

Kajal Synthetics And Silk Mills Limited

CIN No. L17110MH1985PLC035204

Regd. Office : 29, Bank Street, 1st Floor, Fort, Mumbai - 400 001

Email : kajalsyntheticsandsilk@gmail.com

Website : www.kajalsynthetics.com

8th December, 2018

BSE Limited
P. J. Tower,
Dalal Street,
Fort, Mumbai

Ref : Scrip Code : 512147

Dear Sir,

Sub: Annual Report for the Financial Year 2017-18


Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report for the financial year 2017-18

Kindly take the above information on record and oblige.

Thanking you.

Yours faithfully,

For Kajal Synthetics and Silk Mills Limited


Seetha Ramaiya K Vellore
Managing Director
(DIN 08216198)



KAJAL SYNTHETICS AND SILK MILLS LIMITED
Annual Report
2017-18

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN : L17110MH1985PLC035204
Regd. Office: 29, Bank Street, 1st Floor, Fort, Mumbai 400 001
Telephone No. : 9821903049, Website: www.kajalsynthetics.com
Email: kajalsyntheticsandsilk@gmail.com

DIRECTORS REPORT

To,
The Members,

The Directors of your Company are pleased to present their Thirtieth Annual Report and the Audited Financial Statements of **Kajal Synthetics and Silk Mills Limited** for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended 31st March, 2018 is summarized below:

	Year Ended 31 st March 2018 Rs.	Year Ended 31 st March 2017 Rs.
Income	4,87,18,648	2,41,96,703
Expenses	6,15,27,281	2,20,39,277
Profit / (Loss) before tax	(1,28,08,633)	21,57,426
Tax expenses:		
Current Tax		Nil
Tax adjustment of Earlier years	34,735	Nil
Profit after tax	(1,27,73,898)	21,57,426

PERFORMANCE REVIEW

During the year under review, the Company has incurred loss of Rs 1,27,73,898/- (Previous Year Net Profit After Tax of Rs. 21,57,426/-). Your Directors are hopeful of achieving even better performance in the current year.

The Company is engaged in the business of Financing and Investment activities. There have been no change in the business of the Company during the financial year under review.



FINANCE

Your Company has made provisions for sufficient borrowing facilities to meet its long-term and short-term requirements in order to support the business operations uninterruptedly.

DIVIDEND

In view of the loss during the year under review, your Directors do not recommend any dividend for the year under review.

TRANSFER TO RESERVES

In view of losses during the year under review, the Company has transferred Rs. Nil (Previous Year Rs.4,31,485/-) to Reserve Fund under RBI Act, 1934

PUBLIC DEPOSIT

During the year, the Company has not accepted or renewed any deposit from the public as covered under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

The Authorised Share Capital as on 31st March, 2018 was Rs.2,00,00,000 /-(Rupees Two Crore Only) divided into 20,00,000 Equity Shares of Rs. 10/- each.

There has been no change in the Share Capital of the Company during the financial year 2017-18.

The Issued Share Capital as on 31st March, 2018 was Rs 1,99,20,000/- (Rupees One Crore Ninety Nine Lac Twenty Thousand Only) divided into 19,92,000 Equity Shares of Rs. 10/- each.

SUBSIDIARY:

As at the end of the year under review i.e. on 31st March, 2018 and also as on the date of this report, your Company does not have any Subsidiary.



EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure I**.

PARTICULARS OF EMPLOYEES

The information regarding employee remuneration and other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure II**. Further Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required as there are no employees in the Company for this category.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company had not entered into any transactions as enumerated in section 188 of Companies Act, 2013 and rules made thereunder with its related party as defined under section 2(76) of the Act,

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements are commensurate with the size of the Company and nature of its business.

Compliance processes form an integral part of your Company's Corporate governance practices and is fundamental to achieving its strategic and operational business objectives.

RISK MANAGEMENT

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect value to shareholders/ stakeholders, ability of company to achieve objectives, ability to implement business strategies, the manner in which the company operates.



Investment business is always prone to various external risks i.e. risk of capital market fluctuations, global developments, competition risk, interest rate volatility, economic cycles and geo-political risks which can adversely affect the fortunes of investment companies in both ways. To manage these identified risks, your Company adopted a sound and prudent risk management policy to mitigate the risk and challenges. The objectives of the risk policy is to minimize risk and maximize the returns.

In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration, framed policy for selection and appointment of Directors, Senior Management and their remuneration.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub-Section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that:-

- i) in the preparation of the annual accounts for the year ended 31 March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2018 and of the loss of the Company for year ended on that date;
- iii) the Directors have 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 have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down internal financial controls and that such internal financial controls are adequate and are operating effectively; and
- vi) 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.



CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statement of your Company for the Financial Year 2017-18 is prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy.

PREVENTION OF INSIDER TRADING:

The Company has adopted a code of conduct for Prevention of Insider Trading with a view to regulate trading in securities by Directors and designated employees of the Company. The Code of conduct require pre-disclosure for dealing in the Company's Shares and prohibit the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when trading windows is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed the compliance of the Code

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the Audited Financial Statements, wherever applicable.

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

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

There were no foreign exchange earnings and outgoings during the year under review.



STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES , ASSOCIATE OR JOINT VENTURES

Pursuant to sub-section (3) of Section 129 of the Act, a statement containing the salient features of the financial statement of Company's subsidiary, associate and Joint Venture Company is required to be given.

The Company does not have any subsidiary. Further, brief about the only following Associate Companies, is given hereunder:

1. Park Avenue Engineering Limited (Associate)

Park Avenue Engineering Limited (Park Avenue) is registered with Reserve Bank of India (RBI) as Non-Banking Financial Company (NBFC) in the category of the Company not accepting / holding public deposits.

The Total Revenue of Park Avenue during Financial Year 2017-18 was Rs.9.16 Lacs and Net Loss After Tax was Rs. 5.75 Lacs

2. Five Star Trading & Investment Company Limited (Associate)

Five Star Trading & Investment Company Limited (Five Star) has paid up capital of Rs. 25,50,500/-. It does not have any substantial business.

The Total Revenue of Five Star during Financial Year 2017-18 was Rs. 26.84 Lacs and Net Profit After Tax was Rs. 10.29 Lacs

The details of Company's subsidiary, associate and Joint Venture Company as on 31st March, 2018 is given in **Annexure III**

DIRECTORS

Mr. Naveen Bhatler (DIN No: 00503756) retire by rotation from the Board and being eligible offers himself for re-appointment.

The requisite Notice under section 160 of the Act proposing Mr. Seetha Ramaiya K. Vellore as candidate for the office of Director. The consent has been filed by Mr. Seetha Ramaiya K. Vellore under section 152 of the Act. The Board of Director on the recommendation of Nomination and Remuneration Committee ("Committee"), included the resolution for appointment of Mr. Seetha Ramaiya K. Vellore as Director, liable to retire by rotation.

On recommendation of Nomination and Remuneration Committee and provisions of Schedule V of the Companies Act, 2013, the Board recommends the Appointment of Mr. Seetha Ramaiya K. Vellore as Managing Director for the approval of the Members by Ordinary Resolution.



INDEPENDENT DIRECTORS' MEETING:

Pursuant to Part VII of Schedule IV of the Companies Act, 2013 and provisions of Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors had separate meeting without attendance of Non-Independent Directors during the year and have reviewed the performance of Non-Independent Directors and the Board of Directors as a whole. The Independent Directors assessed the quality, quantity and timeliness of information between the Company and the management and the Board

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEE AND INDIVIDUAL DIRECTOR

As per Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board has also made the formal evaluation of its own performance as well as the evaluation of working of Audit Committee and Nomination & Remuneration Committee. The Board has also evaluated performance of Independent Directors.

DECLARATION OF INDEPENDENCE

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from each of the Independent Directors confirming that he/she is not disqualified from appointing/continuing as an Independent Director.

BOARD MEETINGS

During the year under review, Five meetings of the Board of Directors of the Company were held i.e on 30.05.2017, 10.08.2017, 31.08.2017, 13.11.2017 and 12.02.2018 & Five meeting of Audit Committee were held on 30.05.2017, 10.08.2017, 31.08.2017, 13.11.2017 and 12.02.2018. The Nomination and Remuneration Committee has also met on 12.02.2018.

The intervening gap between the meetings was within the period prescribed under the provisions of the Companies Act, 2013.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

M/s K. K. Khadaria & Co, Chartered Accountants, Mumbai (Firm Registration No. 105013W) were appointed as Statutory Auditor of the Company at 29th Annual General Meeting of the financial year ended 31.03.2017 to hold office for the period of 5 years till the conclusion of 34th Annual General Meeting subject to ratification of his appointment at every Annual General Meeting. The consent and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if



appointed at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under section 139 of the Act and Rules framed thereunder. The Board recommend ratification of appointment of M/s K. K. Khadaria & Co., Chartered Accountants, Mumbai (Firm Registration No. 105013W) at ensuing 30th Annual General Meeting.

