017 with the Registrar of Companies, Gujarat. However, the Company submits that the delay in filing the aforesaid resolution is due to oversight. Accordingly, the Company has approached NCLT to condone the delay and extend the time for filing the same, in prescribed e-Form CG-1 vide SRN No. G91941195 dated 03/07/2018.

I further report that –

- The Board of Directors of the Company was constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or a meeting of the Board was called at shorter notice to transact urgent business subject to the condition as prescribed in provision to Section 173 (3) of the Companies Act, 2013 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.
- As per the Minutes of the meetings of the Board of Directors & the committee thereof duly recorded and signed by the Chairman the decision of the Board or Committee was unanimous and no dissenting views have been recorded.

I further report that based on review of compliance mechanism established by the company and on the basis of representation made the management of the company, 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 there were no specific events / actions having a major bearing on Company's affairs in pursuant of the above-referred laws, rules, regulations, guidelines, standards etc.

**Bhairav H Shukla**  
Practising Company Secretary  
**FCS No. - 6212**  
**COP No.: 5820**

**Place :** Surat

**Date :** 25.07.2018

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

## “ANNEXURE – A”

To,  
The Members,  
**FAIRDEAL FILAMENTS LTD**  
**(CIN-L17110GJ1990PLC013771)**  
3rd Floor Dawer Chambers,  
Nr.Sub-Jail, Ring Road,  
Surat – 395002.  
Gujarat, India.

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

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

**Place :** Surat  
**Date :** 25.07.2018

**Bhairav H Shukla**  
Practising Company Secretary  
**FCS No. - 6212**  
**COP No.: 5820**



## 'ANNEXURE - 4' TO THE DIRECTORS' REPORT 2018

### Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 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	L17110GJ1990PLC013771
ii.	Registration Date	15/05/1990
iii.	Name of the Company	FAIRDEAL FILAMENTS LTD
iv.	Category/Sub-Category of the Company	Public Company
v.	Address of the Registered office and contact details	3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002, GUJARAT, INDIA. Ph. No.:(91) (261) 4190200 Fax No. (0261) 2635550 E-mail: info@shahlon.com Website: www.shahlon.com
vi.	Whether listed company Yes/No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. MCS Share Transfer Agent Limited 88, Sampatrao Colony, 1st Floor, Neelam Apartment, Above Chappanbhog Sweet, Alkapuri, Vadodara-390007. Gujarat, India. Tel No. : (0265) 2314757 / 2350490 Fax No. : (0265) 2341639 E-mail : mcsLtdbaroda@yahoo.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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Synthetic Textile Yarn and Grey Fabrics	131	100%

\* As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

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

NIL

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	3008065	7810	3015875	49.85	1762786	7700	1770486	29.26	<b>(20.58)</b>
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
d) Bodies Corp	395120	Nil	395120	6.53	182408	Nil	182408	3.02	<b>(3.51)</b>
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
<b>Sub-total(A)(1):-</b>	<b>3403185</b>	<b>7810</b>	<b>3410995</b>	<b>56.38</b>	<b>1945194</b>	<b>7700</b>	<b>1952894</b>	<b>32.28</b>	<b>(24.10)</b>
<b>2) Foreign</b>									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
<b>Sub-total(A)(2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
g) FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
<b>Sub-total(B)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
(i) Indian	134385	7810	142195	2.35	252911	7370	260281	4.30	<b>1.95</b>
(ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	811960	330170	1142130	18.88	657992	242790	900782	14.89	<b>(3.99)</b>
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1224330	130350	1354680	22.39	2729353	130350	2859703	47.27	<b>24.88</b>
<b>c) Others(Specify)</b>									
Investor Education and Protection Fund (IEPF) Authority-MCA	Nil	Nil	Nil	Nil	76340	Nil	76340	1.26	<b>1.26</b>
<b>Sub-total(B)(2)</b>	2170675	468330	2639005	43.62	3716596	380510	4097106	67.72	<b>24.10</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	2170675	468330	2639005	43.62	3716596	380510	4097106	67.72	<b>24.10</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	5573860	476140	6050000	100.00	5661790	388210	6050000	100.00	<b>Nil</b>

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Dhirajlal Raichand Shah	2,90,170	4.80	Nil	1,30,000	2.15	Nil	(2.65)
2.	Arvind Raichand Shah	2,89,995	4.79	Nil	40,000	0.66	Nil	(4.13)
3.	Jayantilal Raichand Shah	2,88,075	4.76	Nil	1,30,000	2.15	Nil	(2.61)
4.	Nitin Raichand Shah	2,84,110	4.69	Nil	1,40,000	2.31	Nil	(2.38)
5.	Dipanjayantilal Shah	2,53,879	4.20	Nil	1,03,000	1.70	Nil	(2.49)
6.	Harsh Mahendra Shah	2,52,350	4.17	Nil	1,10,330	1.82	Nil	(2.35)
7.	Mahendra Raichand Shah	2,50,360	4.14	Nil	1,40,000	2.31	Nil	(1.82)
8.	Meena Mahendra Shah	1,57,740	2.61	Nil	1,57,740	2.61	Nil	0.00
9.	Pravin Chandra Raychand Chheda	1,53,670	2.54	Nil	1,51,000	2.50	Nil	(0.04)
10.	Avani Arvind Shah	1,49,050	2.46	Nil	1,49,050	2.46	Nil	0.00
11.	Kanchan Dhirajlal Shah	1,25,180	2.07	Nil	1,25,180	2.07	Nil	0.00
12.	Dhruv Arvind Shah	1,12,000	1.85	Nil	20,000	0.33	Nil	(1.52)
13.	Minaxi Nitin Shah	1,03,730	1.71	Nil	1,03,730	1.71	Nil	0.00
14.	Damyanti Jayantilal Shah	74,800	1.24	Nil	74,800	1.24	Nil	0.00
15.	Neeta Virendra Mehta	68,200	1.13	Nil	46,200	0.76	Nil	(0.36)
16.	Lewellyn Joseph Rego	41,800	0.69	Nil	41,800	0.69	Nil	0.00
17.	Virendra Janakray Mehta	22,000	0.36	Nil	22,000	0.36	Nil	0.00
18.	Anant Zaverchand Gada	21,678	0.36	Nil	21,678	0.36	Nil	0.00
19.	Sonal Dipan Shah	19,910	0.33	Nil	19,910	0.33	Nil	0.00
20.	Jayaben Jinesh Shah	8,800	0.15	Nil	8,800	0.15	Nil	0.00
21.	Jiviben Raichand Shah	8,800	0.15	Nil	8,800	0.15	Nil	0.00
22.	Dinesh Michael Rego	8,800	0.15	Nil	8,800	0.15	Nil	0.00
23.	Suresh Somchand Shah	7,293	0.12	Nil	1,293	0.02	Nil	(0.10)
24.	Jinesh Fulchand Shah	7,040	0.12	Nil	7,040	0.12	Nil	0.00
25.	Dhaval Jineshbhai Shah	5,390	0.09	Nil	5,390	0.09	Nil	0.00
26.	R Rohan	3,850	0.06	Nil	350	0.01	Nil	(0.06)
27.	R Varun	3,850	0.06	Nil	350	0.01	Nil	(0.06)
28.	Bhavini Dhaval Shah	3,245	0.05	Nil	3,245	0.05	Nil	0.00
29.	Jambunathan Raju	55	0.00	Nil	-	0.00	Nil	0.00
30.	Kala Raju	55	0.00	Nil	-	0.00	Nil	0.00
31.	Guinea Securities And Financials Private Limited	1,57,520	2.60	Nil	-	0.00	Nil	(2.60)
32.	Sanket Finance & Leasing Pvt Ltd	2,37,600	3.93	Nil	1,82,408	3.02	Nil	(0.91)
	<b>Total</b>	<b>34,10,995</b>	<b>56.38</b>		<b>19,52,894</b>	<b>32.28</b>		<b>(24.10)</b>

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	3410995	56.38	3410995	56.38
2.	Transaction (purchase/sale) during the year	70170 (1528271)	-	1952894	-
3.	At the End of the year			1952894	32.28

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

Sr. No.	Name of the Shareholder	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.	<b>Aatur Harshad Mehta</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	725000	11.98	725000	11.98
	Closing Balance			725000	11.98
2.	<b>Sanalkumar Kizhepata Menon</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	720975	11.92	720975	11.92
	Closing Balance			720975	11.92
3.	<b>Mahesh Khetshi Gosrani</b>				
	Opening Balance	419939	6.94	419939	6.94
	Transaction (purchase/sale) during the year	(19939)	(0.33)	400000	6.61
	Closing Balance			400000	6.61
4.	<b>Premal Mukundbhai Shah</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	206448	3.41	206448	3.41
	Closing Balance			206448	3.41
5.	<b>Sangeetha S.</b>				
	Opening Balance	164395	2.72	164395	2.72
	Transaction (purchase/sale) during the year	(10605)	(0.18)	153790	2.54
	Closing Balance			153790	2.54

Sr. No.	Name of the Shareholder	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
6.	<b>Investor Education and Protection Fund (IEPF) Authority-MCA</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	76340	1.26	76340	1.26
	Closing Balance			76340	1.26
7.	<b>Kapoorchand D. Shah</b>				
	Opening Balance	75350	1.25	75350	1.25
	Transaction (purchase/sale) during the year	Nil	Nil	75350	1.25
	Closing Balance			75350	1.25
8.	<b>Kotak Securities Limited</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	74861	1.24	74861	1.24
	Closing Balance			74861	1.24
9.	<b>Madhav Shitaldas Bhatia</b>				
	Opening Balance	83346	1.38	83346	1.38
	Transaction (purchase/sale) during the year	(19687)	(0.33)	63659	1.05
	Closing Balance			63659	1.05
10.	<b>Meghana Premal Shah</b>				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	62000	1.02	62000	1.02
	Closing Balance			62000	1.02

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	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.	<b>DHIRAJLAL R. SHAH</b> Opening Balance Transaction (purchase/sale) during the year  Closing Balance	290170 (160170)	4.80 (2.65)	290170 130000  130000	4.80 2.15  2.15
2.	<b>ARVIND R. SHAH</b> Opening Balance Transaction (purchase/sale) during the year  Closing Balance	289995 (249995)	4.79 (4.13)	289995 40000  40000	4.79 0.66  0.66
3.	<b>JAYANTILAL R. SHAH</b> Opening Balance Transaction (purchase/sale) during the year  Closing Balance	288075 (158075)	4.76 (2.61)	288075 130000  130000	4.76 2.15  2.15
4.	<b>RAJENDRA K. DESAI</b> Opening Balance Transaction (purchase/sale) during the year  Closing Balance	1320 Nil	0.02 Nil	1320 1320  1320	0.02 0.02  0.02
5.	<b>NANDISH VIN</b> Opening Balance Transaction (purchase/sale) during the year  Closing Balance	Nil Nil	Nil Nil	Nil Nil  Nil	Nil Nil  Nil
6.	<b>SONIA P. KHANNA</b> Opening Balance Transaction (purchase/sale) during the year  Closing Balance	100 Nil	0.00 Nil	100 100  100	0.00 0.00  0.00
7.	<b>JITESH R. VARKAL</b> Opening Balance Transaction (purchase/sale) during the year  Closing Balance	Nil Nil	Nil Nil	Nil Nil  Nil	Nil Nil  Nil
8.	<b>SATISH H. SHAH</b> Opening Balance Transaction (purchase/sale) during the year  Closing Balance	Nil Nil	Nil Nil	Nil Nil  Nil	Nil Nil  Nil

