



JUNCTION FABRICS AND APPARELS LIMITED

(Formerly known as Junction Fabrics and Apparels Private Limited)

(CIN - L18101TZ2011PLC017586)

11.07.2019

To

BSE Limited,
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

BSE Scrip Code: 539216

Dear Sir,

Sub: Submission of Copy of Annual report 2018-19.

As per regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith the 8th Annual Report for the financial year 2018-19 containing Notice of Annual General Meeting to be held on 3rd August, 2019, Director's Report, Auditor's Report, Balance Sheet, Profit & Loss Account and its Schedules.

Kindly take the above in your record.

Thanking You,

Yours Faithfully,
For Junction Fabrics and Apparels Limited

K. Lakshmi Priya
Company Secretary
Membership No: A36135



JUNCTION FABRICS AND APPARELS LIMITED

8TH ANNUAL REPORT

2018-19

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CORPORATE INFORMATION

BOARD OF DIRECTORS	Prem Aggarwal, Managing Director Shikha Aggarwal Prem, Whole time Director Ashmita Aggarwal, Director R Senthil Rajagopal, Independent Director S Muthuramakrishnan, Independent Director S Thirumurugan, Independent Director
COMPANY SECRETARY	Mrs. Lakshmi Priya. K
CHIEF FINANCIAL OFFICER	Mr. Periasamy. R
REGISTERED OFFICE	No.15, Murthy's Plaza, Karia Gounder Street, Khaderpet, Tirupur – 641601, Tamil Nadu, India
FACTORY LOCATION	Shed No.40, Nethaji Apparel Park, Eettiveerampalayam, New Tirupur – 641 666 Tamil Nadu, India
PRINCIPAL BANKERS	(1) Axis Bank, Tirupur
STATUTORY AUDITORS	M/s. A Biyani & Co, Chartered Accountants, Unit No.411, Gundecha Industrial Complex, Akurli Road, Next to Big Bazar, Kandivali East, Mumbai – 400101
INTERNAL AUDITOR	Ms. Nisha, Tirupur
SECRETARIAL AUDITOR	M/s. GV and Associates Company Secretary in Practice Coimbatore

Notice is hereby given that the 8th Annual General Meeting of the Members of M/s. Junction Fabrics and Apparels Limited (CIN:L18101TZ2011PLC017586) will be held on Saturday, the 3rd of August, 2019 at 5:00 p.m at Shed No:40, Nethaji Apparel Park, Eettiveerampalayam, New Tirupur – 641 666, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements as at 31st March 2019 together with the Directors' Report and Auditors' Report thereon.
2. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, (including any statutory modifications or amendments or re-enactments thereof for the time being in force) M/s. A Biyani & Co, Chartered accountants, (Firm Registration No: 140489W), Mumbai be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at a remuneration of Rs. 1,25,000/- (excluding Goods and Service Tax and reimbursement of out of pocket expenses)

3. To appoint a Director in the place of Mrs. Shikha Aggarwal Prem, (DIN: 03373965), who retires by rotation and, being eligible, offers herself for reappointment.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any of Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, consent of the members of the Company be and is hereby accorded for increasing the remuneration of Mr. Prem Aggarwal (DIN: 02050297), Managing Director of the Company to Rs. 30,00,000/- p.a for the financial year 2019-20.

RESOLVED FURTHER THAT any one of the Director or the Company Secretary of the Company be and is hereby authorized to extract the copy of this resolution and to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution.

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any of Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, consent of the members of the Company be and is hereby accorded for increasing the remuneration of Mrs. Shikha Aggarwal Prem (DIN: 03373965), Whole-time Director of the Company to Rs. 30,00,000/- p.a for the financial year 2019-20.

RESOLVED FURTHER THAT any one of the Director or the Company Secretary of the Company be and is hereby authorized to extract the copy of this resolution and to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary , desirable and expedient to give effect to this resolution.

6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 197 and all other applicable provisions, if any of Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, consent of the members of the Company be and is hereby accorded for increasing the remuneration of Mrs. Ashmita Agarwal (DIN: 07332067), Director of the Company Rs. 27,00,000/- p.a for the financial year 2019-20.

RESOLVED FURTHER THAT any one of the Director or the Company Secretary of the Company be and is hereby authorized to extract the copy of this resolution and to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary , desirable and expedient to give effect to this resolution.

Place: Tirupur
Date: 27.05.2019

By order of the Board

-Sd-
PREM AGGARWAL
MANAGING DIRECTOR
(DIN: 02050297)

EXPLANATORY STATEMENT AS PER REGULATION 36(5) OF SEBI (LODR) REGULATIONS, 2015:

The existing statutory auditors of the company M/s. Balaji and Thulasiraman, Tirupur tendered their resignation on 10th of May, 2019. The auditors have already applied for peer review certificate from Peer Review Board of ICAI and the process of obtaining the same was under process. However as per SEBI(LODR) Regulations, 2015 the audit of a listed company has to be carried out only by a peer reviewed audit firm.

The Board in its meeting dated 14th May, 2019 had appointed M/s. A Biyani & Co, Mumbai (Firm Registration No: 140489W) as statutory auditors to conduct the audit for the financial year 2018-19 and to fill the casual vacancy caused by resignation of existing auditors. The term of new auditors comes to an end at the conclusion of the ensuing Annual General Meeting. The Board recommends for appointment of M/s. A Biyani & Co, Mumbai as statutory auditors for the financial year 2019-20.

The disclosures required under Regulation 36(5) of SEBI(LODR) Regulations, 2015 are as under:

Proposed Fees Payable to Statutory auditors	Rs.1,25,000/-(excluding GST and out of pocket expense)
Material change in fee payable to new audit firm from that of outgoing audit firm	-NIL-
Basis of recommendation for appointment of new audit firm	The new auditors have obtained Peer Review Certificate valid till December 2021

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
3. Member / proxy should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their representative to attend and vote on their behalf at the Meeting.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days of the Company during business hours upto the date of Annual General Meeting.
7. The Company has not closed the Register of Members and share transfer books.
8. Members are requested to bring their Annual Report to the Annual General Meeting. The duly filled in attendance slip must be surrendered at the counter before attending the Meeting.
9. The Ministry of Corporate Affairs has taken “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail address in respect of electronics holdings with the Depository through their concerned Depository Participants.
10. The Notice of the AGM along with the Annual Report 2018-19 along with the Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. The shareholders are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts,
12. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts
14. Non-Resident Indian Members are requested to inform Big Share Services Private Limited, immediately of:

- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc, from the Company electronically.
16. Members seeking any information with regard to the Financial Statements are requested to write to the Company at least 7 days before the Meeting so as to enable the management to keep the information ready at the meeting.
17. The Notice is sent to all the members, whose name appeared in the Register of Members as on 27.05.2019

By order of the Board

Place: Tirupur
Date: 27.05.2019

-Sd-

PREM AGGARWAL
MANAGING DIRECTOR
(DIN: 02050297)

PROXY FORM

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

Junction Fabrics and Apparels Limited
(CIN: L18101TZ2011PLC017586)
No.15, Murthy's Plaza Kariagounder Street, Khaderpet, Tirupur – 641 601 Tamil Nadu

Name of the Member

Registered office address

Email ID

Folio No. / Client ID

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DP ID

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I/ We being the member of **Junction Fabrics and Apparels Limited** holding.....shares, hereby appoint

Name: E-mail ID:

Address:

.....Signature :

or failing him/her

Name: E-mail ID:

Address:

..... Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 8th Annual General Meeting of members of the Company, to be held on Saturday, the 3rd of August, 2019 at the Shed No: 40, Nethaji Apparel Park, Eettiveerampalayam, Tirupur – 641 666 at 5:00 p.m and at any adjournment thereof in respect of such resolutions as are indicated below:

Resol ution No	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Financial statements for the financial year 2018-19			
2	Appointment of M/s. A Biyani & Co, Chartered accountants, (Firm Registration No: 140489W), Mumbai as a Statutory Auditors of the company.			
3	Appointment of Mrs. Shikha Aggarwal Prem, (DIN: 03373965) as a director liable to retire by rotation.			
Special Business				
4	Increase the remuneration of Mr. Prem Aggarwal (DIN: 02050297), Managing Director of the Company Rs. 30,00,000/- p.a for the financial year 2019-20.			
5	Increase the remuneration of Mrs. Shikha Aggarwal Prem, (DIN: 03373965), Whole-time Director of the Company Rs. 30,00,000/- p.a for the financial year 2019-20.			
6	Increase the remuneration of Mrs. Ashmita Agarwal (DIN: 07332067), Director of the Company Rs. 27,00,000/- p.a for the financial year 2019-20.			