AUDITORS' REPORT ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments from your Board. The Auditors Report does not contain any qualification, reservation or adverse remark or reporting of any fraud.

CORPORATE GOVERNANCE:

Corporate Governance provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 specified in regulations from 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C,D,E of Schedule V are not applicable to the Company as neither the paid up equity share capital of the Company exceed Rs. 10.00 Cr nor net worth of the Company exceed Rs. 25.00 Cr as on 31st March, 2018

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed, M/s Girish Murarka & Co., Company Secretaries in Practice having Membership Number 7036 to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2017-18 as issued by him in the prescribed form MR-3 is annexed to this Report as **Annexure IV**. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by secretarial auditor.

COST AUDIT

The provisions of Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

OTHER DISCLOSURES

- Your Company has not issued: -
 - Any shares with differential rights;
 - Any sweat equity shares

- There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.



- There were no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report.
- There was no revision in the financial statements.
- Your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

APPRECIATION

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and unstinted support received from them during the year and look forward to their continued support in future.

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**



G. M. Loyalka
G. M. Loyalka
Director
(DIN: 00299416)

Rajshree Tapuriah
Rajshree Tapuriah
Director
(DIN: 01655859)

Place : Mumbai
Date : 31.08.2018

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018
of

KAJAL SYNTHETICS AND SILK MILLS LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L17110MH1985PLC035204
ii) Registration Date: 29.01.1985
iii) Name of the Company: Kajal Synthetics and Silk Mills Limited
iv) Category / Sub-Category of the Company: Company having Share Capital
v) Address of the Registered Office and contact details: 29, Bank Street, First Floor, Fort, Mumbai 400 001
vi) Whether listed company Yes
vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol, Naka, Andheri (E), Mumbai 400 059
Tele: 022-4227 0400

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Investment Activity	64200	100%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	CIN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	Park Avenue Engineering Limited	U27200MH1985PLC035603	Associate	44.11	Section 2(6)
2	Five Star Trading & Investment Company Limited	U67120MH1982PLC027789	Associate	47.05	Section 2(6)

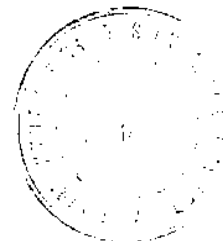
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	8,63,250	4,20,100	1283350	64.43	1283350	0	1283350	64.43	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL:(A) (1)	8,63,250	4,20,100	1283350	64.43	1283350	0	1283350	64.43	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	



d) Banks/FI	0	0	0	0.00	0	0	0	0.00	
e) Any other...	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	8,63,250	4,20,100	1283350	64.43	1283350	0	1283350	64.43	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
C) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(1):	0	0	0	0.00	0	0	0	0.00	0
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	693650	693650	34.82	0	693650	693650	34.82	0
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	15000	15000	0.75	0	15000	15000	0.75	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00	0	0	0	0.00	0
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(2):	0	708650	708650	35.57	0	708650	708650	35.57	0



Total Public Shareholding (B)= (B)(1)+(B)(2)	0	708650	708650	35.57	0	708650	708650	35.57	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	0	1992000	1992000	100.00	863250	1128750	1992000	100.00	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mragya Finance and Investment Private Limited	467200	49.55	0	467200	49.55	0	0
2	Peigeon Finance and Investment Private Limited	396050	19.88	0	396050	19.88	0	0
3	Pick Me Quick Holdings Private Limited	420100	21.09	0	420100	21.09	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the shareholding of the Promoter



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

Sr.No	For Each of the Top 10 Shareholders	Date of Change	Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	No. of shares	No. of shares	% of total shares of the Company
1	Benhur Investment Company Pvt. Ltd	No Change	452650	22.72	452650	22.72
2	Five Star Trading & Investment Company Limited	No Change	241000	12.09	241000	12.09
3	Lakhwani Krishnachand	No Change	100	0.01	100	0.01
4	Bala Jajoo	No Change	100	0.01	100	0.01
5	Sushila Devi Jain	No Change	100	0.01	100	0.01
6	Pramil Mathur	No Change	100	0.01	100	0.01
7	Renu Bhandari	No Change	100	0.01	100	0.01
8	Rekha Kothari	No Change	100	0.01	100	0.01
9	Dinesh Mundra	No Change	100	0.01	100	0.01
10	B. B. Chandak	No Change	100	0.01	100	0.01

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans Amount (Rs.)	Deposits	Total Indebtedness Amount (Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount*	Nil	53,00,00,000	Nil	53,00,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil



Change in Indebtedness during the financial year				
* Addition	Nil	83,00,00,000	Nil	83,00,00,000
* Reduction	Nil	53,00,00,000	Nil	53,00,00,000
Net Change	Nil	30,00,00,000	Nil	30,00,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	83,00,00,000	Nil	83,00,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	83,00,00,000	Nil	83,00,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
Not Applicable since there is no MD / WTD / Manager in the Company

B. Remuneration to other directors: Nil

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

Sr. No.	Name of the Employee	Designation	Total Remuneration Paid
01	Dish Hitesh Jain	Company Secretary and Compliance Officer	3,00,000/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited



G. M. Loyalka
G. M. Loyalka
Director
(DIN: 00299416)

Rajshree Tapuria
Rajshree Tapuria
Director
(DIN: 01655859)

Place : Mumbai
Date : 31.08.2018

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) Remuneration paid to Company Secretary during FY 2017-18 is Rs. 3,00,000/-
- No remuneration paid to the Director during FY 2017-18. Hence ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year is Nil.
- (ii) The Median remuneration of employee during FY 2017-18 was Rs. 3,00,963/-
- (iii) In the FY 2017-18, there was no increase in the Remuneration of the Employee.
- (iv) There were only two employee on the pay roll of the Company as on 31.03.2018.
- (v) There was no Average Percentage increase in the Salary of the Employee.
- (vi) It is hereby affirmed that the remuneration is paid as per the remuneration policy.



**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures
Part "A": Subsidiaries**

Name of the subsidiary	Nil
1. Date on which the subsidiary was acquired	
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
3. Share capital	
4. Reserves & surplus	
5. Total assets	
6. Total Liabilities	
7. Investments	
8. Turnover	
9. Profit before taxation	
10. Provision for taxation	
11. Profit after taxation	
12. Proposed Dividend	
13. % of shareholding	

The following information shall be furnished:-

- 1. Names of subsidiaries which are yet to commence operations**
- 2. Names of subsidiaries which have been liquidated or sold during the year.**



Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Park Avenue Engineering Limited	Five Star Trading & Investment Company Limited
1. Latest audited Balance Sheet Date	31.03.2018	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired		
3. Shares of Associate/Joint Ventures held by the company on the year end		
No.	2154250	120001
Amount of Investment in Associates/Joint Venture	2,24,60,251/-	1,20,30,020/-
Extend of Holding %	44.11%	47.05%
4. Description of how there is significant influence	Since the Company holds more than 20% equity capital, significant influence is assumed.	Since the Company holds more than 20% equity capital, significant influence is assumed.
5. Reason why the associate/joint venture is not consolidated	N.A	N.A
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	2,06,78,695/-	1,95,66,943/-
7. Profit / Loss for the year		
i. Considered in Consolidation	(52,308)	(2,57,653)
ii. Not Considered in Consolidation	(66,277)	(5,47,615)



The following information shall be furnished:-

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited



G. M. Loyalka
G. M. Loyalka
Director
(DIN: 00299416)

Rajshree Tapuriah
Rajshree Tapuriah
Director
(DIN: 01655859)

Place : Mumbai

Date : 31.08.2018

KAJAL SYNTHETICS AND SILK MILLS LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The Financial year 2017-18 continues to be in the pattern of what we have been seeing after NDA Government took over. Bold Government decisions combined with solid economic performance made India the only BRICS market to be loved by Global Investors.

The NDA Government with its stunning win in most of North East regions and will also help the ongoing confidence in India stemming from political stability.

Opportunities and Threats

Your Company being engaged in Financial and Investment activities seek opportunities in the Financial and Investment market. The volatility in the market indices in the financial year under report represents both an opportunity and challenge for the Company.

The Financial and Investment activities depends on and is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market.

Segment-wise-Performance

Your Company operates only single segment which is non-banking financial services (Granting/taking of loans and making Long term Investments).

Future Outlook

The financial year 2017-18 saw growth slow down because of a chaotic rollout of a national wide goods and service tax (GST) last year and a shock move to ban high value currency notes in late 2016.

However the Government is betting on growth picking up in 2018. The Government policy statement in recently concluded credit policy signs of growth and pick-up in the investment opportunity.

Your Company remains confident of the long-term growth prospects and opportunities ahead of it in its business. It is uniquely positioned within the Financial and Investment activities industry to capitalize on the opportunities and shall continue to seek growth in its target.



Risk and concerns

Your Company is more dependent on the Indian Capital markets for its return. Even though it is envisaged that Indian stock market will continue to do well, but global concern can result in sharp corrections.