**V. INDEBTEDNESS**

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

	<i>Secured Loans excluding deposits</i>	<i>Unsecured Loans</i>	<i>Deposits</i>	<i>Total Indebtedness</i>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3007.05	925.63	-	3932.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.11	0.35	-	0.46
<b>Total (i+ii+iii)</b>	<b>3007.16</b>	<b>925.98</b>	<b>-</b>	<b>3933.14</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	1100.00	9.50	-	1109.50
- Reduction	(282.34)	(112.90)	-	(395.24)
<b>Net Change</b>	<b>817.66</b>	<b>(103.40)</b>	<b>-</b>	<b>714.26</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3824.64	822.58	-	4647.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.18	-	-	0.18
<b>Total (i+ii+iii)</b>	<b>3824.82</b>	<b>822.58</b>	<b>-</b>	<b>4647.40</b>



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

Sr. No.	Particulars of Remuneration	Shri Dhirajlal R. Shah MD	Shri Arvind R. Shah WTD	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4200000.00	4200000.00	<b>8400000.00</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	<b>0.00</b>
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	<b>0.00</b>
2.	Stock Option	0.00	0.00	<b>0.00</b>
3.	Sweat Equity	0.00	0.00	<b>0.00</b>
4.	Commission - as % of profit - Others, specify...	0.00	0.00	<b>0.00</b>
5.	Others, please specify	0.00	0.00	<b>0.00</b>
6.	Total (A)	<b>4200000.00</b>	<b>4200000.00</b>	<b>8400000.00</b>
	Ceiling as per the Act	<b>4200000.00</b>	<b>4200000.00</b>	<b>8400000.00</b>

**B. Remuneration to other directors :**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Rajendra K. Desai	Shri Nandish Vin	Smt. Sonia P. Khanna	
1.	<b>Independent Directors</b>				
	• Fee for attending board committee meetings	65000.00	65000.00	20000.00	150000.00
	• Commission	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00
	<b>Total (1)</b>	<b>65000.00</b>	<b>65000.00</b>	<b>20000.00</b>	<b>150000.00</b>
2.	<b>Other Non-Executive Directors</b>	<b>Shri Jayantilal R. Shah</b>			
	• Fee for attending board committee meetings		65000.00		65000.00
	• Commission		0.00		0.00
	• Others, please specify		0.00		0.00
	<b>Total (2)</b>		<b>65000.00</b>		<b>65000.00</b>
	<b>Total (B)=(1+2)</b>				<b>215000.00</b>

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager / WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Jitesh R. Varkal, Company Secretary	Shri Satish H. Shah, CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	361198.00	1144810.00	<b>1506008.00</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	<b>0.00</b>
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00	<b>0.00</b>
2.	Stock Option	0.00	0.00	<b>0.00</b>
3.	Sweat Equity	0.00	0.00	<b>0.00</b>
4.	Commission	0.00	0.00	<b>0.00</b>
	- as % of profit			
	- Others, specify...			
5.	Others, please specify	0.00	0.00	<b>0.00</b>
6.	<b>Total</b>	361198.00	1144810.00	<b>1506008.00</b>

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

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, If any (give details)
<b>A. Company</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>B. Directors</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>C. Other Officers In Default</b>					
Penalty			None		
Punishment			None		
Compounding			None		

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure, Developments, Opportunities, threats and outlook :

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is labour intensive and is one of the largest employers. The industry realised export earnings worth US\$ 37.74 billion in 2017-18. The industry is the second largest employer after agriculture, providing employment about 105 million people directly and indirectly. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The textile industry plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. The textile industry has a capacity to produce a versatile spread of products appropriate for varied market segments, both domestic and the export markets.

In spite of lot of challenges faced in inter national scenario in terms of trade, and the policy changes of many countries, India is still in a position to retain the stability of the currency, this shows that the Economy is becoming stronger and vibrant to take the challenges whatever may come in future. Raw material prices fluctuate in line with international prices and will continue to have an impact on the company's performance as raw materials constitute significant component of net sales.

FY 2017-18 marked a significant economic measure by the government: The Goods and Services Tax (GST) was implemented from July, 2017 as the nation moved to 'one nation-one tax'. The reform measure has helped India move into the Top 100 Club in World Bank's 'Global Ease of Doing Business' rankings.

India's economy picked up some pace in FY 2017-18 and the gross domestic product growth was better than FY 2016-17. The structural reform of The Goods and Services Tax (GST) within a year of demonetisation is expected to provide a boost to the economic growth and investments in the long run.

With an improving business ecosystem, stable macroeconomic indicators and a liberal FDI regime, foreign capital inflow has provided impetus to the domestic economy. According to World Bank's Global Economic Prospects report, India's GDP is expected to rise to 7.4% in FY 2018-19 and 7.8% in FY 2019-20.

The Government has been overall supportive in encouraging textile Industry India, Textiles and garment industry has been included in list of 25 sectors of 'Make in India' initiative of the Government of India. With the right Government policies we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market. The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

### Risk and concerns :

Fairdeal is engaged in manufacture of texturised, twisted and sized yarn and weaving on water-jet looms. The basic raw material for manufacturing company's product is POY, FDY, PFY etc. The company is a Marketing agent of Reliance Industries Limited for yarn products and supplying yarn to various big players in the market. Fluctuating prices of raw material is a big concern for the industry which may strain the profitability margins. The company has established network for marketing of its products, wide spread customer base, good market reputation and quality of the products, the company is in a position to pass on increase if any in cost to their customers.

### Internal Control System and their adequacy :

The Company has a robust internal control system commensurate with the size and scale of its operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place by way of built in controls in ERP system and have been designed to provide a reasonable assurance. Internal audit is used as an effective tool to check and enhance efficacy of systems, processes and controls of the Company. The review plan, drawn in consultation with the senior management, covers all the major areas. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Financial Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

**Financial Performance :**

Earnings before Interest, Depreciation and Tax (EBIDTA), during the year under review are Rs.947.83 lacs as compared to Rs.854.90 lacs for the previous year. Profit before tax for the financial year under review has increased to Rs.265.80 lacs from Rs.188.25 lacs for the previous year. Your Company has earned a Net Profit after tax of Rs.201.25 lacs increase by 14.33% from Rs.176.02 lacs of previous year.

**Human Resource Development/Industrial Relations :**

Fairdeal recognizes that its people are most valuable resources and therefore as a policy of nurturing talent and ensuring that there is growth and their capabilities grow in relation to the growth of the company. The human resources function takes into account the capability, commitment and sincerity while evaluating talent within the company and suitable reward structure is in place to ensure maximum employee satisfaction. Regular training programs have been in place to improve the work capability at various levels in order to improve the competencies and skills.

**Forward Looking Statement – Cautionary Statement :**

Certain statement made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations etc. are "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results may differ from those expressed or implied, depending upon economic conditions affecting demand/supply and price levels in the market, Government policies and other incidental or related factors.

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**FAIRDEAL FILAMENTS LIMITED,**  
Surat.

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

We have audited the accompanying financial statements of Fairdeal Filaments Ltd., which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

### **Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules thereunder. 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 Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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 Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, its cash flows and the changes in equity for the year then ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Ind AS 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A".
  - 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 does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For, RANGOONWALA ASSOCIATES**

Chartered Accountants

**FRN : 108632W**

Sd/-

**Gajendra T. Rangoonwala**

(Proprietor)

Membership No. 035377

**Place :** Surat

**Date :** 28<sup>th</sup> May, 2018

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date,

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

(b) We are informed that all the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

(c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, are held in the name of the company.
- (ii) As explained to us, the physical verification of inventories has been conducted at reasonable intervals by the management. No discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and therefore paragraph 3 (iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with 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, cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31st, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or duty of Customs or duty of excise or value added tax or cess wherever applicable on account of any dispute.
- (viii) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions or Government. The Company has not issued debentures during the year.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer. The term loans/working capital loans obtained during the year have been applied for the purpose for which they were raised.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.

- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Accounting Standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of business, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, RANGOONWALA ASSOCIATES**

Chartered Accountants

**FRN : 108632W**

Sd/-

**Gajendra T. Rangoonwala**

(Proprietor)

Membership No. 035377

**Place :** Surat

**Date :** 28<sup>th</sup> May, 2018



## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FAIRDEAL FILAMENTS LIMITED.**

### **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 Fairdeal Filaments Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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, RANGOONWALA ASSOCIATES**

Chartered Accountants

**FRN : 108632W**

Sd/-

**Gajendra T. Rangoonwala**

(Proprietor)

Membership No. 035377

**Place :** Surat

**Date :** 28<sup>th</sup> May, 2018

## BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lacs)

PARTICULARS	Note	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>Non Current Assets</b>				
(a) Property, plant and equipment	1	1,768.92	1,913.53	1,763.25
(b) Capital Work in Progress	1	-	-	13.10
(c) Intangible Asset	1	11.92	6.74	0.62
(d) Financial assets				
i) Investments	2	195.38	195.95	195.95
ii) Other financial assets	3	84.09	59.56	63.34
(e) Other non-current assets	4	142.36	137.59	129.99
<b>Total non-current assets</b>		<b>2,202.68</b>	<b>2,313.37</b>	<b>2,166.25</b>
<b>Current assets</b>				
(a) Inventories	5	714.54	532.85	556.83
(b) Financial assets				
i) Trade receivables	6	3,989.33	3,474.89	4,329.55
ii) Cash and cash equivalents	7	18.74	22.31	17.54
iii) Bank balance other than (ii) above	7.1	26.13	24.23	3.46
iv) Loans		-	-	-
v) Others financial assets		-	-	-
(c) Current tax assets (net)		-	-	-
(d) Other current assets	8	302.92	223.29	254.50
<b>Total current assets</b>		<b>5,051.67</b>	<b>4,277.57</b>	<b>5,161.88</b>
<b>TOTAL ASSETS</b>		<b>7,254.35</b>	<b>6,590.93</b>	<b>7,328.13</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	9	605.00	605.00	605.00
(b) Other equity	10	1,444.64	1,245.54	1,163.15
<b>Total equity</b>		<b>2,049.64</b>	<b>1,850.54</b>	<b>1,768.15</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
i) Borrowings	11	1,202.76	512.70	1,310.96
ii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (net)	12	57.86	83.59	87.97
(d) Other non current liabilities	13	112.40	114.82	69.97
<b>Total non-current liabilities</b>		<b>1,373.02</b>	<b>711.10</b>	<b>1,468.91</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
i) Borrowings	14	3,204.93	3,319.83	3,245.77
ii) Trade payables	15	202.81	324.23	439.99
iii) Other financial liabilities	16	253.94	114.18	121.37
(b) Other current liabilities	17	120.65	149.27	147.27
(c) Provisions	18	21.96	103.10	98.36
(d) Current tax Liabilities (net)		27.39	18.69	38.31
<b>Total current liabilities</b>		<b>3,831.68</b>	<b>4,029.29</b>	<b>4,091.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,254.35</b>	<b>6,590.93</b>	<b>7,328.13</b>