Signed this day of..... 2019

.....

.....

Signature of Shareholder

Signature of Proxy holder(s)

Note:1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. Its optional to indicate your preference. If you leave the 'for, 'against' or 'abstain' column blank any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate

ATTENDANCE SLIP

JUNCTION FABRICS AND APPARELS LIMITED
(CIN: L18101TZ2011PLC017586)

No.15, Murthy's Plaza Kariagounder Street, Khaderpet, Tirupur – 641601, Tamil Nadu, India
Tel: 0421-2231896, Email ID: info@junctionfabrics.com, Website: www.junctionfabrics.in

8th ANNUAL GENERAL MEETING – 3rd AUGUST, 2019 AT 5:00 P.M

Registered Folio No/ DP No/Client ID No.

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No of Shares Held:

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I certify that I am a member/proxy/authorized representative for the members of the Company.

I hereby record my presence at the 8th Annual General Meeting of the Company at Shed No:40, Nethaji Apparel Park, Eettiveerampalayam, New Tirupur – 641 666 on Saturday, the 3rd August, 2019 at 5:00 p.m.

.....
Name of the member/proxy
(IN BLOCK LETTERS)

.....
Signature of the member/proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the AGM

DIRECTORS REPORT

To

The Members,

Your Directors have pleasure in presenting the 8th Annual Report of your Company together with the Audited Financial Statement for the Financial Year ended 31st March, 2019.

1. FINANCIAL RESULTS:

	(Amount in Rupees)	
Particulars	Current Year 2018-19	Previous Year 2017-18
Income from Operations	84,09,24,611	78,94,24,607
Gross Receipts (including other Income)	84,11,92,690	78,97,99,607
Total Expenditure before Interest and Depreciation	80,98,47,081	76,59,05,170
Less: Interest and Financial Charges	1,42,49,349	91,27,989
Less: Depreciation and Amortization	20,56,677	19,45,328
Profit/(Loss) before taxation for the year	1,50,39,583	1,28,21,120
Less: Current tax Expenses	44,78,011	47,39,859
Less: Deferred Tax Liability/Asset	(99,685)	(2,69,895)
Excess/(Shortfall) Prov. For Tax in P.Y.	262311	(95,660)
Profit/(Loss) after taxation for the year	1,03,98,946	82,55,496

2. PERFORMANCE OF THE COMPANY:

During the year under review, the Company has earned sales income of Rs. 84,09,24,611/- (Previous year Rs.78,94,24,607/-) and other income Rs.2,68,079/- (Previous year Rs.3,75,000/-). After providing depreciation, finance charges and tax the Company has earned Net profit Rs. 1,03,98,946/- (Previous year company earned Net profit Rs. 82,55,496/-).

3. DIVIDEND:

In order to conserve the reserves for further expansion of business the directors do not recommend any dividend.

4. TRANSFER TO RESERVES:

The Company has not transferred any amount to reserves during the year under review.

5. BUSINESS REVIEW:

The company is making efforts to improve the business and your Directors are optimistic of better performance during the year.

6. SHARE CAPITAL:

The paid up share capital of the company stood at Rs. 2,69,22,700 . During the year under review, the company has not altered the share capital.

7. DIRECTORS:

As per the provision of the Companies Act, 2013, Mrs. Shikha Aggarwal Prem (DIN: 03373965), Whole time director retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends the appointment of Mrs. Shikha Aggarwal Prem as Whole-time Director of the Company.

8. STATUTORY AUDITORS:

M/s. A Biyani & Co, Chartered accountants, (Firm Registration No: 140489W), Mumbai the Statutory Auditors of the Company hold office up to the ensuing Annual General Meeting of the Company. The board of directors recommends their appointment for the financial year 2019-20.

9. DEPOSIT:

Your directors have provided loan/advance to the company to the tune of Rs. 2,10,10,000/- within the meaning of the Rule 2(1)(viii) of the Companies Act, 2013 as on date. Your directors have provided a declaration that the amount being funded is not out of funds borrowed or by accepting loans or deposits from others.

Your company has not accepted any deposits as defined under Companies (Acceptance of Deposits) Rules, 2014

10. EXTRACT OF THE ANNUAL RETURN:

An extract of the Annual Return as of 31st March, 2019 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 in Form MGT 9 is furnished as **Annexure A** to this report.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year, 5 (five) Board Meetings and 3 (Three) Audit Committee meetings were held as per the details provided below:

S.No	Date of Board Meetings	Date of Audit Committee Meetings
1	26.05.2018	26.05.2018
2	15.09.2018	09.11.2018

3	30.10.2018	21.02.2019
4	09.11.2018	-
5	21.02.2019	-

12. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:

All independent Directors have given declarations that they meet the criteria of Independence as laid down under the provisions of the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

13. STATEMENT ON DECLARATION BY MANAGING DIRECTOR:

The Managing Director of the company has given declaration that members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as laid down under the provisions of the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The declaration is placed as **Annexure B** to director's report.

14. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34 of the SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015, the Management's discussion and analysis is set out below:

a. Industrial Structure and developments:

India's textile sector is one of the oldest industries in Indian economy dating back to several centuries. India's overall textile exports is expected to increase to US \$ 82.00 billion by 2021 from US \$ 31.65 billion in FY 2019

The Indian Textile Industry is currently estimated at a volume of US\$150 Billion and is expected to reach a figure of US\$250 billion by 2019. It has contributed to 2% to the GDP of India and employs more than 45 million people in 2017-18.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.09 billion during April 2000 to December 2018.

The future of the industry is looking extremely promising buoyed by strong domestic consumption and as well as export demand. With consumerism and disposable income on the rise the retail sector has experienced rapid growth in the past decade.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

b. Opportunities and threats

The major opportunity for the Company is the changing trend of fashion in India from village to the City. Usage of Knitwear is increasing and demand for the ready-made garments has also opportunity for the company to supply ready fabric of wide variety to smaller manufacturers.

The company's strong foothold in Domestic wholesale market gives an excellent opportunity to achieve economies of scale also for increasing the exports.

Threats

The major threat is always change in Government policy. Any adverse change will affect the industry.

Another major threat to the Industry is the shortage of labor. Shortage of skilled labor and the increase in demand resulting in increased wages & overhead costs.

c. Segment-wise or product-wise performance.

The Company's primary business comprises of manufacturing of knitted garments and trading of fabrics which contributes to 100% revenue.

d. Outlook.

The outlook for the industry is extremely positive. The reason being that Majority of the population is below the age of 35 and choice of fashionable attires among men and women like wear T shirts in one form or the other has been increasing. The increase in disposable income among middle income families in India for garments is increasing and currently it's averaged around 9% to 10%.

The overall size of readymade garment industry is almost INR 300 Thousand Crore. This is one of the fastest growing industries in India and contributes almost 4-5% of our GDP. This is expected to grow to about INR 500 Thousand Crore by 2021.

e. Risks and Concerns.

The major risk is change in Government policy. Any adverse change will affect the industry. Another concern is Shortage of skilled labor and the increase in increased wages & overhead costs.

f. Internal control system and their adequacy

A separate report on internal control systems and their adequacy is attached with this report from the statutory auditors of the Company.

g. Discussion on financial performance with respect to operational performance.

The Company has earned revenue of Rs.84,09,24,611/- as compared to Rs. 78,94,24,607/-in the Previous year a growth of more than 6.52%. Your Company has made a Net profit after providing depreciation, finance charges and deferred tax the Company of Rs. 1,03,98,946/- as compared to Rs. 82,55,496/- in the previous year.

h. Material developments in Human Resources/Industrial Relations front, including number of people employed.

No major challenges existed in Human resources during the current year under review.

i. Details of significant changes in key financial ratios, along with detailed explanations, if any:

There are no significant changes in key financial ratios of the company

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

During the year under review, the Company has not made any Loans, Guarantees or Investments within the meaning of the provisions of Section 186 of the Companies Act, 2013.