Significant Accounting Policies  
Notes to Financial Statement

1 to 34

**For, RANGOONWALA ASSOCIATES**

Chartered Accountants

**FRN : 108632W**

**Gajendra T. Rangoonwala**  
(Proprietor)

Membership No. 035377

SURAT, Date : 28.05.2018

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

**D. R. Shah**  
Managing Director  
DIN : 00010480

**A. R. Shah**  
Whole-time Director  
DIN : 00010483

**Jitesh R. Varkal**  
Company Secretary

**Satish H. Shah**  
Chief Financial Officer

SURAT, Date : 28.05.2018

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2018

(₹ in Lacs)

PARTICULARS	Note	2017-18	2016-17
<b>INCOME :</b>			
<b><u>Revenue from Operations</u></b>			
Revenue from Operations	19	21,866.32	20,446.17
Other Income	20	6.40	5.10
<b>Total Income</b>		<u>21,872.71</u>	<u>20,451.27</u>
<b>EXPENSES:</b>			
Cost of Material Consumed	21	3,448.26	3,572.19
Purchases of Stock in Trade		15,666.82	14,118.95
Changes in Inventories of Finished Goods, Stock in Trade and Workin- Progress	22	(146.40)	42.33
Employee Benefits Expense	23	749.69	699.20
Finance Costs	24	416.46	407.31
Depreciation and Amortisation Expense	25	265.57	259.34
Other Expenses	26	1,206.53	1,163.71
<b>Total Expenses</b>		<u>21,606.92</u>	<u>20,263.03</u>
<b>Profit before exceptional and extraordinary items and tax</b>		265.80	188.25
<b>Tax Expense:</b>			
a. Current tax		90.28	39.64
b. Deferred Tax		(25.73)	(4.39)
		64.55	35.25
<b>Profit after tax adjustment</b>		201.25	153.00
Excess/(Short) provision for taxation in earlier year		-	23.03
<b>Profit after Tax</b>		201.25	176.02
<b>Profit for the Period</b>		201.25	176.02
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the year</b>		201.25	176.02
<b>Earning per Equity Share:</b>			
	27		
1. Basic		3.33	2.91
2. Diluted		3.33	2.91

**Significant Accounting Policies**

**Notes to Financial Statement**

1 to 34

**For, RANGOONWALA ASSOCIATES**

Chartered Accountants

**FRN : 108632W**

**Gajendra T. Rangoonwala**

(Proprietor)

Membership No. 035377

SURAT, Date : 28.05.2018

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

**D. R. Shah**

Managing Director

DIN : 00010480

**Jitesh R. Varkal**

Company Secretary

SURAT, Date : 28.05.2018

**A. R. Shah**

Whole-time Director

DIN : 00010483

**Satish H. Shah**

Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2018

### A. EQUITY SHARE CAPITAL

(₹ in Lacs)

Balance at the beginning of the reporting period i.e. 1st April 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period 31st March 2017
605.00	-	605.00

Balance at the beginning of the reporting period i.e. 1st April 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period 31st March 2018
605.00	-	605.00

### B. OTHER EQUITY

(₹ in Lacs)

	Reserve and Surplus		Genral Reserve	Revaluation Surplus	Total
	Securities Premium Reserve	Retained Earnings			
As on 31st March 2017					
<b>Balance as at 01.04.2016</b>	<b>310.86</b>	<b>686.17</b>	<b>28.70</b>	<b>137.41</b>	<b>1,163.15</b>
Changes in accounting policy or prior period errors Restated balance at the beginning of the reporting period					
Total Comprehensive Income for the year		176.02			176.02
Dividends		(75.63)			(75.63)
Tax on Dividends		(15.40)			(15.40)
Transfer to retained earnings				(2.60)	(2.60)
<b>Balance at the end of the reporting period 31.03.2017</b>	<b>310.86</b>	<b>771.17</b>	<b>28.70</b>	<b>134.81</b>	<b>1,245.54</b>
As on 31st March 2018					
<b>Balance as at 01.04.2017</b>	<b>310.86</b>	<b>771.17</b>	<b>28.70</b>	<b>134.81</b>	<b>1,245.54</b>
Changes in accounting policy or prior period errors Restated balance at the beginning of the reporting period					
Total Comprehensive Income for the year		201.25			201.25
Dividends					
Tax on Dividends					
Transfer to retained earnings				2.15	2.15
<b>Balance at the end of the reporting period 31.03.2018</b>	<b>310.86</b>	<b>972.42</b>	<b>28.70</b>	<b>132.66</b>	<b>1,444.64</b>

**For, RANGOONWALA ASSOCIATES**  
Chartered Accountants  
FRN : 108632W

**Gajendra T. Rangoonwala**  
(Proprietor)

Membership No. 035377  
SURAT, Date : 28.05.2018

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

**D. R. Shah**  
Managing Director  
DIN : 00010480

**Jitesh R. Varkal**  
Company Secretary

SURAT, Date : 28.05.2018

**A. R. Shah**  
Whole-time Director  
DIN : 00010483

**Satish H. Shah**  
Chief Financial Officer

**CASH FLOW STATEMENT ANNEXED TO THE  
BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in Lacs)

PARTICULARS	2017-18	2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before Tax and Extraordinary Items	265.80	188.25
Adjusted For :		
Depreciation	265.57	259.34
Proportionate Capital Subsidy on Plant Machinery	(2.41)	(2.41)
Interest Paid	416.46	407.31
Extra ordinary item [ loss on sale of assets/ earlier year taxes]	(2.55)	21.26
<b>Operating Profit before Working Capital Charges</b>	<b>942.86</b>	<b>873.74</b>
Adjusted For :		
Trade and other receivable	(594.08)	885.87
Inventories	(181.70)	23.98
Trade & Other Payables	(222.08)	(128.32)
<b>Cash Generated From Operations</b>	<b>(54.99)</b>	<b>1,655.28</b>
Interest Paid	(366.90)	(388.59)
<b>Cash flow before Extraordinary items</b>	<b>(421.89)</b>	<b>1,266.68</b>
Current tax	(90.28)	(39.64)
<b>Net Cash from operating Activities</b>	<b>(512.17)</b>	<b>1,227.04</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(149.86)	(409.06)
Sales of Fixed Assets	21.74	5.59
(Purchase)/Sale of Investments	2.95	-
Capital Subsidy received against Capital Assets under TUF		47.27
Movement in Loans & Advances	(29.08)	(16.60)
<b>Net Cash used in Investing Activities</b>	<b>(154.25)</b>	<b>(372.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan repayment	929.43	59.65
Share Capital raised with premium	-	-
Repayments of Finance / Lease / Liabilities (Net)	-	-
Other Loan	(100.00)	(865.45)
Short Term Borrowings (Net)	(114.90)	74.06
Interest Paid on Term Loan	(49.56)	(18.72)
Dividend paid ( Including Dividend Tax)	-	(91.02)
<b>Net Cash used in Financial Activities</b>	<b>664.98</b>	<b>(841.48)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A) + (B) + (C)</b>	<b>(1.45)</b>	<b>12.76</b>
Opening Cash and Cash Equivalents	46.67	33.92
Closing Cash and Cash Equivalents	45.23	46.67

For, RANGOONWALA ASSOCIATES  
Chartered Accountants  
FRN : 108632W

Gajendra T. Rangoonwala  
(Proprietor)

Membership No. 035377  
SURAT, Date : 28.05.2018

For and on behalf of the Board,

D. R. Shah  
Managing Director  
DIN : 00010480

A. R. Shah  
Whole-time Director  
DIN : 00010483

Jitesh R. Varkal  
Company Secretary

Satish H. Shah  
Chief Financial Officer

SURAT, Date : 28.05.2018

## Notes to Financial Statements for the Year ended on 31st March, 2018

### Significant Accounting Policies:

#### a) Statement of compliance:

The Financial Statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

Upto the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under "Previous GAAP" to Ind AS of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income and cash flow for the year ended March 31, 2017.

#### b) Basis of preparation and presentation of financial statements:

The financial statements are prepared and presented under the historical cost basis except for the following which have been measured at Fair Value amount:

- Certain financial assets and liabilities.
- Assets held for sale – Measured at Fair Value less cost to sell.
- Defined Benefit Plans – Plan Assets.
- Equity settled share-based payments.

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, the financial statements had been prepared under the historical cost convention on an accrual basis and in accordance with Generally Accepted Accounting Principles including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

These financial statements are the Company's first Ind AS financial statements.

#### c) Summary of Significant Accounting Policies

##### i. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### a) An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

##### b) A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

**ii. Revenue recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the amount of revenue can be reliably measured and it is probable that the economic benefits will flow to the Company.

**a) Sale of Goods:**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates

**b) Late Payment Charges / Discount:**

Late payment charges / discounts are recognized on the ground of prudence as and when recovered.

**c) Interest Income:**

Interest Income is recognized on accrual basis.

**d) Commission Income:**

Commission Income is recognized when the services are rendered.

**iii. Government Grants:**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to purchase of property, plant and equipment are included in the non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**d) Tax Expenses:**

**The tax expense for the period comprise of current and deferred tax. Tax is recognized in Statement of Profit and Loss other than the items of Comprehensive income or in equity which is also recognized in other comprehensive income or equity**

i) Current income 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.

ii) 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.

**e) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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 them will flow to the entity and the cost can be measured reliably.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end in accordance with Companies Act, 2013 and adjusted prospectively, if appropriate.



**f) Intangible assets (Excluding Goodwill)**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. 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 entity and the cost can be measured reliably.

Computer software are depreciated over a period of 10 years on Straight Line Method

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**g) Depreciation:**

- i) Depreciation on all assets except on assets as provided in clause (ii) hereunder is provided on Straight Line Method basis over the useful lives of the assets estimated by the Management in accordance with Part C of the Schedule II of the Companies Act, 2013.
- ii) Depreciation on machineries at Karanj unit acquired on or after 01-04-2001 is provided on Written down value over the useful lives of the assets estimated by the Management in accordance with Schedule II of the Companies Act, 2013.
- iii) The Residual value for all the existing assets have been determined by the Company which is in accordance with Schedule II of the Companies Act, 2013
- iv) The Residual value of all the new assets have been considered at 5% cost of acquisition as prescribed under the Part C of Schedule II of the Companies Act, 2013.

**h) Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**i) Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred

**j) Inventories:**

Inventories are stated at cost or net realizable value, whichever is lower.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- i) Raw materials : Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost.
- ii) Finished goods : Cost of Finished Goods include material cost, cost of conversion, other overheads to the extent applicable.
- iii) Work in progress : It is valued at cost determined by taking material cost, labor charges, and direct expenses.
- iv) Stock in trade : Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. v) Stores and spares are stated at cost less provision, if any, for obsolescence.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**k) Finance Cost:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset. A Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying asset is deducted from the borrowing cost eligible for capitalization.

All Other borrowing costs are charged to statement of profit and loss for the period in which they are incurred.

**l) Foreign currencies transactions and translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss

**m) Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Leased assets :** Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A depreciable leased asset (other than Land) is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**n) Retirement Benefits**

**i) Short Term Employee Benefits**

All employee benefits falling due within twelve months of rendering of service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave salary, exgratia are recognized in the period in which employee renders the related services.

**ii) Post-Employment Benefits**

**a) Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**b) Defined Benefit Plans**

Employee Gratuity fund scheme is the defined benefit plan. The Company makes annual contributions for gratuities to funds administered by trustees and managed by insurance company for amounts notified by the said insurance company. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary.

**o) Provisions**

Provisions, Contingent Liabilities and Contingent assets are reviewed at each balance sheet date.

**General**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **Contingent liability**

Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent, and disclosed by way of notes to the accounts.

### **Contingent assets**

Contingent assets are neither recognized not disclosed in the financial statement.

Provisions, Contingent Liabilities and Contingent assets are reviewed at each balance sheet date.

## **p) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **i) Financial Assets**

#### **a) Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

#### **b) Subsequent measurement**

- i. Financial assets carried at amortized cost (AC): A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii. Financial assets at fair value through other comprehensive income (FVTOCI) : A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii. Financial assets at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### **c) Investment in subsidiaries, Associates and Joint Ventures**

Investments in subsidiaries, associates and joint venture are accounted at cost.

#### **d) Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

#### **e) Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **ii) Financial liabilities**

#### **a) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

**b) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii) De-recognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**q) Earnings Per Share**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

**r) Significant accounting judgments, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

**i) Judgment**

In the process of applying the accounting policies, management has made the following judgments, which have significant effect on the amounts recognized in the Company's financial statements:

**a) Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

**b) Recoverability of trade receivable**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**c) Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**ii) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a) Useful lives of property, plant and equipment**

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

**b) Post-retirement benefit plans**

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**c) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**d) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**s) First Time Adoption Of Ind AS**

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

**i) Exemptions Applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

The Company has applied the following exemptions:

**ii) Mandatory Exemptions**

**Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**iii) Optional Exemptions**

**a) Fair value as deemed cost exemption**

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

**b) Investments in subsidiaries, joint ventures and associates**

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

**1. PROPERTY, PLANT & EQUIPMENT**

(₹ in Lacs)

Sr. No.	PARTICULARS	GROSS BLOCK						DEPRECIATION					NET BLOCK					
		AS ON 01.4.2016	Adjustment /Addition / (Deduction) 01.04.2017	AS ON 01.04.2017	ADDITION	ADJUSTMENT	AS ON 31.03.2018	Impact on IN D AS AS Transition	Adjustment /Addition / (Deduction) 31.03.2017	UP TO 31.03.2017	For the Year	ADJUSTMENT	TOTAL 31.03.2018	AS ON 31.03.2018	AS ON 31.03.2017	AS ON 01.04.2016		
	<b>TANGIBLE ASSETS : (A)</b>																	
1	LEASE-HOLD LAND [Value of the land is represented in the form of shares allotted by the Lessor in consideration of the lease rights given to the lessee]																	
2	LAND	143.13	-	143.13	-	-	143.13	-	-	-	-	-	-	-	143.13	143.13	143.13	
3	FACTORY BUILDING	555.16	0.18	555.34	33.24	-	588.58	-	32.98	225.42	35.84	-	261.26	327.32	329.92	362.73	362.73	
4	PLANT & MACHINERY	1,339.56	97.42	1,436.98	83.28	-	1,520.26	-	37.99	1,015.20	71.33	-	1,086.53	433.73	421.78	362.35	362.35	
5	OFFICE EQUIPMENT	51.66	2.72	54.39	4.23	3.48	55.13	40.48	3.80	44.28	3.83	3.36	44.74	10.39	10.11	11.19	11.19	
6	COMPUTER	117.12	0.50	117.62	3.14	0.47	120.29	109.43	3.93	113.36	2.98	0.47	115.87	4.42	4.26	7.69	7.69	
7	VEHICLES	76.61	35.92	112.53	9.47	-	122.00	55.87	(16.09)	39.78	12.90	-	52.68	69.32	72.75	20.74	20.74	
8	FURNITURE & FIXTURE	39.87	0.44	40.31	2.82	-	43.13	32.20	1.11	33.31	0.91	-	34.22	8.91	7.00	7.67	7.67	
9	BEAM PIPE	51.55	0.83	52.38	2.54	-	54.93	46.55	0.59	47.14	1.44	-	48.58	6.35	5.24	5.00	5.00	
10	OFFICE BUILDING	15.03	-	15.03	-	-	15.03	4.99	0.24	5.22	0.24	-	5.46	9.57	9.81	10.04	10.04	
11	ELECTRICAL INSTALATION	2.19	-	2.19	-	-	2.19	1.79	0.16	1.94	0.13	-	2.07	0.11	0.24	0.40	0.40	
12	PLANT & MACHINERY Under TUF	1,459.58	235.11	1,694.69	5.01	21.45	1,678.25	704.90	144.09	848.99	125.65	-	974.64	703.61	845.70	754.67	754.67	
13	WIND MILL	372.68	-	372.68	-	-	372.68	295.05	14.05	309.10	11.51	-	320.60	52.07	63.58	77.63	77.63	
	<b>INTANGIBLE ASSETS : (B)</b>																	
14	Software	0.66	6.55	7.21	6.13	-	13.34	0.04	0.43	0.47	0.95	-	1.42	11.92	6.74	0.62	0.62	
	<b>TOTAL (A+B)</b>	<b>4,224.80</b>	<b>379.68</b>	<b>4,604.48</b>	<b>149.86</b>	<b>25.40</b>	<b>4,728.93</b>	<b>2,460.93</b>	<b>223.28</b>	<b>2,684.21</b>	<b>267.71</b>	<b>3.83</b>	<b>2,948.09</b>	<b>1,780.84</b>	<b>1,920.27</b>	<b>1,763.87</b>	<b>1,763.87</b>	
	<b>PREVIOUS YEAR</b>	<b>3,826.78</b>	<b>398.02</b>	<b>4,224.80</b>	<b>422.16</b>	<b>42.49</b>	<b>4,604.48</b>	<b>2,589.68</b>	<b>(128.75)</b>	<b>2,460.93</b>	<b>261.94</b>	<b>38.66</b>	<b>2,684.21</b>	<b>1,920.27</b>	<b>1,763.87</b>	<b>1,237.10</b>	<b>1,237.10</b>	

1.1 For properties pledge as securities Refer Notes no. 11

1.2 Depreciation on revalued portion of Fixed Assets calculated on written down method over balance useful life of assets, is transferred from revaluation reserve to the Profit & Loss Accounting to Rs. 2.15 lacs (PY 2.60 Lacs)

1.3 The company has acquired 99 years leasehold right of Plot no. : Composite unit-1, Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist. : Surat, by subscribing to the shares of Fairdeal Textile Park Pvt. Ltd. All the risk and rewards of the leasehold land has been transferred to the Company. The life of leasehold land has been considered beyond estimate because of the period of lease being 99 years and renewable thereafter gives the Company ownership of the plot in perpetuality. The leasehold land has been recognised as finance lease at nil value and the value of shares by virtue of which the Company acquired the leasehold right has been recognised in non-current asset at their historical cost.

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

(₹ in Lacs)

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>2. NON CURRENT INVESTMENTS</b>			
" In Equity Shares of Companies -Unquoted fully paid up (Valued at cost) "			
16000 (3200) Shares of Shahlon Silk Industries P. Ltd. (Refer Note 2.1)	22.40	22.40	22.40
750053 (755733) Shares of Fairdeal Textile Park Pvt.Ltd.*(Refer Note 1.3)	172.98	173.55	173.55
<b>TOTAL</b>	195.38	195.95	195.95

### 2.1 Bonus share has been received in Shahlon Silk Industries Pvt.Ltd.

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>3. Other Financial assets</b>			
Bank Deposits with more than 12 months maturity (Note 3.1)	0.36	0.13	12.92
Utility Deposits	83.73	59.43	50.42
<b>TOTAL</b>	84.09	59.56	63.34

### 3.1 Deposit of Rs. 0.21 lacs (Previous year Nil ) against LC and Bank Gurantee margin

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>4. OTHER NON CURRENT ASSETS (Unsecured and Considered Good)</b>			
Keyman Insurance Premium	140.42	136.40	128.37
Pre-paid Expenses	1.94	1.19	1.62
<b>TOTAL</b>	142.36	137.59	129.99

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>5. INVENTORIES</b>			
Raw Materials	248.99	230.26	221.34
Work-in-progress;	31.23	19.23	23.78
Finished Goods	301.51	176.59	179.75
Stock in Trade	31.45	21.96	56.59
Consumable stores and spares, etc.	101.37	84.80	75.37
<b>TOTAL</b>	714.54	532.85	556.83

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>6. TRADE RECEIVABLES (Unsecured and Considered Good)</b>			
Trade Receivables	3989.33	3474.89	4329.55
<b>TOTAL</b>	3989.33	3474.89	4329.55

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

(₹ in Lacs)

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>7. CASH AND CASH EQUIVALENTS</b>			
Balance with Banks			
Current Account	0.11	0.21	0.30
Unpaid Dividend	14.25	13.57	13.10
Cash in hand	4.39	8.54	4.14
<b>TOTAL</b>	<b>18.74</b>	<b>22.31</b>	<b>17.54</b>

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>7.1. OTHER BANK BALANCE</b>			
Fixed Deposit with Bank (Note 7.1.1)	26.13	24.23	3.46
<b>TOTAL</b>	<b>26.13</b>	<b>24.23</b>	<b>3.46</b>

7.1.1 Deposit of Rs. 26.13 lacs (Previous year 24.11 lacs) against LC and Bank Gurantee margin

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>8. OTHER CURRENT ASSETS (Unsecured and Considered Good)</b>			
Balance with Revenue Authorities	102.45	41.23	46.10
Interest subsidy under TUF receivable (Refer Note 8.1)	120.28	101.39	88.14
Others ( Refer Note 8.2)	80.19	80.68	120.26
<b>TOTAL</b>	<b>302.92</b>	<b>223.29</b>	<b>254.50</b>

8.1 The Interest subsidy claim amounting to Rs. 209.50 Lacs was submitted to Ministry of Textile through bank out of which amount of Rs. 88.14 Lacs has been provided in the books of accounts is pending to be received. Considering the prolonged process and resultant uncertainty, the company had discontinued accounting for further accrual of interest subsidy claim under TUF, following conservatism. However, during the reporting year, the company has provided for the amount of Rs.32.14 Lacs considering the same being received after the balance sheet date.

8.2 Others Includes Loans and Advances given to employees amounting to 14.05 Lacs (Previous Year 13.35 Lacs) valued at the actual amount of outflow.