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

A) Conservation of energy:

- | | |
|--|-----|
| (i) The steps taken or impact on conservation of energy: | Nil |
| (ii) The steps taken by the company for utilising alternate sources of energy: | Nil |
| (iii) The capital investment on energy conservation equipment: | Nil |

B) Technology absorption:

- | | |
|--|-----|
| (i) The efforts made towards technology absorption: | Nil |
| (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: | Nil |
| (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): | Nil |
| (iv) The expenditure incurred on Research and Development: | Nil |

C) Foreign exchange earnings and Outgo:

Foreign exchange earnings : NIL

Foreign exchange outgo : NIL

17. PERFORMANCE EVALUATION:

SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, mandated that the Board shall monitor and review the Board evaluation framework.

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board on its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation shall be done by the entire Board of Directors, excluding the Director being evaluated

The evaluation of all the Directors and the Board as whole was conducted based on the criteria and framework adopted by the Board.

18. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The company has formulated vigil mechanism for employees including directors of the company to report genuine concerns. Till date the company has not received any complaints.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 in Form No. AOC -2 is furnished as **Annexure C** to this report.

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company's policy on Director's appointment and remuneration and other matters provided in section 178 of the Companies Act, 2013 has been in accordance with Nomination and remuneration policy of the company which is placed in the website of the Company under "Investor relations".

21. COST AUDITOR:

Not applicable to the Company as per the provisions of the Companies Act, 2013. However the company has maintained cost records as required under the Companies (Cost Records and Audit) Rules, 2014

22. RISK MANAGEMENT POLICY:

The Management has devised Risk Management Policy considering the nature of industry and associated risks pertaining to the industry. The Management is overseeing the implementation of the Policy on regular basis.

23. INTERNAL FINANCIAL CONTROL:

The company has adequate financial control with reference to financial statements. Our auditors have provided separate statement on adequacy of financial controls in their audit report.

24. SECRETARIAL AUDIT REPORT:

As per the provisions of the Companies Act, 2013, the Secretarial Audit for the year 2018-19 has been carried out by Mr. G. Vasudevan, Practicing Company Secretary and accordingly his report is appended to Directors' Report as **Annexure D**

25. CORPORATE SOCIAL RESPONSIBILITY:

Not applicable to the Company as per the provisions of the Companies Act, 2013.

26. PREVENTION OF SEXUAL HARASSMENT AT THE WORK PLACE:

As per the requirements specified in the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013", the Company has constituted an Internal Complaints Committee and is committed to provide a work environment that is free from sexual harassment.

27. MATERIAL CHANGES:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year as on 31.03.2019 and the date of this Report.

28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

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

29. CLARIFICATION ON STATUTORY AUDITOR'S REMARK IN THEIR REPORT:

There were no remarks in the Auditor's report and hence no clarification is required

30. CLARIFICATION ON SECRETARIAL AUDITOR'S REMARK IN THEIR REPORT:

There were no adverse remarks/qualification in Secretarial auditor's report and hence no clarification is required.

31. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. 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 profit of the company for that period;
- iii. 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;
- iv. the directors had prepared the annual accounts on a going concern basis; and
- v. 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.

32. PARTICULARS OF EMPLOYEES:

There were no employees drawing remuneration in excess of limit specified under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The ratio of remuneration of each director to the median of employees remuneration as per Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board report (**Annexure E**)

33. ACKNOWLEDGEMENT:

Your Directors wish to place on record their deep gratitude and appreciation towards the Company's suppliers, customers, investors, bankers, Government of India, State Government and other regulatory authorities for their continued support during the year. Your Directors also acknowledge the commitment and the dedication of the employees at all levels who have contributed to the growth of the Company.

For and on behalf of the Board

Place: Tirupur
Date: 27.05.2019

-Sd-
Prem Dinanath Aggarwal
(DIN: 02050297)
Managing Director

-Sd-
Shikha Aggarwal Prem
(DIN: 03373965)
Wholetime Director

Annexure A

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31st March 2019

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

I. REGISTRATION AND OTHER DETAILS

I	CIN	L18101TZ2011PLC017586
ii	Registration Date	15/11/2011
iii	Name of the Company	Junction Fabrics And Apparels Limited
iv	Category / Sub Category of the Company	
	Category	Company limited by Shares
	Sub-Category	Non-govt company
V	Address of the registered office and contact details	No. 15, Murthy's Plaza, Karia Gounder street, Khaderpet, Tirupur – 641 602. E-mail ID: tirupatiexports18@gmail.com
Vi	Whether listed company	Yes
Vii	Name, address and contact details of registrar and transfer agent, if any	M/s Big Share Services Private Limited, E-2 Ansa Industrial Estate-Sakhivihar Road, Sakinaka, Andheri (East), Mumbai-400 072

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:-

S.No	Name and description of main products/ services	NIC code of the product/service	% to total turnover of the company
1	Manufacture of all types of textile garments and clothing accessories	14101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

No	Name and address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

S. No	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ HUF	1396250	-	1396250	51.86%	1288250	-	1288250	47.85%	4.01%
(b)	Central/State Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	1396250	-	1396250	51.86%	1288250	-	1288250	47.85%	4.01%
(2)	Foreign									
(a)	NRIs –Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	Banks /Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-

	Total shareholding of Promoter (A) = (A)(1) + (A)(2)	1396250	-	1396250	51.86%	1288250	-	1288250	47.85%	4.01%
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual funds	-	-	-	-	-	-	-	-	-
(b)	FI/Banks	-	-	-	-	-	-	-	-	-
(c)	Central/ State Govt.	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FIs	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(h)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2)	Non-institutions	-	-	-	-	-	-	-	-	-
(a)	Bodies corporate									
(i)	Indian	40992	-	40992	1.52%	44017	-	44017	1.63%	0.11%
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individual									
(i)	Holding nominal share capital of Rs. 1 Lakh	975028	-	975028	36.22%	812003	-	812003	30.16%	6.06%
(ii)	Holding nominal share capital in excess of Rs. 1 Lakh	236000	-	236000	8.76%	536000	-	536000	19.91%	11.15%
(c)	Others (Clearing Member)	44000	-	44000	1.63%	12000	-	12000	0.45%	1.18%
	Sub-total (B)(2)	1255028	-	1255028	46.61%	1360003	-	1360003	50.52%	11.55%
	Total Public Shareholding (B) = (B)(1)+ (B)(2)	1296020	-	1296020	48.13%	1404020	-	1404020	52.15%	4.02%

(C)	Shares held by Custodian for GDRs & ADRs									
	Sub-total (C)	-	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)	2692270	-	2692270	100	2692270	-	2692270	100	-

ii) Shareholding of Promoters

S. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total share	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1.	Prem Aggarwal	1087220	40.38%	-	1051220	39.05%	-	1.33%
2.	Shikha Aggarwal Prem	309000	11.48%	-	237000	8.80%	-	2.68%
3.	Tanvi Aggarwal	10	0.00%	-	10	0.00%	-	-
4.	Ashmita Aggarwal	10	0.00%	-	10	0.00%	-	-
5.	Aditya Aggarwal	10	0.00%	-	10	0.00%	-	-

iii) Change in Promoters' Shareholding

1. Name of the Promoter :Prem Aggarwal				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1087220	40.38%	1087220	40.38%
Decrease during the year			36000	1.33%
At the end of the year			1051220	39.05%

2. Name of the Promoter : Shikha Aggarwal Prem				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	309000	11.48%	309000	11.48%
Decrease during the year			72000	2.68%
At the end of the year			237000	8.80%

3. Name of the Promoter :Tanvi Aggarwal				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	10	0.00	10	0.00
Increase/ Decrease during the year	NIL			
At the end of the year			10	0.00

4. Name of the Promoter :Ashmita Aggarwal				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	10	0.00	10	0.00
Increase/ Decrease during the year	NIL			
At the end of the year			10	0.00

5. Name of the Promoter :Aditya Aggarwal				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	10	0.00	10	0.00
Increase/ Decrease during the year	NIL			
At the end of the year			10	0.00

iv) Shareholding Pattern of top ten shareholders (other than directors, promoters, and holders of GDRs and ADRs):

1. TANVI JIGNESH MEHTA	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	132000	4.90%	132000	4.90%
Increase during the year specifying the reasons for change	-	-	(12000)	0.45%
At the end of the year			116000	4.45%

2. LODHA RAJENDRA	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	104000	3.86%	104000	3.86%
Decrease during the year specifying the reasons for change	-	-	(4000)	(0.15%)
At the end of the year			100000	3.71%

3. SHOBHA LODHA	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	88000	3.27%	88000	3.27%
Increase/ Decrease during the year specifying the reasons for change	Nil			
At the end of the year	-		88000	3.27%