PARTICULARS	As at March 31,2018		As at March 31,2017		As at March 31,2016	
	No of Shares	AMT	No of Shares	AMT	No of Shares	AMT
<b>9. SHARE CAPITAL</b>						
AUTHORISED :						
Equity Share of Rs. 10/- each.	2,00,00,000	2000.00	2,00,00,000	2000.00	2,00,00,000	2000.00
ISSUED, SUBSCRIBED & PAID UP :						
Equity Shares of Rs. 10/- each fully paid up	60,50,000	605.00	60,50,000	605.00	60,50,000	605.00



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

(₹ in Lacs)

PARTICULARS	As at March 31,2018 No. of Shares	As at March 31,2017 No. of Shares	As at March 31,2016 No. of Shares
<b>9.1 RECONCILIATION OF EQUITY SHARES</b>			
Equity Shares outstanding at the beginning of the year	60.50	60.50	55.00
"Equity Shares Issued during the year "	0.00	0.00	5.50
Equity Shares bought back during the year	-	-	-
Any other movement (please specify)	-	-	-
Equity Shares outstanding at the end of the year	60.50	60.50	60.50

### 9.2 The details of Shareholders holding more than 5% shares

Name of the Shareholders	As at March 31,2018		As at March 31,2017		As at March 31,2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Mahesh Khetshi Gosrani	4,00,000	6.61	4,19,939	6.94	4,22,400	6.98
Aatur Harshad Mehta	7,25,000	11.98	-			
Sanalkumar Kizhepata Menon	7,20,975	11.92	-			

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>10. OTHER EQUITY</b>			
<b>General Reserve</b>			
<b>As Per Last Balance Sheet</b>	28.70	28.70	28.70
Add : Transferred from Profit & Loss Account	-	-	-
	28.70	28.70	28.70
<b>Security Premium Reserve</b>			
As per Last Balance Sheet	310.86	310.86	365.86
Less : Transfer to Share capital on account of Issue of Bonus shares.	- 310.86	- 310.86	55.00 310.86
<b>Retained Earnings</b>			
As per Last Balance Sheet	771.17	686.17	606.34
Add: Profit for the year	201.25	176.02	170.86
	972.42	862.19	777.19
Less: Appropriations			
Transferred to General Reserve	-	-	-
Proposed Dividend on Equity Shares	-	75.63	75.63
Tax on Dividend	-	15.40	15.40
	0.00 972.42	91.02 771.17	91.02 686.17
<b>Revaluation Reserve</b>			
As Per Last Balance Sheet	134.81	137.41	148.03
Less : Transferred to Profit and Loss Account	2.15	2.60	4.44
Less: Reversal of Revaluation on Assets Retired	- 132.66	- 134.81	6.17 137.41
<b>Other Comprehensive Income (OCI)</b>			
As Per Last Balance Sheet	-	-	-
Add : Movement in OCI during the year	-	-	-
	0.00	0.00	0.00
<b>TOTAL</b>	<b>1,444.64</b>	<b>1,245.54</b>	<b>1,163.15</b>

10.1 The Board of Directors have recommended dividend of Rs. 1.25 per fully paid up equity share of Rs. 10/- each, aggregating to Rs. 75.63 lacs and tax on dividend of Rs. 15.40 lacs for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. Dividend declared by the company after the reporting period and tax on proposed dividend is not recognized as liability at the end of the reporting period in accordance with para 13 of Ind As 10.

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

### Financial Liabilities

(₹ in Lacs)

PARTICULARS	As at March 31,2018		As at March 31,2017		As at March 31,2016	
	Non Current	Current *	Non Current	Current *	Non Current	Current *
<b>11. BORROWING</b>						
<b>Secured - At amortised cost</b>						
<b>a. Term Loan</b>						
Bank of Baroda (Refer Note no. 11.2.a)	300.54	82.08	346.29	85.48	311.51	95.86
HDFC Bank Ltd. (Refer Note no. 11.2.b)	16.89	13.50	22.61	8.75		
Kotak Mahindra Bank Ltd. (Refer Note no. 11.2.b)	3.00	3.27	6.27	2.96	-	-
Kotak Mahindra Prime Ltd. (Refer Note no. 11.2.b)	0.24	3.26	3.53	2.96	-	11.82
<b>b. Corporate Loan</b>						
From Bank of Baroda (Refer Note no. 11.2.a)	848.10	137.40	-	-	-	-
	<b>1,168.76</b>	<b>239.52</b>	<b>378.70</b>	<b>100.15</b>	<b>311.51</b>	<b>107.68</b>
<b>Unsecured - At amortised cost</b>						
a. Inter Corporate Deposit from Company	-	-	100.00	-	965.45	-
b. LIC of India	34.00	-	34.00	-	34.00	-
<b>TOTAL</b>	34.00	-	134.00	-	999.45	-
	<b>1202.76</b>	<b>239.52</b>	<b>512.70</b>	<b>100.15</b>	<b>1,310.96</b>	<b>107.68</b>

#### 11.1 Maturity Profile of Secured Term loans are set out below :

PARTICULARS	Maturity Profile		Non Current Total	Current Total
	6-10 Years	2-5 Years		
Term Loan from Banks	298.45	870.31	1,168.76	239.52

#### 11.2 Security Details of Secured Loan

a. Secured by Hypothecation of raw materials, stock-in-process, finished goods, books debts, plant and machinery and equitable mortgage of factory land and building situated at Block no. 298, Plot no. 2, Block no. 76, Plot no. 2 at Village: Karanj, Taluka: Mandvi, Dist.: Surat and Block no. 141, Plot no. 3, Block no. 146, Plot no. 3/A & 13, Block no. 149, Plot no. 12/A & 12/B at Village: Mota Borasara, Taluka: Mangrol, Dist. Surat. Facility further secured by equitable mortgage of open Industrial land situated at Plot no.: Composite unit-1, Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat and office premises situated at eastern side of third floor, Dawer Chambers, Ring Road, Surat and hypothecation of Wind mill situated at Village: Suthari, Taluka: Abdasa, Dist: Kutch.

b. Secured against hypothecation of Vehicles

\* Refer Note no .16 for Current maturities of Long Term Debt

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

(₹ in Lacs)

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>12. DEFERRED TAX LIABILITY (NET)</b>			
<b>Deferred Tax Asset</b>			
a. Unabsorbed Depreciation	-	-	-
b. Disallowance under Income Tax	-	-	-
i. Provision for bonus	1.33	1.26	1.25
ii. Provision for leave	1.14	1.24	1.18
iii. Provision for gratuity	4.80	1.49	-
	7.26	3.99	2.43
<b>Deferred Tax Liability</b>			
a. Block of Assets	65.12	87.58	90.40
<b>TOTAL</b>	<b>57.86</b>	<b>83.59</b>	<b>87.97</b>

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>13. OTHER NON CURRENT LIABILITIES</b>			
<b>Capital Subsidy</b>			
As per Last Balance Sheet	114.82	69.97	69.97
Add: Capital Subsidy	-	47.27	-
Less :Proportionate Capital Subsidy transfer to Profit & Loss A/c.	2.41	2.41	-
	112.40	114.82	69.97
<b>TOTAL</b>	<b>112.40</b>	<b>114.82</b>	<b>69.97</b>

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>14. SHORT TERM BORROWING</b>			
<b>Secured - At amortised cost</b>			
a. Working Capital Loans From Banks			
i. Rupee Loan (Refer Note 14.1)	2311.10	2,528.20	2,495.97
ii. Foreign Bills under LC Discounting (Refer Note 14.1)	105.26	-	-
	2,416.36	2,528.20	2,495.97
<b>Unsecured - At amortised cost</b>			
a. Short Term Loan from ICICI Bank Ltd. (Under Channel Financing)	788.58	791.63	749.80
<b>TOTAL</b>	<b>3,204.93</b>	<b>3,319.83</b>	<b>3,245.77</b>

### 14.1 Security details for secured Loan

Secured by Hypothecation of raw materials, stock-in-process, finished goods, books debts, plant and machinery and equitable mortgage of factory land and building situated at Block no. 298, Plot no. 2, Block no. 76, Plot no. 2 at Village: Karanj, Taluka: Mandvi, Dist.: Surat and Block no. 141, Plot no. 3, Block no. 146, Plot no. 3/A & 13, Block no. 149, Plot no. 12/A & 12/B at Village: Mota Borasara, Taluka: Mangrol, Dist. Surat. Facility further secured by equitable mortgage of open Industrial land situated at Plot no.: Composite unit-1, Fairdeal Textile Park, Village: Mahuvej, Taluka: Mangrol, Dist.: Surat and office premises situated at eastern side of third floor, Dawer Chambers, Ring Road, Surat and hypothecation of Wind mill situated at Village: Suthari, Taluka: Abdasa, Dist: Kutch.

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

(₹ in Lacs)

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>15. TRADE PAYABLES</b>			
a. For goods & other purchases	179.98	291.78	415.57
b. For expenses	22.83	32.45	24.43
<b>TOTAL</b>	<b>202.81</b>	<b>324.23</b>	<b>439.99</b>

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>16. OTHER FINANCIAL LIABILITIES</b>			
Current Maturities of long term debts (Refer Note 11)	239.52	100.15	107.68
Interest accrued but not due on borrowings	0.18	0.46	0.59
Unclaimed Dividend	14.25	13.57	13.10
<b>TOTAL</b>	<b>253.94</b>	<b>114.18</b>	<b>121.37</b>

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>17. OTHER CURRENT LIABILITIES</b>			
Employees benefits payables	44.83	45.71	45.10
Advance from Customers	3.31	8.12	13.10
Expenses Payable	59.52	59.09	51.83
Duties & Taxes	12.98	36.35	37.24
<b>TOTAL</b>	<b>120.65</b>	<b>149.27</b>	<b>147.27</b>

PARTICULARS	As at March 31,2018	As at March 31,2017	As at March 31,2016
<b>18. PROVISIONS - CURRENT</b>			
Proposed dividend	0.00	75.63	75.63
Tax on Dividend	0.00	15.40	15.40
Provision for earned Leave	3.45	3.74	3.57
Provision for earned Bonus	4.01	3.82	3.77
Provision for gratuity (Refer note no. 18.1)	14.50	4.51	-
<b>TOTAL</b>	<b>21.96</b>	<b>103.10</b>	<b>98.36</b>

**18.1** The Liability as on 31st March, 2016 does not exceed the amount already provided for, hence no provision is made in the year ended on 31st March, 2016.

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

(₹ in Lacs)

PARTICULARS	2017 - 18	2016 - 17
<b>19. REVENUE FROM OPERATIONS</b>		
Sales of Product	21,611.98	20,727.97
Sales of Service	251.82	169.54
Less: Excise Duty	22.67	2.33
Less: Value Added Tax	160.29	718.80
<b>Net Sales</b>	21680.85	20176.39
Other Operating Income		
Sale of Power/Windmill Energy (Captive Consumption)	52.95	70.17
Commission Income Net	82.22	104.52
Export Incentives	18.48	75.41
Profit/(Loss) from Currency Swap/Option Contract/Exchange variance	7.53	(12.80)
Other Operating Income	14.85	10.88
Proportionate Capital Subsidy on Plant Machinery	2.41	2.41
Profit/(Loss) on sale of assets / Investment	2.55	1.77
Sundry Balances written up	4.47	17.43
	185.46	269.79
<b>TOTAL</b>	<b>21866.32</b>	<b>20446.17</b>
19.1 Profit/Loss on Translation of monetary Items are recognized in Profit and Loss account in accordance with para 13.8.1 of IndAs-21		

PARTICULARS	2017 - 18	2016 - 17
<b>20. OTHER INCOME</b>		
Interest	6.40	5.10
<b>TOTAL</b>	<b>6.40</b>	<b>5.10</b>

PARTICULARS	2017 - 18		2016 - 17	
<b>21. CONSUMPTION OF RAW MATERIALS</b>	% of consumption		% of consumption	
Imported	3.51%	120.97	0.06%	2.17
Indigenous	96.49%	3327.29	99.94%	3570.02
<b>TOTAL</b>	<b>100.00%</b>	<b>3448.26</b>	<b>100.00%</b>	<b>3572.19</b>

PARTICULARS	2017 - 18	2016 - 17
<b>21.1</b> Opening Stock	230.26	221.34
Purchases Indigenous	3316.78	3530.77
Purchases Import	150.21	50.34
	<b>3697.24</b>	<b>3802.45</b>
Less: Closing Stock	248.99	230.26
<b>TOTAL</b>	<b>3448.26</b>	<b>3572.19</b>

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

### 21.2 Particulars of Material Consumed

(₹ in Lacs)

PARTICULARS	2017 - 18	2016 - 17
Yarn	3448.26	3572.19

	2017 - 18		2016 - 17	
<b>22. CHANGES IN FINISHED GOODS, STOCK-IN- TRADE AND WORKIN- PROGRESS</b>				
Opening Stock				
Finished Goods/Stock-in-Trade	198.56		236.34	
Workin- Progress	19.23	217.79	23.78	260.12
Less:				
Closing Stock				
Finished Goods/Stock-in-Trade	332.96		198.56	
Workin- Progress	31.23	364.19	19.23	217.79
<b>TOTAL</b>	<b>(146.40)</b>		<b>42.33</b>	

PARTICULARS	2017 - 18	2016 - 17
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages, Bonus & Benefits	680.67	647.59
Contribution to Provident fund & expenses	36.35	35.56
Group Gratuity Expenses	18.61	6.05
Staff Welfare Expenses	14.06	10.00
<b>TOTAL</b>	<b>749.69</b>	<b>699.20</b>

#### 23.1 GRATUITY

The employee gratuity fund is managed by " Life Insurance Corporation of India" & SBI Life Insurance Company Ltd. The Present value of obligation is determined based on actuarial valuation. The liability is fully funded.

PARTICULARS	2017 - 18	2016 - 17
<b>a. Amounts recognized in Balance Sheet are as follows:</b>		
A. Present Value of Defined Benefit Obligation		
- Wholly Funded	122.92	100.29
- Wholly Unfunded		
	122.92	100.29
Less: Fair Value of Plan Assets	122.92	100.29
<b>Amount to be recognized as Liability or (Assets)</b>	-	-
B. Amount Reflected in Balance Sheet		
- Liability	14.50	4.51
<b>b. Amounts recognized in Profit &amp; Loss Account:</b>		
1. Current Service Cost	18.61	6.05
2. Interest Cost	7.81	8.39
3. Expected Return on Plan Assets	7.81	8.39
4. Actuarial Losses/(Gains)	-	-
<b>Total included in "Payments and Benefits to Employees"</b>	<b>18.61</b>	<b>6.05</b>

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

(₹ in Lacs)

PARTICULARS	2017 - 18	2016 - 17
<b>c. Changes in present value of defined benefit obligation representing reconciliation of opening &amp; closing balances thereof are as follows:</b>		
Opening Value of present value of defined benefit obligation	100.29	88.01
Add : Current service cost	18.61	4.51
Add : Interest Cost	7.81	8.39
Add : Contribution made	4.11	1.53
	130.82	102.46
Less : Mortality Charges	2.09	1.44
Less : Benefits paid	5.80	0.73
Less: Current service cost Provision	-	-
<b>Closing Value of present value of defined benefit obligation</b>	<b>122.92</b>	<b>100.29</b>
<b>d. "Principal Actuarial Assumptions at the Balance Sheet Date (expressed as Weighted Averages)"</b>		
Discount Rate (p.a.)	7.55%	8.00%
Expected Rate of Return on Assets (p.a.)	7.55%	8.00%

PARTICULARS	2017 - 18	2016 - 17
<b>24. FINANCE COST</b>		
Term Loan Interest	49.56	18.72
Interest to Others	12.95	6.61
Working Capital Interest	244.50	292.19
Bill Discount Charges	65.86	76.10
Bank Charges	43.60	13.69
<b>TOTAL</b>	<b>416.46</b>	<b>407.31</b>

PARTICULARS	2017 - 18	2016 - 17
<b>25. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation for the period	267.71	261.94
Less: Depreciation withdrawn from Revaluation Reserve	2.15	2.60
<b>TOTAL</b>	<b>265.57</b>	<b>259.34</b>

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

(₹ in Lacs)

PARTICULARS	2017 - 18	2016 - 17
<b>26. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Job Charges	11.64	12.36
Leave & License Agreement	0.10	0.11
Lising Charges	6.09	5.79
Power and Fuel	458.65	447.83
Consumption of stores (Inc.packing & chemical materials)	373.48	342.29
Repairs to Machinery	33.05	33.72
Building Repairs	18.21	11.71
Factory Expenses	28.24	22.80
Wind Mill Expenses	11.13	10.99
<b>TOTAL</b>	<b>940.58</b>	<b>887.60</b>
<b>Wind Mill expenses</b>		
Lease Rent	0.02	0.09
Insurance Exp.	0.37	0.39
Repairs & Maintenance Charges	10.74	10.51
<b>TOTAL</b>	<b>11.13</b>	<b>10.99</b>
<b>Transfer to Manufacturing Exp.</b>	<b>11.13</b>	<b>10.99</b>
<b>Administrative &amp; Other Expenses</b>		
Insurance	8.29	4.92
Printing and Stationary	4.45	5.23
Postage & Telephone	9.85	11.80
Electrical Expenses	5.42	5.24
Tours Travelling & Conveyance	18.97	15.82
Directors' Remuneration	84.43	84.43
Director's Fees	2.23	2.01
Legal and Professional Charges	28.27	20.12
Audit Fees	3.50	3.50
Sundry Expenses	8.83	13.19
Computer Charge	6.10	7.62
Donation *	10.27	2.64
Repairs & Maint. to Furniture & Office Equip.	2.42	2.58
Office Rent	14.04	1.80
<b>TOTAL</b>	<b>207.07</b>	<b>180.91</b>
<b>Selling &amp; Distribution Expenses</b>		
Brokerage	41.87	52.85
Advertisement and Sales Promotion	1.65	3.78
Freight	14.18	37.66
Vehicle Repairs & Maintenance	1.18	0.91
<b>TOTAL</b>	<b>58.88</b>	<b>95.20</b>
<b>TOTAL</b>	<b>1206.53</b>	<b>1163.71</b>

\*\*\* Donation for FY 2017-18 of Rs. 10.27 Lacs includes Rs. 7.51 Lacs contributed/donated to a political party in compliance with section 182 of the Companies Act, 2013."



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

### 26.1 Value of Consumables

(₹ in Lacs)

PARTICULARS	2017 - 18		2016 - 17	
		% of consumption		% of consumption
Imported	25.13	6.73%	11.11	3.25%
Indigenous	348.34	93.27%	331.18	96.75%
<b>TOTAL</b>	<b>373.48</b>	<b>100.00%</b>	<b>342.29</b>	<b>100.00%</b>

### 26.2 Value of Imports on CIF basis in respect of

PARTICULARS	2017 - 18	2016 - 17
Raw Materials and Stock-in-trade	150.21	50.34
Consumables goods	41.55	13.14

### 26.3 Payment to Auditors as: (Excluding amount of GST)

PARTICULARS	2017 - 18	2016 - 17
a As a Statutory Auditor	1.25	1.25
As a Tax Auditor	2.25	2.25
b Capacity in respect of:		
i. Company law matter	-	-
ii. Management Services	-	0.05
iii. In any other manner	0.38	0.38

### 26.4 Expenditure in foreign currency (On Payment basis):

PARTICULARS	2017 - 18	2016 - 17
Capital goods Expenses	9.21	195.22
Raw Material and Stock in trade	130.53	37.03
Consumables goods	36.88	9.96
Commission Expense (On Export)	2.02	2.66
<b>TOTAL</b>	<b>178.63</b>	<b>244.88</b>

PARTICULARS	2017 - 18	2016 - 17
<b>27. EARNING PER SHARE</b>		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	201.25	176.02
ii) Weighted Average number of equity shares used as denominator for calculating EPS	60.50	60.50
iii) Basic Earning per share (Refer Note 27.1)	3.33	2.91
iv) Face Value per equity share	10.00	10.00

**27.1** There is no diluted equity share of the company.  
Earnings per share for the year ended on 31st March, 2018 is adjusted Earnings Per Share in accordance with INDAS-33.

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

(₹ in Lacs)

PARTICULARS	2017 - 18	2016 - 17
<b>28. EARNING IN FOREIGN CURRENCY</b>		
FOB value of Exports	553.30	666.22

### 29. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Remittances by the company in foreign currencies for dividends (including amount credited to Non-Resident External Accounts):

PARTICULARS	2017 - 18	2016 - 17
a) No. of Non-resident shareholders	6	6
b) No. of Equity Shares of face value of Rs. 10 each held	137170	137170
c) i) Amount of Dividend Paid (Gross)	1.71	1.71
ii) Tax Deducted at Source	-	-
iii) Year to which dividend relates	2016-17	2015-16

### 30. RELATED PARTIES WHERE COMMON CONTROL EXIST AND TRANSACTION ENTERED INTO:

Sr.No.	Name of the Related Party and Nature of Transaction	"Amount (in Lacs)"	Balance as on March 31, 2018	"Amount (in Lacs)"	Balance as on March 31, 2017
1	<b>Shahlon Silk Industries Pvt.Ltd.</b> (Common Control of Key Managerial Person)				
	Sales	108.86	Nil	219.11	Nil
	Interest (Income)	2.78		0.77	
	Job Income	264.40		171.10	
	Yarn Purchase	107.01		150.48	
	Capital Purchase	0.17		-	
	Job Charges	250.01		272.92	
	Reimbursement of Utility Expense	4.38		2.52	
	Reimbursement of Salary Expense	4.92		4.88	
	Rent Charges	1.41		1.04	
2	<b>Fairdeal Textile Park Pvt. Ltd.</b> (Common Control of Key Managerial Person)				
	Lease Rent	0.11	Nil	0.11	Nil
	Maintenance Expenses	3.98		3.90	
3	<b>Autotech Non-Wovens Pvt Ltd</b> Sales & Service	106.22	Nil	-	Nil
4	<b>Shri D. R.Shah (Key Management Personnel)</b> Remuneration	42.22	Nil	42.22	Nil
5	<b>Shri A.R. Shah (Key Management Personnel)</b> Remuneration	42.22	Nil	42.22	Nil

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2018****31. CONTINGENT LIABILITIES AND COMMITMENTS**

(₹ in Lacs)

PARTICULARS		2017-18	2016-17
<b>i) Contingent Liabilities</b>			
Guarantees			
a) Counter guarantees given to banks		2.27	2.27
b) Bank Guarantee provided to DGFT to secure texturising under EPCG Scheme		6.11	6.11
Others			
a) Custom Duty on Capital Goods or Raw Material Imported under Advance Licence/ EPCG Scheme, against which export obligation is to be fulfilled		119.86	139.07

32 Sale /Purchase includes inter-divisional transfer is Nil (Previous Year-Nil).

33 There are no dues (Previous Year - Nil) from the companies or firms where Directors are Directors/Partners.

34 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the Current year's Classification/ disclosure.