4. H V GUPTA	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	64000	2.38%	64000	2.38%
Decrease during the year specifying the reasons for change	-	-	8000	0.30%
At the end of the year			72000	2.68%

5. SAHIL GUPTA	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	36000	1.34%	36000	1.34%
Increase during the year specifying the reasons for change	-	-	-	-
At the end of the year			36000	1.34%

6. SURESH D	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	24000	0.89%	24000	0.89%
Increase / Decrease during the year specifying the reasons for change	-	-	4000	0.15%
At the end of the year			28000	1.04%

7. RAHUL JHUNJHUNWALA	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Increase during the year specifying the reasons for change	-	-	24000	0.89%
At the end of the year			24000	0.89%

8. Y GOKUL	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	20000	0.74%	20000	0.74%
Increase during the year specifying the reasons for change	-	-	4000	0.15%
At the end of the year			24000	0.89%

9. M REKHA	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Increase during the year specifying the reasons for change	-	-	24000	0.89%
At the end of the year			24000	0.89%

10. SADHANA GUPTA	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	24000	0.89%	24000	0.89%
Increase during the year specifying the reasons for change	-	-	-	-
At the end of the year			24000	0.89%

vi) Shareholding of Directors and Key Managerial Personnel

1. Name of the Director : Prem Aggarwal (DIN: 02050297)				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1087220	40.38%	1087220	40.38%
Decrease during the year			36000	1.33%
At the end of the year			1051220	39.05%

2. Name of the Director: Shikha Aggarwal Prem (DIN: 03373965)				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	309000	11.48%	309000	11.48%
Decrease during the year			72000	2.68%
At the end of the year			237000	8.80%

3. Name of the Director :Ashmita Aggarwal (DIN: 07332067)				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	10	0.00	10	0.00
Increase/ Decrease during the year	NIL			
At the end of the year			10	0.00

4. Name of the Director : Subramanian Thirumurugan (DIN: 03107366)				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	At the beginning of the year	Nil		
Increase/ Decrease during the year				
At the end of the year				

5. Name of the Director : Ramasubramaniam Senthilrajagopal (DIN: 06520260)		
Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year
At the beginning of the year	Nil	
Increase/ Decrease during the year		
At the end of the year		

6. Name of the Director : Sankaranarayanan Muthuramakrishnan (DIN: 07137404)		
Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year
At the beginning of the year	Nil	
Increase/ Decrease during the year		
At the end of the year		

7. Name of the Key Managerial Personnel : K. Lakshmi Priya (Company Secretary)		
Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year
At the beginning of the year	Nil	
Increase/ Decrease during the year		
At the end of the year		

8. Name of the Key Managerial Personnel : R Periasamy (CFO)		
Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year
At the beginning of the year	Nil	
Increase/ Decrease during the year		
At the end of the year		

V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,14,18,617	1,65,26,377	-	13,79,44,994
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	12,14,18,617	1,65,26,377	-	13,79,44,994
Change in Indebtedness during the financial year				
• Addition	2,27,38,502	50,83,623	-	2,78,22,125
• Reduction	-	-	-	-
Net Change	2,27,38,502	50,83,623	-	2,78,22,125
Indebtedness at the end of the financial year				
i) Principal Amount	14,41,57,119	2,16,10,000	-	16,57,67,119
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	14,41,57,119	2,16,10,000	-	16,57,67,119

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	Mr. Prem Aggarwal (DIN: 02050297)	Mrs. Shikha Aggarwal Prem (DIN: 03373965)	Total Amount
1.	Gross salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs. 18,00,000	Rs. 18,00,000	Rs. 36,00,000

2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-
5.	Others, (specify)	-	-	-
	Total (A)	Rs. 18,00,000	Rs.18,00,000	Rs.36,00,000
	Ceiling as per the Act	Rs.60,00,000	Rs.60,00,000	

B. Remuneration to other directors:

Particulars of Remuneration	Ashmita Aggarwal (DIN:07332067)	Name with Designation & DIN	Total Amount
1. Independent Directors		None of the independent directors were paid sitting fees nor commission	
<ul style="list-style-type: none"> • Fee for attending board/committee • Commission • Others, please specify 	-		-
Total (1)	-		
2. Other Non-Executive Directors			
<ul style="list-style-type: none"> • Fee for attending board/committee meetings • Commission • Others, Salary 	Rs. 15,00,000		Rs. 15,00,000
Total (2)	Rs. 15,00,000	Rs. 15,00,000	
Total (B) + (1 + 2)	Rs. 15,00,000	Rs. 15,00,000	
Total Managerial Remuneration		51,00,000	

C. Remuneration to key managerial personnel other than MD/Manager/WTD :

S.No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	Rs. 4,20,000	Rs. 3,60,000	Rs. 7,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-

	- as % of profit - Others, specify				
5.	Others, (specify)	-	-	-	-
	Total	-	Rs. 4,20,000	Rs. 3,60,000	Rs. 7,80,000

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)
A. COMPANY		NIL			
Penalty					
Punishment					
Compounding					
B. DIRECTORS		NIL			
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		NIL			
Penalty					
Punishment					
Compounding					

Date: 27.05.2019

For and on behalf of the Board

Place: Tirupur

-Sd-

-Sd-

Prem Dinanath Aggarwal Managing Director DIN No: 02050297	Shikha Aggarwal Prem Whole time Director DIN No: 03373965
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**DECLARATION BY MANAGING DIRECTOR
(PURSUANT TO SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015)**

To

The members
Junction Fabrics and Apparels Limited
Tirupur

I **Prem Aggarwal (DIN No: 02050297)**, **Managing Director** of Junction Fabrics and Apparels Limited hereby declare that the members of the Board of Directors and Senior Management personnel have affirmed with code of conduct of Board of Directors and senior management.

Date: 27.05.2019
Place : Tirupur

-Sd-
Prem Aggarwal
Managing Director
DIN No: 02050297

Annexure C

PARTICULARS OF CONTRACTS /ARRANGEMENTS MADE WITH RELATED PARTY

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

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso

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

There were no contracts or arrangements or transactions entered during the year ended 31st March, 2019, which were not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

S.No	Name(s) of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any		Other Services (including Rent)	Office or Place of profit	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
					Sales	Purchases				
1	Jannat Fabrics and Apparels Private Limited	Common Key Managerial Personnel	Rent, Sales, Purchase	For the Year	2,47,12,772	18,45,90,184	1,20,000	-	-	1,00,000
2	Beatle Apparels Prop: Romi Lodha	Relative of the Director is a Partner	Purchase of Fabrics & Sale of Fabrics	For the Year	6,06,06,940	2,27,49,880	-	-	-	-
3	Twenty Twenty LLP	Designated Partner	Rental Advance	For the year	93,01,635	-	3,23,000	-	26.05.2018	1,00,000

4	Mr. Prem Aggarwal, Managing Director	Managing Director	Rent & Rental advance	For the year	-	-	3,00,000	-	21.02.2019	15,00,000
5	Mr. Aditya Aggarwal	Relative of Managing Director	Rent & Rental Advance	For the year	-	-	2,80,000	-	21.02.2019	15,00,000

Date: 27.05.2019

Place: Tirupur

For and on behalf of the Board

-Sd-

Prem Aggarwal
Managing Director
DIN No: 02050297

-Sd-

Shikha Aggarwal Prem
Whole time Director
DIN No: 03373965

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To

The Members,
Junction Fabrics and Apparels Limited,
No.15, Murthy's Plaza, Kariagounder Street,
Khaderpet, Tirupur – 641601

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Junction Fabrics and Apparels Limited** (CIN:L18101TZ2011PLC017586), a listed entity having its registered office at No.15, Murthy's Plaza, Kariagounder Street, Khaderpet, Tirupur - 641601 (herein after 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 **Junction Fabrics and Apparels Limited** 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 31.03.2019 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed here under) to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - *Not Applicable*;

(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;

Other Securities and Exchange Board of India Regulations are not applicable to the Company.