**For, RANGOONWALA ASSOCIATES**

Chartered Accountants

FRN : 108632W

**Gajendra T. Rangoonwala**  
(Proprietor)

Membership No. 035377

SURAT, Date : 28.05.2018

**For and on behalf of the Board,****D. R. Shah**  
Managing Director  
DIN : 00010480**Jitesh R. Varkal**  
Company Secretary

SURAT, Date : 28.05.2018

**A. R. Shah**  
Whole-time Director  
DIN : 00010483**Satish H. Shah**  
Chief Financial Officer

**Effect of IND AS adoption on the standalone balance sheet  
as at 31st March'2017 and 1st April'2016**

(₹ in Lacs)

PARTICULARS	As at March 31, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind As balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind As balance sheet
<b>I. ASSETS</b>						
<b>1. Non Current Assets</b>						
(a) Property, plant and equipment	1,913.53	-	1,913.53	1763.25	-	1,763.25
(b) Capital Work in Progress	-	-	-	13.10	-	13.10
(c) Intangible Asset	6.74	-	6.74	0.62	-	0.62
(d) Financial assets						
i) Investments	195.95	-	195.95	195.95	-	195.95
ii) Other financial assets		(59.56)	59.56		(63.34)	63.34
(e) Other non-current assets	197.01	59.43	137.59	180.41	50.42	129.99
<b>Total non-current assets</b>	<b>2,313.23</b>	<b>(0.13)</b>	<b>2,313.37</b>	<b>2,153.33</b>	<b>(12.92)</b>	<b>2,166.25</b>
<b>2. Current assets</b>						
(a) Inventories	532.85	-	532.85	556.83	-	556.83
(b) Financial assets						
i) Trade receivables	3,474.89	-	3,474.89	4329.55	-	4,329.55
ii) Cash and cash equivalents	22.31	-	22.31	17.54	-	17.54
iii) Bank balance other than (ii) above	24.37	0.13	24.23	16.38	12.92	3.46
iv) Loans						
v) Others financial assets						
(c) Current tax assets (net)						
(d) Other current assets	223.29	-	223.29	254.50	-	254.50
<b>Total current assets</b>	<b>4,277.70</b>	<b>0.13</b>	<b>4,277.57</b>	<b>5,174.80</b>	<b>12.92</b>	<b>5,161.88</b>
<b>TOTAL ASSETS</b>	<b>6,590.93</b>	<b>0.00</b>	<b>6,590.93</b>	<b>7,328.13</b>	<b>-</b>	<b>7,328.13</b>
<b>II EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity share capital	605.00	-	605.00	605.00	-	605.00
(b) Other equity	1,360.36	114.82	1,245.54	1,233.11	69.97	1,163.15
<b>Total equity</b>	<b>1,965.36</b>	<b>114.82</b>	<b>1,850.54</b>	<b>1,838.11</b>	<b>69.97</b>	<b>1,768.15</b>
<b>LIABILITIES</b>						
<b>1. Non-current liabilities</b>						
(a) Financial liabilities						
i) Borrowings	512.70	-	512.70	1,310.96	-	1,310.96
ii) Other financial liabilities						
(b) Provisions	-	-	-	-	-	-
(c) Deferred tax liabilities (net)	83.59	-	83.59	87.97	-	87.97
(d) Other non current liabilities		(114.82)	114.82		(69.97)	69.97
<b>Total non-current liabilities</b>	<b>596.28</b>	<b>(114.82)</b>	<b>711.10</b>	<b>1,398.94</b>	<b>(69.97)</b>	<b>1,468.91</b>
<b>2. Current liabilities</b>						
(a) Financial liabilities						
i) Borrowings	3,319.83	-	3,319.83	3,245.77	-	3,245.77
ii) Trade payables	324.23	-	324.23	439.99	-	439.99
iii) Other financial liabilities		(114.18)	114.18		(121.37)	121.37
(b) Other current liabilities	263.45	114.18	149.27	268.65	121.37	147.27
(c) Provisions	121.78	18.69	103.10	136.67	38.31	98.36
(d) Current tax Liabilities (net)		(18.69)	18.69		(38.31)	38.31
<b>Total current liabilities</b>	<b>4,029.29</b>	<b>-</b>	<b>4,029.29</b>	<b>4,091.08</b>	<b>-</b>	<b>4,091.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,590.93</b>	<b>0.00</b>	<b>6,590.93</b>	<b>7,328.13</b>	<b>(0.00)</b>	<b>7,328.13</b>

**Effect of IND AS adoption on the Statement of Profit and Loss  
for the year ended 31st March'2017**

(₹ in Lacs)

PARTICULARS	"Year ended March 31, 2017"		
	Previous GAAP	Effect of transition to Ind AS	As per Ind As balance sheet
<b>INCOME</b>			
<b>Revenue from Operations</b>			
Revenue from Operations	20,446.17	-	20,446.17
Other Income	5.10	-	5.10
<b>Total Income</b>	<b>20,451.27</b>	<b>-</b>	<b>20,451.27</b>
<b>EXPENSES:</b>			
Cost of Material Consumed	3,572.19	-	3,572.19
Purchases of Stock in Trade	14,118.95	-	14,118.95
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	42.33	-	42.33
Employee Benefits Expense	699.20	-	699.20
Finance Costs	407.31	-	407.31
Depreciation and Amortisation Expense	259.34	-	259.34
Impairment Loss	-	-	-
Other Expenses	1,163.71	-	1,163.71
<b>Total Expenses</b>	<b>20,263.03</b>	<b>-</b>	<b>20,263.03</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>188.25</b>	<b>-</b>	<b>188.25</b>
<b>Tax Expense:</b>			
a. Current tax	39.64	-	39.64
b. Deferred Tax	(4.39)	-	(4.39)
	35.25	-	35.25
<b>Profit after tax adjustment</b>	<b>153.00</b>	<b>-</b>	<b>153.00</b>
Excess/(Short) provision for taxation in earlier year	23.03	-	23.03
<b>Profit after Tax</b>	<b>176.02</b>	<b>-</b>	<b>176.02</b>
<b>Profit for the Period</b>	<b>176.02</b>	<b>-</b>	<b>176.02</b>

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**ELECTRONIC CLEARING SERVICES (ECS)  
MANDATE FORM**

To,  
COMPANY SECRETARY  
**FAIRDEAL FILAMENTS LIMITED**  
3<sup>RD</sup> FLOOR, DAWER CHAMBERS,  
NEAR SUB-JAIL, RING ROAD,  
SURAT – 395002  
Ph.: 0261-4190200

Dear Sir/ Madam,

**RE : Registration for remittance of dividend through electronic mode**

I/We wish to avail ECS facility of the Company for remittance of dividend through electronic mode. Please take on your records my/our following details for the said purpose.

Registered Folio No. : ..... No. of shares : .....

A. Identity Details (FILL IN CAPITAL LETTERS ONLY)			
Name of Sole/Joint Holder(s)	Father's/Husband's Name	Surname of Sole/Joint Holder(s)	Date of Birth

B. Contact Details			
Name of Sole/Joint Holder(s)	E-mail Id	Contact No. (with STD Code)	Registered Address

C. Permanent Account Number (PAN) (MANDATORY)		
Sole/First Holder	Second Holder	Third Holder

**ELECTRONIC CLEARING SERVICE (ECS) DETAILS : (Please fill in Capital Letters only)**

<b>Bank Name</b>																											
<b>Branch Name</b>																											
<b>Branch Code</b>	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>																										
	(9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank) <b>Please attach following documents as a mandatory requirement to register/update your ECS details:</b> 1. A cancelled leaf or a xerox copy of a blank cheque of shareholder's bank account duly cancelled for ensuring accuracy of the bank's name, branch name and code number. 2. Xerox copy of PAN Card of the shareholder including all the joint holders.																										
<b>Bank Account No.</b>	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>																										
	<b>(As appearing on the cheque book)</b>																										
<b>Type of Account</b>	<table border="1"> <tr> <td style="text-align: center;">S.B. Account</td> <td style="text-align: center;">Current Account</td> <td style="text-align: center;">Cash Credit Account</td> </tr> </table>			S.B. Account	Current Account	Cash Credit Account																					
S.B. Account	Current Account	Cash Credit Account																									
	(Please tick whichever is applicable)																										

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Fairdeal Filaments Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my/our Bank details and Account Number.

Signature(s) as per specimen recorded with Company		
Sole/First Holder	Second Holder	Third Holder

Place : \_\_\_\_\_ Date : \_\_\_\_\_

**Important Notes :**

- The Company will register ECS details in its database only if the signatures of the shareholder(s) match with specimen signatures on records of the Company.**
- After ECS registration, dividend, as and when declared by the Company, will be remitted into the bank account as per the details registered with the Folio No. / DP ID & Client ID of the shareholder.
- Shareholders are requested to keep the Company informed as and when there is any change in bank details registered with the Company.
- Unless bank details are changed by the shareholder(s) by sending communication in writing, the Company will continue to remit dividend, as and when declared by Company, as per the details registered with the Company.
- On dematerialization of existing physical shares for which shareholder(s) have availed ECS facility, the bank details are required to be submitted to DP of the shareholder for availing ECS facility.



## INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION

FOR SHAREHOLDING IN PHYSICAL FORM	FOR SHAREHOLDING IN DEMAT FORM
<b>TO, COMPANY SECRETARY FAIRDEAL FILAMENTS LIMITED 3<sup>RD</sup> FLOOR, DAWER CHAMBERS, NR. SUB-JAIL, RING ROAD, SURAT – 395 002</b>	<b>TO BE SENT TO YOUR DEPOSITORY PARTICIPANT (DP)</b>

Dear Sir/Madam,

**Re. : Change/Correction in address of communication**

Please refer to my/our shareholding in Fairdeal Filaments Limited as per below mentioned details:

**1. No. of equity shares held : .....**

**2. (i) For shareholding in physical form :**

**Registered Folio No. : .....**

**(ii) For shareholding in Demat Form :**

**DP ID : ..... Client ID : .....**

I/We hereby request to change my/our address of communication as per below details, under an intimation to me/us. (Please fill in the details in CAPITAL LETTERS ONLY)

Old Address
Flat/Block/House No. : .....
Building/House Name : .....
Landmark Details : .....
Road/Lane/Area Name I : .....
Road/Lane/Area Name II : .....
City : .....
State : .....
PIN Code : .....

**New Address**

Flat/Block/House No. : .....

Building/House Name : .....

Landmark Details : .....

Road/Lane/Area Name I : .....

Road/Lane/Area Name II : .....

City : .....

State : .....

PIN Code : .....

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Fairdeal Filaments Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my address of communication.