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

- (i) Secretarial Standards 1& 2 issued by The Institute of Company Secretaries of India (Secretarial Standard – 3 is not applicable to the Company for the year under review, since the Company has not declared any Dividends).
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 *and the Company has submitted Limited Review Report and Audit Report from an Auditor who has not peer review, hence, the Company is advised to submit limited review audit report obtained from a Peer reviewed Auditor to the Stock Exchange.*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that,

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

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

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

For G.V and Associates

-Sd-

G.Vasudevan
FCS No.: 6699
C P No.: 6522

Place : Coimbatore
Date: 27/05/2019

Annexure E

Particulars of employees:

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The Nomination and Remuneration committee continuously reviews the compensation of our directors.
Remuneration paid to Directors:

Name of the Director	Director Identification No	Title	Remuneration for the year 2018-19 (in Rs.)	Ration of Remuneration to MRE (Excluding WTD)
Prem Aggarwal	02050297	Managing Director	18,00,000	5.09
Shikha Aggarwal Prem	03373965	Whole Time Director	18,00,000	5.09
Ashmita Aggarwal	07332067	Director	15,00,000	4.24

MRE – Median remuneration of employees

- . Based on annualized salary of employees employed during the year
- . No payment of sitting fees was given to Independent directors during the year
- . During fiscal 2018-19, no employee received remuneration in excess of the highest-paid director.

INDEPENDENT AUDITORS REPORT

To the Members of Junction Fabrics and Apparels Limited, Tirupur

Report on the Financial Statements

We have audited the accompanying financial statements of **Junction Fabrics and Apparels Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year the ended, and summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2019, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure I", 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

For A Biyani & Co
Chartered Accountant
FRN: - 140489W

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CA. Ashutosh Biyani
Partner
Date: 27/05/2019
Place: Tirupur

Annexure I to the Independent Auditors' Report

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, which in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified periodically by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured loans to any Companies, Firms, Limited Liability Partnerships and Other parties covered in Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) rules 2015 with regard to the deposits accepted from the public are not applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax/GST, Wealth Tax, Service Tax, Customs Duty, Excise Duty and any other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company did not have any outstanding debentures during the year.

ix. a. The Company has not raised any initial public offer further public offer including debt instruments during the year.

b. The Company during the year has been disbursed two term loans amounting to Rs.334.64 lacs from Axis Bank Ltd., and such loans have been utilized for the purposes for which they were sanctioned by the bank.

c. The Company during the year has not raised money by way of debt instruments.

x. 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 course of our audit.

xi. 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 Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For A Biyani & Co
Chartered Accountant
FRN: - 140489W

-Sd-

CA. Ashutosh Biyani
Partner
Date: 27/05/2019
Place: Tirupur

Annexure II to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Junction Fabrics and Apparels Limited ("the Company") as at 31st March, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(b) 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

(c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For A Biyani & Co
Chartered Accountant
FRN: - 140489W

-Sd-

CA. Ashutosh Biyani
Partner
Date: 27/05/2019
Place: Tirupur

M/S. Junction Fabrics and Apparels Limited, Tirupur			
Balance Sheet as at 31st March 2019			
Particulars	Note No.	2018-19 Amount in Rs.	2017-18 Amount in Rs.
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	26,922,700	26,922,700
(b) Reserves and surplus	2	42,342,028	31,943,081
(c) Money received against share warrants		-	-
2 Share application money pending allotment			
		-	-
3 Non-current liabilities			
(a) Long-term borrowings	3	44,120,408	17,353,239
(b) Deferred tax liabilities (Net)		543,647	643,332
4 Current liabilities			
(a) Short-term borrowings	4	121,646,710	120,591,755
(b) Trade payables	5	54,895,057	105,063,825
(c) Other current liabilities	6	10,127,866	3,047,554
(d) Short-term provisions	7	6,747,539	6,415,000
TOTAL		307,345,955	311,980,486
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	8	21,572,852	21,243,686
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	3,510,000	3,510,000
(c) Long-term loans and advances	10	4,915,000	2,629,630
(d) Other non-current assets	11	977,117	2,077,017
2 Current assets			
(a) Inventories	12	175,661,120	196,670,073
(b) Trade receivables	13	88,274,315	72,162,487
(c) Cash and cash equivalents	14	960,251	566,479
(d) Short-term loans and advances	15	4,594,206	4,781,079
(e) Other Current Assets	16	6,881,094	8,340,035
TOTAL		307,345,955	311,980,486
		-	-
"NOTES TO ACCOUNTS"			
<i>Schedules referred to above and notes attached there to form an integral part of Balance Sheet</i>			
<i>This is the Balance Sheet referred to in our Report of even date.</i>			
For A. Biyani & Co.		For Junction Fabrics and Apparels Limited	
Chartered Accountants			
FRN: - 140489W			
-Sd-		-Sd-	-Sd-
		PREM AGGARWAL	SHIKHA AGGARWAL
		MANAGING DIRECTOR	WHOLE TIME DIRECTOR
		DIN NO: 02050297	DIN NO: 03373965
CA Ashutosh Biyani		-Sd-	
Membership No. : 165017		K.LAKSHMI PRIYA	R.PERIASAMY
Place: Mumbai		COMPANY SECRETARY	CHIEF FIN., OFFICER
Date: 27/05/2019			

Note 1

Share capital

<u>Share Capital</u>	2018-19		2017-18	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs.10/- each	4,000,000	40,000,000	4,000,000	40,000,000
Issued Equity Shares of Rs.10/- each	2,692,270	26,922,700	2,692,270	26,922,700
Subscribed & Paid up Equity Shares of Rs.10/- each fully paid	2,692,270	26,922,700	2,692,270	26,922,700
Subscribed but not fully Paid up Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
Total	2,692,270	26,922,700	2,692,270	26,922,700

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	2018-19		2017-18	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,692,270	26,922,700	2,692,270	26,922,700
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,692,270	26,922,700	2,692,270	26,922,700

Note : This company is not a subsidiary of any other company and hence, the necessity of giving the details of Holding Company's share does not arise here

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2018-19		2017-18	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri.Prem Dinanath Aggarwal	1,051,220	39.05%	1,087,220	40.38%
Shikha Aggarwal Prem	237,000	8.80%	309,000	11.48%
Total	1,288,220	47.85%	1,396,220	51.86%

Shares issued for other than cash, Bonus issue and Shares bought back

Equity Shares issued for other than cash

Name of the Share Holder	2018-19	2017-18
	No. of Shares Issued	No. of Shares Issued
	Nil	Nil

The company has not issued any Bonus shares during the year nor it has bought back any of its shares

Unpaid Calls	2018-19	2017-18
By Directors	-	-
By Officers	-	-

Note 2

Reserves and surplus

	2018-19	2017-18
Surplus		
Opening balance	31,943,081	23,687,585
(+) Net Profit/(Net Loss) For the current year	10,398,946	8,255,496
(+) Securities Premium	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	42,342,028	31,943,080.88
Total	42,342,028	31,943,081

There is no other reserves such as Capital Reserve, Capital Redemption Reserve, Debenture Redemption Reserve, Revaluation Reserve, Share Options Outstanding Account, and Other Reserves except the Surplus Account

Note 3

Long Term Borrowings

	2018-19	2017-18
Secured		
From Banks -		
HDFC Bank Eicher Van Loan	265,182	552,880
(Secured by way of hypothecation of Eicher Van of the (of the above, entire amount is guaranteed by Directors and / or others) Terms of Repayment: Repayable in 48 months)		
HDFC Bank i20 Car Loan	-	185,499
(Secured by way of hypothecation of i20 Car of the (of the above, ` entire amount is guaranteed by Directors and / or others) Terms of Repayment: Repayable in 36 months)		
HDFC Bank Tata Ace Mint Loan	-	88,483
(Secured by way of hypothecation of Tata Ace Mint of (of the above, ` entire amount is guaranteed by Directors and / or others) Terms of Repayment: Repayable in 48 months)		
Axis Bank Working Capital Term Loan	22,245,226	-
Terms of Repayment: Repayable in 60 months) (of the above, ` entire amount is guaranteed by Directors and / or others)		
From Others	-	-
Loans and advances from Directors	-	-
	22,510,408	826,862

In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above		
1. Period of default	-	-
2. Amount	-	-
<u>Unsecured</u>		
From Banks	-	-
From Others	-	2,012,750
Loans and advances from Directors		
Prem Aggarwal	17,700,000	12,693,627
Ashmita Aggarwal	2,850,000	1,540,000
Shika Aggarwal	460,000	280,000
Loans and advances from related parties of the	-	-
Adhithya S/o. Prem Aggarwal, Managing Director	600,000	-
(None of the above, is guaranteed by Directors and / or Terms of Repayment has not been entered into between		
	21,610,000	16,526,377
date in repayment of loans and interest with respect to above		
1. Period of default	-	-
2. Amount	-	-
Total	44,120,408	17,353,239

Note 4

Short Term Borrowings

	2018-19	2017-18
<u>Secured</u>		
From banks		
(a) Loans repayable on demand	121,504,434	120,591,755
(Secured by hypothecation of inventories, book debts and machineries)		
(of the above, entire amount is guaranteed by Directors and/or others)		
(b) Term Loans		
Axis Bank TL-684	142,276	
Terms of Repayment: Repayable in 5 months)		
(of the above, ` entire amount is guaranteed by Directors and / or others)		
From other parties	-	-
From Director/Related Parties	-	-
	121,646,710	120,591,755

In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to above		
1. Period of default	-	-
2. Amount	-	-
<u>Unsecured</u>		
From banks	-	-
From other parties	-	-
From Director/Related Parties	-	-
	-	-
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to		
1. Period of default	-	-
2. Amount	-	-
Total	121,646,710	120,591,755

Note 5

Trade Payable

	2018-19	2017-18
a) total outstanding dues of micro enterprises and small	22,467.00	-
b) Other Creditors		
(i) Creditors for Goods	54,391,980	100,702,829
(ii) Creditors for Expenses	480,611	4,360,996
(iii) Creditors for others	-	-
Total	54,895,058	105,063,825

Related Party Transaction		
Outstanding at the year end		
	2018-19	2017-18
Directors *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
Jannat Fabrics & Apparels Pvt Ltd	14,083,946	-
Swaad Mantra Hotels & Restaurants P Ltd.	-	6,373
Relative of the Director	-	-
	14,083,946	6,373

Maximum Outstanding during the year

	2018-19	2017-18
Directors		
Other officers of the Company *		
Concern in which director is a Proprietor/partner	-	-
Private Company in which director is a member/Director		
Jannat Fabrics & Apparels Pvt Ltd	37,094,075	-
Swaad Mantra Hotels and Restaurants P Ltd	6,373	6,373
Beatle Apparels the proprietor is the the son-in-law of the Managing Director Mr.Prem Aggarwal	-	14,079,200
Global Mantra, Prop: Mr.Sanath, husband of the director, Mrs.Ashmitha Aggarwal	-	348,189
Jannat Fabrics and Apparels Private Limited, Tirupur	-	10,133,903
	37,100,448	24,567,665

Total Value of Transactions entered in to during the year

	2018-19	2017-18
Directors & Relative of the Directors		
Prem Aggarwal Director Remn	1,800,000	1,800,000
Prem Aggarwal Rent	300,000	-
Adithya Aggarwal Rent	280,000	-
Shikka Aggarwal Director Remn	1,800,000	1,800,000
Tanvi Aggarwal Prof. Fees	600,000	600,000
Ashmita Aggarwal Director Remn.	1,500,000	1,500,000
Beatle Apparels the proprietor is the the son-in-law of the Managing Director Mr.Prem Aggarwal	22,749,879	107,526,734
Global Mantra Enterprise	-	1,966,713
Concern in which director is a Director/Member		
Swaad Mantra Hotels & Restaurants Private Limited	-	6,373
Jannat Fabrics and Apparels Private Limited, Tirupur	184,590,184	66,444,084
	213,620,063	181,643,904

Note 6**Other Current Liabilities**

	2018-19	2017-18
Advances from Contractors & Suppliers	1,150,147	1,657,193
TDS Payable	157,863	238,807
Vat Payable	-	-
Esi & PF Payable	9,002	13,996
Current Maturities of Long Term Debt		
Axis Bank Ltd Term Loan	2,222,220	443,965
Axis Bank Ltd Working Capital Term Loan	6,000,000	-
HDFC Bank Eicher Van Loan	258,429	258,429
HDFC Bank i20 Car Loan	185,500	247,334
HDFC Bank Tata Ace Mint Loan	144,705	187,830
(i.e., Term Loan instalment repayable within 1year)		
Total	10,127,866	3,047,554

Note 7**Short Term Provisions**

	2018-19	2017-18
(a) Provision for employee benefits	600,000	550,000
(b) Others (Specify nature)		
- Provision for Taxation	4,478,011	4,739,859
- Provision for Audit Fees	125,000	100,000
- Provision for Gratuity	1,544,528	1,025,141
Total	6,747,539	6,415,000

Note 10**Long Term Loans and Advances**

	2018-19	2017-18
a. Capital Advances		
Secured, considered good	-	-
Unsecured, considered good		
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	-	-
d. Other loans and advances		
Secured, considered good		
Unsecured, considered good	4,915,000	2,629,630
Doubtful		
Less: Provision for _____		
	4,915,000	2,629,630
	4,915,000	2,629,630

Related Party Transaction

	2018-19	2017-18
Directors *	-	-
Prem Agarwal	1,500,000	-
Adithya Agarwal	1,500,000	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
Rent advance to Jannath Fabrics and Apparels Private Limited	100,000	100,000
	3,100,000	100,000

*Either severally or jointly

Note 11**Other non-current assets**

	2018-19	2017-18
a. Long term trade receivables (including trade receivables)	-	-
b. Others (specify nature)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Preliminary Expenses not written off	949,897	2,059,797
Deposits	27,220	17,220
	977,117	2,077,017
c. Debts due by related parties	-	-
Secured, considered good	-	-
Unsecured, considered good**	-	-
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	-
	977,117	2,077,017

**Note: Investments in VVRS Chit Fund Pvt Ltd

Related Party Transaction

- -

Note 12**Inventories**

	2018-19		2017-18	
	Qty	Value	Qty	Value
a. Raw Materials and components Valued at Rs. 192/- per Kg. (P.Year Rs.191.50)	70,895	13,611,840	72,644	13,911,326
<i>Kgs</i>	70,895	13,611,840	72,644	13,911,326
b. Work-in-progress Valued at Rs.218/- per Kg. (P.Year Rs.224)	73,209	15,959,562	94,852	21,246,872
	73,209	15,959,562	94,852	21,246,872
c. Finished goods Valued at Rs.93.97 Per Piece (P.Year Rs.9)	1,554,569	146,089,718	1,700,125	161,511,875
	1,554,569	146,089,718	1,700,125	161,511,875
g. Others (Stores and Accessories)		-		-
		-		-
Total		175,661,120		196,670,073

Note 13**Trade Receivables**

	2018-19	2017-18
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Secured, considered good	-	-
Unsecured, considered good	84,736,567	67,367,837
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	84,736,567	67,367,837
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	3,537,748	4,794,650
	3,537,748	4,794,650
Total	88,274,315	72,162,487

Related Party Transaction

Trade Receivable stated above include debts due by:

Outstanding at the year end

Particulars	2018-19	2017-18
Directors *	-	-
Firm in which director is a partner *	-	-
Twenty Twenty LLP in which the Managing Director of the company is a partner	9,343,935.00	
Other officers of the Company *	-	-
Concerns in which the relatives of the directors are interested	-	-
Beatle Apparels, in which the son in law of the Managing Director is the Proprietor	2,527,531	
	11,871,466	-

Maximum Outstanding during the year

	2018-19	2017-18
Directors *		
Firm in which director is a partner *	-	-
Twenty Twenty LLP in which the Managing Director of the company is a partner	9,343,935.00	
Other officers of the Company *	-	-
Concerns in which the relatives of the directors are interested		
Beatle Apparels, in which the son in law of the Managing Director is the Proprietor		
Companies in which the directors are members		
Jannath Fabrics and Apparels P Ltd	52,565,234.00	-
Tapas Inc a U.S.base company in which the director Ashmita Aggarwal is 100% Share holder	-	8,203,941
	61,909,169	8,203,941

Total Value of Transactions entered in to during the year

	2018-19	2017-18
Directors *		-
Firm in which director is a partner *	-	-
Twenty Twenty LLP in which the Managing Director of the company is a partner	9,343,935.00	
Other officers of the Company *	-	-
Companies in which the directors are members Jannath Fabrics and Apparels P Ltd	24,712,772.00	-
	-	
	34,056,707	-

Note 14

Cash and cash equivalents

	2018-19		2017-18	
a. Balances with banks*		61,082		42,167
This includes:				
Earmarked Balances (eg/- unpaid dividend accounts)	-		-	
Margin money	-		-	
Security against borrowings	-		-	
Guarantees	-		-	
Other Commitments	-		-	
Bank deposits with more than 12 months maturity	-	-	-	-
b. Cheques, drafts on hand		-		-
c. Cash on hand*		899,168		524,312
d. Others (specify nature)		-		-
		960,251		566,479

*There is no repatriation restrictions, if any, in respect of cash and bank balances.