Thanking You,

	Name	Signature
<b>Sole/First Holder</b>		
<b>Second Holder</b>		
<b>Third Holder</b>		

Place : \_\_\_\_\_ Date : \_\_\_\_\_

**Important Notes :**

- The Company or its R & T Agent will update the new address in database only if the signatures of the shareholders match with specimen signature on record of the Company.**
- This form must be accompanied by one self-attested copy of new address proof in the name of the shareholder (e.g. Aadhar Card, Driving License, Passport, Ration Card and Light Bill/Gas Bill)**

## **FOR ATTENTION OF MEMBERS HOLDING SHARES IN PHYSICAL FORM**

**Date :**

Dear Shareholder(s)

**Sub : (1) Submission of PAN and Bank Details**

**(2) Intimation of Share Transfer in Demat form only w.e.f December 05, 2018**

**Ref : (1) SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018; and**

**(2) Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette Notification dated June 8, 2018.**

This has reference to above mentioned circular and notification of Securities and Exchange Board of India regarding collection of PAN and Bank Account details of all securities holders holding securities in physical form and intimation to them about transfer of securities only in dematerialized form w.e.f December 05, 2018. In order to comply with above circular, you are requested to provide us the copy of PAN card and Bank Details (Cancelled Cheque leaf with name of the first holder/attested bank passbook showing name of account holder) **within 21 days from the date of the receipt of this letter.**

It may further be noted that pursuant to the above referred SEBI Notification, transfer in securities of the Company shall be allowed in dematerialized form only w.e.f December 05, 2018 and therefore shareholders of the Company still holding shares in physical certificates are hereby advised to dematerialize their shares as soon as possible.

Detailed procedure of dematerialization of securities of the Company and guidance for transfer of shares have been displayed at the website of the Company at [www.shahlon.com](http://www.shahlon.com) for the information of the shareholders.

Thanking You

**For Fairdeal Filaments Limited**

**Sd/-**

**Company Secretary**

# Fairdeal Filaments Ltd.

(CIN : L17110GJ1990PLC013771)

Regd. Office : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002 (Gujarat)  
Tel : +91 261 4190200, Fax : +91 261 2635550, Web : www.shahlon.com

## PROXY FORM

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

**28th Annual General Meeting – 29th September, 2018**

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio. No. / DP ID No. & Client ID No. :	

I/We being the Member(s) of \_\_\_\_\_ shares of Fairdeal Filaments Limited, hereby appoint :

- 1) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him/her
- 2) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him/her
- 3) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us, on my/our behalf at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company, to be held on Saturday, 29th day of September, 2018 at 11.00 A.M. at the Registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.	Resolutions	Vote (*Optional)	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2018, together with the Report of the Board of Directors and Auditors thereon.		
2	To declare Dividend on Equity Shares.		
3	To appoint a Director in place of Shri Arvind R. Shah (DIN 00010483), Director who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
4	To ratify the Remuneration of Cost Auditors.		

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

Signature of the Shareholder(s) \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Rs.1  
Revenue  
Stamp

- NOTE :**
- The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.
  - A Proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
  - Please complete all details including details of member(s) in above box before submission.

\*It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

# Fairdeal Filaments Ltd.

(CIN : L17110GJ1990PLC013771)

Regd. Office : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002 (Gujarat)  
Tel : +91 261 4190200, Fax : +91 261 2635550, Web : www.shahlon.com

## ATTENDANCE SLIP TWENTY EIGHTH ANNUAL GENERAL MEETING

- PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING VENUE.
- THIS ATTENDANCE IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF MEETING.

I/We hereby record my/our presence at TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company held on Saturday, 29th September, 2018 at 11.00 A.M. at the registered office of the Company.

Ledger Folio / Client ID. No. :

No. of shares held :

Name/s of the Shareholder(s) / proxy :

\_\_\_\_\_  
Signature of shareholder(s) / Proxy present



**--: VENUE :-**

**Fairdeal Filaments Ltd.**

3rd Floor, Dawer Chamber, Near Sub Jail, Ring Road, Surat, Gujarat 395002, India.

## FINANCIAL PERFORMANCE

Our company has a 7% growth in top line during the year ended 31st March, 2018 as compared to the immediate previous year. EBIDTA margins improved to 4.33% as in FY 2017-18 compared to 4.18% in FY 2016-17, PBT has increased by 41% in FY 2017-18 as compared to FY 2016-17 and net profit of the company has improved by 14% in FY 2017-18 as compared to FY 2016-17.

Total Income  
**2187.2**  
Million ₹

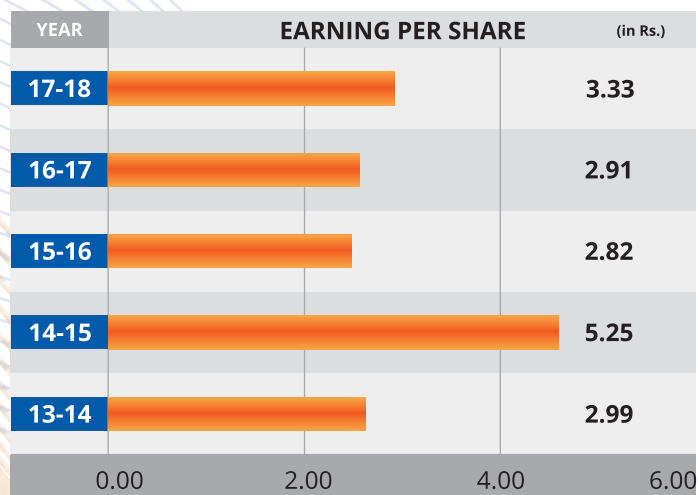
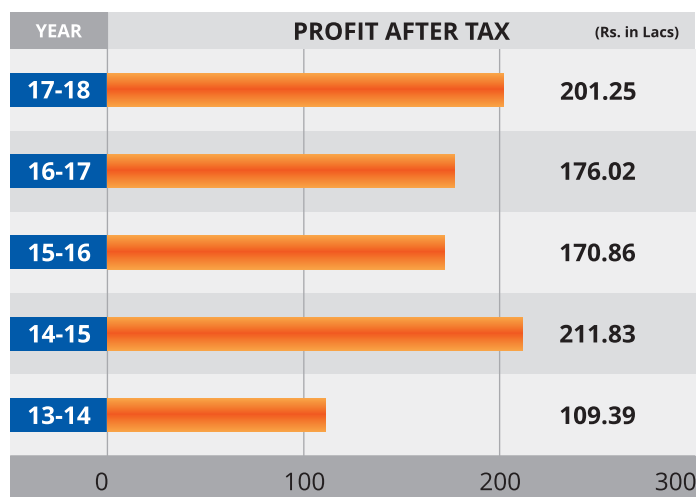
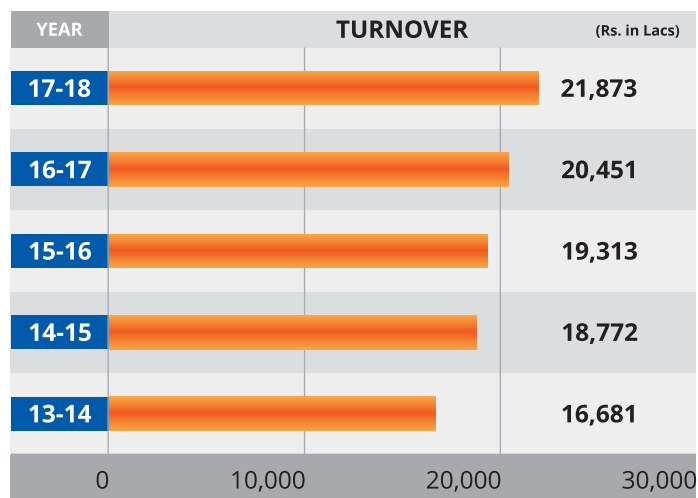
EBIDTA  
**4.33%**

PAT  
**20.1**  
Million

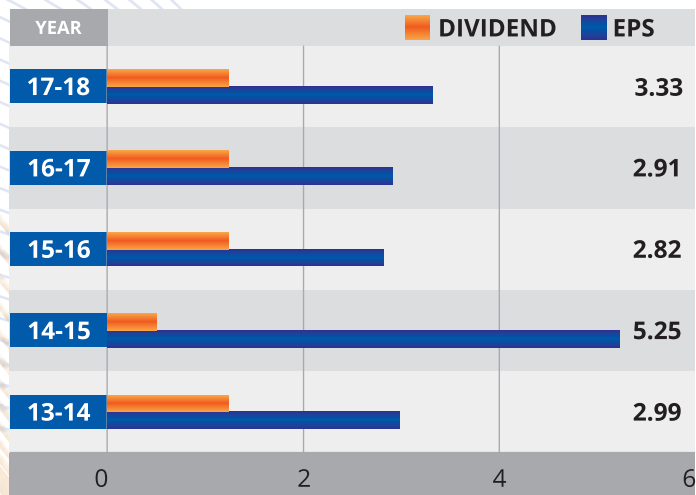
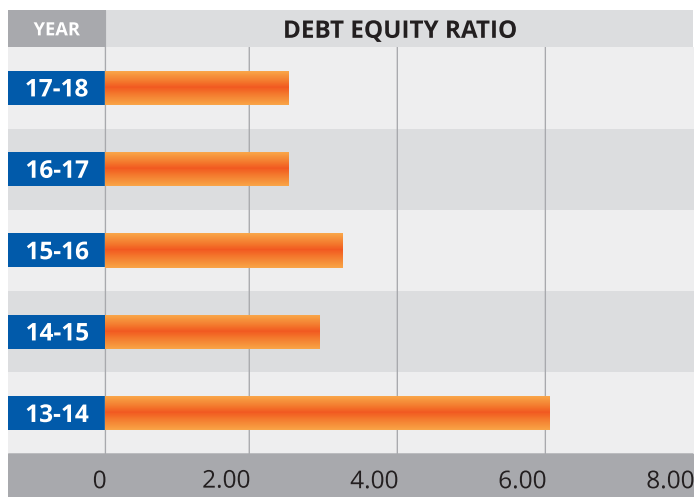
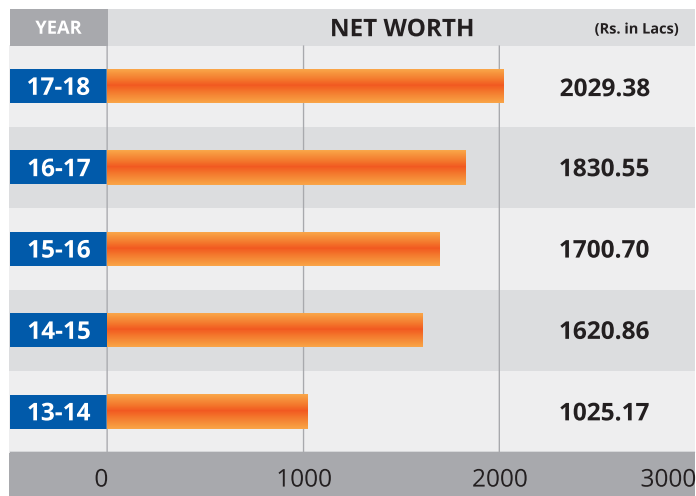
EPS  
**3.33**



## KEY PERFORMANCE INDICATORS



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