Note 15

Short-term loans and advances

	2018-19	2017-18
a. Loans and advances to related parties	-	-
b. Others (specify nature)	4,594,206	4,781,079
	4,594,206	4,781,079

Related Party Transaction

Particulars	2018-19	2017-18
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
	-	-

*Either severally or jointly

Note 16**Other Current Assets**

	2018-19	2017-18
Advance Tax	3,000,000.00	3,400,000.00
TDS	86,957.00	114,863.00
Prepaid Expense	105,459.00	142,431.00
GST Recievable	3,688,678.00	4,682,741.00
	6,881,094	8,340,035

Note:According to A S regroup the ledgers where ever necessary

Note 16A**a) Contingent liabilities and commitments (to the extent not provided for)**

	2018-19	2017-18
(i) Contingent Liabilities	-	-
(ii) Commitments	-	-
	-	-

b) Details of Dividend Payment

- -

c) Issue of Securities made for specific purpose

- -

d) In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated, except as stated below:

Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board	
Nil	Nil	Nil	Nil	Nil

M/S. Junction Fabrics and Apparels Limited, Tirupur
Statement of Profit and loss for the year ended 31st March 2019

Amount in Rupees

Particulars	Refer Note No.	2018-19	2017-18
I. Revenue from operations	17	840,924,611	789,424,607
II. Other income	18	268,079	375,000
III. Total Revenue (I + II)		841,192,690	789,799,607
IV. Expenses:			
Cost of materials consumed	19	716,383,024	801,619,278
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	20,709,467	(105,410,637)
Employee benefits expense	21	8,006,705	7,209,157
Finance costs	22	14,249,349	9,127,989
Depreciation and amortization expense		2,056,677	1,945,328
Other expenses	23	64,747,885	62,487,371
Total expenses		826,153,107	776,978,487
Profit before exceptional and extraordinary items and tax (III-IV)		15,039,583	12,821,120
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		15,039,583	12,821,120
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		15,039,583	12,821,120
X Tax expense:			
(1) Current tax		4,478,011	4,739,859
(2) Deferred tax Liability (Asset)		(99,685)	(269,895)
(3) Excess/(Shortfall) Prov. For Tax in P.Y.		262,311	95,660
Profit (Loss) for the period from continuing operations (VII- XI VIII)		10,398,946	8,255,496
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII- XIV XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		10,398,946	8,255,496
XVI Earnings per equity share:			
(1) Basic		3.86	3.07
(2) Diluted		3.86	3.07

*Schedules referred to above and notes attached there to form an integral part of Pro
This is the Profit & Loss Statement referred to in our Report of even date.*

For A. Biyani & Co.
Chartered Accountants
FRN: - 140489W

-Sd-

CA Ashutosh Biyani
Membership No. : 165017
Place: Mumbai
Date: 27/05/2019

For Junction Fabrics and Apparels Limited
-Sd-
PREM AGGARWAL SHIKHA AGGARWAL
MANAGING DIRECTOR WHOLE TIME DIRECTOR
DIN NO: 02050297 DIN NO: 03373965

-Sd-
K.LAKSHMI PRIYA R.PERIASAMY
COMPANY SECRETARY CHIEF FIN., OFFICER

M/S. Junction Fabrics and Apparels Limited, Tirupur**Note 17****Revenue From Operations**

Particulars	2018-19	2017-18
Sale Of Products	839,922,815	786,721,209
Sale Of Services	940,325	424,455
Other Operating Revenues	61,470	2,278,943
Less:		
Excise Duty	-	-
Total	840,924,611	789,424,607

Particulars	2018-19	2017-18
Export Sales	3,079,905	-
Domestic sales	836,842,910	786,721,209
Total - Sale of products	839,922,815	786,721,209

Note 18**Other income**

Particulars	2018-19	2017-18
Rental Income	235,000	375,000
Foreign Exchange Fluctuation	33,079	-
Total	268,079	375,000

Note 19**Cost of materials consumed**

Particulars	2018-19	2017-18
Raw Materials and Stores		
Opening Stock	13,911,326	15,799,960
Purchases	716,083,538	799,730,644
Less: Closing stock of materials meant for consumption	13,611,840	13,911,326
Consumption of Materials (A)	716,383,024	801,619,278
Total Cost of Materials Consumed (A) + (B)	716,383,024	801,619,278

Note 20**Changes in inventories of finished goods work-in-progress and Stock-in-Trade**

Particulars	2018-19	2017-18
Opening Stock :		
Work-in-Process	21,246,872	27,485,080
Finished Goods	161,511,875	49,863,030
	-	-
Closing Stock :		
Work-in-Process	15,959,562	21,246,872
Finished Goods	146,089,718	161,511,875
Total	20,709,467	(105,410,637)

Note 21**Employee Benefits Expense**

	2018-19	2017-18
(A) Salaries, Wages And Incentives Incl Bonus	7,067,528	6,167,572
(B) Contributions To -		
(I) Provident Fund(ii) Superannuation Scheme	65,482	105,306
(C) Gratuity Fund Contributions	519,387	692,887
(D) Social Security And Other Benefit Plans For Overseas Employees		
(E) Expense On Employee Stock Option Scheme (Esop) And Employee Stock Purchase Plan (Espp),		
(F) Staff Welfare Expenses	354,308	243,392
Total	8,006,705	7,209,157

Note 22**Finance costs**

Particulars	2018-19	2017-18
Interest Expense	12,994,213	8,735,205
Other Borrowing Costs	127,636	392,785
Chit Discounts	1,127,500	-
Total	14,249,349	9,127,989

Note 23**Other expenses**

Particulars	2018-19	2017-18
Power And Fuel	472,672	634,439
Rent	2,907,000	3,049,000
Repairs To Buildings	86,280	127,876
Repairs To Machinery (Electrical Maintenance)	452,952	223,266
Vehicle Maintenance	225,422	164,644
Other Maintenance	419,122	866,840
Insurance	300,297	236,662
Freight Charges	159,928	741,765
Other Manufacturing Expenses	43,526,262	37,448,234
Rates And Taxes, Excluding, Taxes On Income	125,037	541,128
Postage And Telephone	531,994	481,749
Managing Director Remuneration	1,800,000	1,800,000
Directors Remuneration	3,300,000	3,300,000
Advertisement & Business Promotion Expenses	2,590,797	3,574,489
Professional And Consultancy Charges	2,144,104	2,351,000
Discount	199,335	798,766
Travelling And Conveyance	2,943,984	2,525,923
Exchange Rate Fluctation	-	1,294,008
Security Charges	379,000	461,095
Water Charges To Nap	118,560	219,300
Electricity And Lightings	175,560	233,774
Printing & Stationery	577,586	77,072
Miscellaneous expenses,	77,093	126,441
Preliminary & Pre Operative Expenses wirtten off	1,109,900	1,109,900
Payments To The Auditor As		
A. Auditor	75,000	75,000
B. For Taxation Matters	50,000	25,000
Total	64,747,885	62,487,371

Note 08

	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
		Balance as at 1 April 2018	Additions/ (Disposals)	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation charge for the year	Balance as at 31 March 2019	Balance as at 1 April 2018	Balance as at 31 March 2019
a	Tangible Assets								
	Buildings	14,031,248	101,532.00	14,132,780	4,567,821	369,189	4,937,010	9,463,427	9,195,770
	Furniture & Fittings, Electrical Fittings, Office Equipments	6,420,760	2,132,346	8,553,105	1,484,384	777,023	2,261,407	4,936,376	6,291,698
	Plant and Equipment	3,958,073	261,500	4,219,573	1,303,032	219,844	1,522,876	2,655,041	2,696,697
	Vehicles	5,536,384	0	5,536,384	1,749,678	629,538	2,379,216	3,786,706	3,157,168
	Computer	783,178	-109,534	673,644	381,277	61,083	442,360	401,901	231,284
	Miscellaneous Assets	4,700	-	4,700	4,466	0	4,466	234	234
	Total	30,734,343	2,385,844	33,120,187	9,490,658	2,056,677	11,547,335	21,243,685	21,572,852
b	Intangible Assets	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-
c	Capital Work In Progress	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-
d	Intangible assets under Development	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Details fo Write-off or Revaluation

NIL

Note 09

Non-current investments

Particulars		2018-19	2017-18
A	Trade Investments (Refer A below)	-	-
B	Other Investments (Refer B below)		
	Total (B)	3,510,000	3,510,000
	Grand Total (A + B)	3,510,000	3,510,000
	Less : Provision for diminution in the value of Investments	-	-
	Total	3,510,000.00	3,510,000.00

Particulars	2018-19	2017-18
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	3,510,000	3,510,000

Details of Other Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			2018-19	2017-18			2018-19	2017-18	2018-19	2017-18		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Equity Instruments in Netaji Apparel Park	Others	1775	1,775	Unquoted	Fully Paid	1.67%	1.67%	3,510,000.00	3,510,000	Yes	Not Applicable
	Total								3,510,000.00	3,510,000.00		

M/S. Junction Fabrics and Apparels Limited, Tirupur
Cash Flow Statement for the year ended 31st March, 2019

Particulars	For year ended 31st March, 2019		For year ended 31st March, 2018	
	Rupees	Rupees	Rupees	Rupees
<u>A.Cash Flow from Operation Activities</u>				
<u>Cash Flow from Operation Activities</u>				
Cash Receipts from Customers	567,889,205		451,439,869	
Cash Paid to Suppliers & Other Creditors (incl Capital Goods Crs)	601,195,013		475,186,324	
Cash generated from Operations		(33,305,808)		(23,746,455)
Less: Advance tax paid		2,900,000		3,300,000
		(36,205,808)		(27,046,455)
<u>Cash Flow from Investing Activities</u>				
Investments and Misc., Expenses	-		-	
Fixed Assets	-		-	
Merger of Concern	-		-	
Deposits Made	-		-	
Deposits Matured	-		-	
Interest on Deposits	-		-	
		(36,205,808)		(27,046,455)
<u>Cash Flow from Financing Activities</u>				
Shares issued with premium		-		-
Cash from Loans (Secured & Unsecured)		35,686,900		(6,397,281)
Net Decrease in Cash or Cash Equallent during the year		(518,908)		(33,443,737)
Opening Cash and Bank Balance		(120,025,276)		(86,581,539)
Closing Cash and Bank Balances		(120,544,183)		(120,025,276)
Increase/(Decrease) in Cash and Bank Balances		(518,908)		(33,443,737)

Note:

The Cash Flow statement has been prepared under the "Direct Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

For A. Biyani & Co.
Chartered Accountants
FRN: - 140489W

-Sd-

CA Ashutosh Biyani
Membership No. : 165017
Place: Mumbai
Date: 27/05/2019

For Junction Fabrics and Apparels Limited

-Sd-

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PREM AGGARWAL SHIKHA AGGARWAL
(MANAGING DIRECTOR) (WHOLE TIME DIRECTOR)
DIN NO: 2050297 DIN No: 03373965

-Sd-

-Sd-

K.LAKSHMI PRIYA R.PERIASAMY
COMPANY SECRETARY CHIEF FIN., OFFICER

Notes to Financial Statements

Company Background

Junction Fabrics and Apparels Limited (the 'Company') is a public limited Company incorporated under the Indian Companies Act 1956. The Company is engaged in the business of manufacturing, selling and distribution of fabrics, hosiery garments and providing of related services.

Significant Accounting Policies

1. Basis of preparation of financial statements

(a) Basis of Accounting:

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

(b) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities at the end of reporting period.

(c) Current/Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. it is expected to be realized or settled or is intended for sale or consumption in the company's normal operating cycle;

ii. it is expected to be realized or settled within twelve months from the reporting date;

iii. in the case of an asset, it is held primarily for the purpose of being traded; or it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

iv. in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date all other assets and liabilities are classified as non-current. For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

(CIN NO: L18101TZ2011PLC017586)

2. Tangible and Intangible Assets**(a) Tangible Fixed Assets**

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation/accumulated impairment. The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant tangible asset heads. Pursuant to the requirements under Schedule II of the Companies Act, 2013, the Company has identified and determined the cost of each component of an asset separately when the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Profit or loss on disposal of tangible assets is recognized in the Statement of Profit and Loss. Tangible Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realizable value and are disclosed separately under 'Other Current Assets'. Any expected loss is recognized immediately in the Statement of Profit and Loss.

(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

'(c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Short Term Loans & Advances.

(d) Depreciation and Amortization:

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life. The residual value, useful life and method of depreciation of an asset is reviewed at each financial year end and adjusted prospectively

(e) Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized in the Statement of Profit and Loss for the year. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

3. Revenue Recognition

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is exclusive of sales tax/VAT/GST and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty (on goods manufactured and outsourced), excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognized separately as part of changes in inventories of finished goods, work in progress and stock in trade. Revenue from service is recognized as per the completed service contract method. Processing income is recognized on accrual basis as per the contractual arrangements. Dividend income is recognized when the right to receive payment is established. Interest income is recognized on the time proportion basis.

4. Lease Accounting

Assets taken on operating lease:

Lease rentals on assets taken on operating lease are recognized as expense in the Statement of Profit and Loss on straight line basis.

5. Inventory

(a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.

(b). In determining cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost methods used. Cost of inventory comprises all costs of

purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, inappropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

6. Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Reversal of such provision for diminution is made when there is a rise in the value of long term investment, or if the reasons for the decline no longer exist. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

7. Transactions in Foreign Currency

(a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

(b).Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

(c).Forward exchange contracts:

The Company had not entered into any forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company had not entered into any derivative instruments for trading or speculative purposes.

8. Trade receivables

Trade receivables are stated after writing off debts considered as bad.

9. Employee Benefits

A. Short Term Employee Benefits:

All employee benefits payable wholly within twelvemonths of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

B. Post-employment benefits:

(a) Defined contribution plans :

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit plans

Provident fund scheme

The Company makes specified monthly contributions towards Employee Provident Fund scheme, for the eligible employees.

'(c) Gratuity scheme

The Company has created provision for gratuity to the extent of Rs. 5.19 Lacs/-during the year 2018-19, based on the Certificate issued by Actuaries.

10. Research and Development

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

11. Provision for Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realization.

12. Provisions and Contingencies

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

13. Earnings per Share

The Basic and Diluted Earnings per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year.

14. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

15. Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

16. Government Grants and Subsidies

The Company is not entitled to any subsidy from government authorities in respect of manufacturing units located in specified regions: Grants in the nature of subsidy which are nonrefundable are credited to the Statement of Profit and Loss, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

17. Measurement of EBITDA

The Company has opted to present earnings before interest(finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations.

18. Segment Reporting

i) Business Segment

a. The business segment has been considered as the primary segment.

b. The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

c. The Company's primary business comprises of manufacturing of knitted garments and trading of fabrics and since it is the only reportable segment as envisaged in Accounting Standard 17. 'Segment Reporting'. Accordingly, no separate disclosure for Segment Reporting to be made in the financial statements of the Company

ii) Geographical Segment

The Company produces and sells its products in India and also Exports the same directly or indirectly to overseas countries. The overseas sales operations are managed by its office located in India. For the purposes of AS 17 regarding segment reporting, secondary segment formation on geographical segment is considered on the basis of revenue generated from Domestic & Export market

Particulars	2018-19	2017-2018
Domestic Turnover	Rs.8377.83 Lakhs	Rs.7871.46 Lakhs
Export Turnover	Rs. 30.80 Lakhs	Nil
Total Turnover	Rs.8408.63 Lakhs	Rs.7871.46 Lakhs
Domestic Receivables	Rs.882.74 Lakhs	Rs.721.62 Lakhs
Exports Receivables	Nil	Nil
Total Receivables	Rs.882.74 Lakhs	Rs.721.62 Lakhs

19. Details of Shareholders holding more than 5% equity shares in the Company

Name of the share holders	As on 31.03.2019		As on 31.03.2018	
	Number of Equity Shares	Percentage of holding	Number of Equity Shares	Percentage of holding
Prem Dinanath Aggarwal	10,51,220	39.05%	10,87,220	40.38%
Shikha Aggarwal	2,37,000	8.80%	3,09,000	11.48%
Total	12,88,220	47.85%	13,96,220	51.86%

20. The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting standard (AS 22) – Accounting for Taxes on income.

21 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to micro and small enterprise Rs. 22467/- and Interest due on above- Nil (During 2018-19 Nil)

(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period Nil (During 2018-19 Nil)

(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 Nil (During 2018-19 Nil)

(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year Nil (During 2018-19 Nil)

(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises Nil (During 2018-19 Nil)

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

24. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification

For A Biyani & Co
Chartered Accountant
FRN: - 140489W
-Sd-

CA. Ashutosh Biyani
Partner
Date: 27/05/2019
Place: Tirupur