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**



G. M. Loyalka
Director
(DIN: 00299416)

Rajshree Tapuriah
Director
(DIN: 01655859)

Place : Mumbai
Date : 31.08.2018

COMPLIANCE CERTIFICATE
[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015

The Board of Directors
KAJAL SYNTHETICS AND SILK MILLS LIMITED

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief certify that:

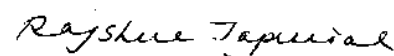
1. We have reviewed the financial statement and Cash Flow Statement both on standalone and consolidated basis for the year ended on 31.03.2018 and to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material facts or contain any statement that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
2. We are to be best of their knowledge and belief, no transaction entered into by the Company during year ended 31st March, 2018 which are fraudulent, illegal of violating of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps have been taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee that there is no:
 - a) significant changes in the internal controls over financial reporting
 - b) significant change in accounting policies and the same have been disclosed in the notes to the financial statements and
 - c) instances of significant fraud of which we have become and the involvement therein, if any, of the management or employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**



Place: Mumbai
Date : 31.08.2018


G. M. Loyalka
Director
(DIN: 00299416)


Rajshree Tapuria
Director
(DIN: 01655859)

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

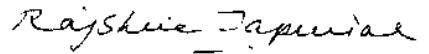
As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board Members and the Senior Management Personnel have confirmed compliance with Code of Conduct for the year ended 31st March, 2018

For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited



Place: Mumbai
Date : 31.08.2018


G. M. Loyalka
Director
(DIN: 00299416)


Rajshree Tapuriah
Director
(DIN: 01655859)

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN : L17110MH1985PLC0035204
Regd. Office: 29, Bank Street, First Floor, Fort, Mumbai 400 001
Website: www.kajalsynthetics.com
Email: kajalsyntheticsandsilk@gmail.com

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of Kajal Synthetics and Silk Mills Limited will be held on Monday, the 24th day of September, 2018 at 4.30 PM at the Registered Office of the Company at 29, Bank Street, First Floor, Fort, Mumbai 400 001 to transact the following business :

Ordinary Business:

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended on 31st March, 2018 and the Board's and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Naveen Bhattar (DIN No: 00503756) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved That pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and Rules made therein , the appointment of M/s K.K. Khadaria & Co., Chartered Accountants, Mumbai, (Firm Registration No. 105013W), having their office at 401-A, Pearl Arcade, Opp. P. K. Jewellers, Dawood Baug Road, Andheri (West), Mumbai 400 058 who were appointed as Statutory Auditor to hold the office from conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting be and is hereby ratified, at such remuneration (including re-imbursement of out of pocket expenses) as may be decided by the Board of Directors of the Company in consultation with M/s M/s K.K. Khadaria & Co, Chartered Accountants, Mumbai."

Special Business:

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

RESOLVED THAT pursuant to the provision 149, 152 and other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rule, 2014, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Seetha Ramaiya K. Vellore, in respect of whom the Company has received notice in writing from member under section 160 of the Companies Act, 2013, signifying his intention to



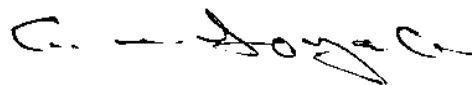
propose Mr. Seetha Ramaiya K. Vellore as candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation

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

RESOLVED FURTHER THAT Pursuant to section 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and subject to approval of Central Government, if any and such other consent and permission as may be necessary and subject to such modifications, variations acceptable to the appointee, the Company approve the appointment of Mr. Seetha Ramaiya K. Vellore as the Managing Director of the Company for the period of Two year from 1st October, 2018 to 30th September, 2020 at remuneration of Rs. 13,52,650/- p.a. (Rupees Thirteen Lac Fifty Two Thousand Six Hundred Fifty only) as approved by Remuneration Committee in its meeting.

RESOLVED FURTHER THAT where in any financial year, the Company has no profit or its profit are inadequate, the foregoing amount of remuneration shall be the Minimum Remuneration payable to Mr. Seetha Ramaiya K. Vellore.

By order of the Board of Directors



G. M. Loyalka
Director
(DIN: 00299416)



Place: Mumbai
Date: 31.08.2018

NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 setting out the material facts in respect of item No. 4 and 5 set out in the Notice is annexed hereto and forms part of this Notice.
2. **A member entitled to attend and vote at the 30th Annual General Meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the Meeting.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Monday 17th September, 2018 to Monday, 24th September, 2018, (both days inclusive) for the purpose of AGM.
5. Members are requested to bring their copy of the Annual Report at the Annual General Meeting.
6. **EVOTING:**
 - i) Pursuant to Section 108 of the Companies Act, 2013 and in compliance with the provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to announce that all the business mentioned in the notice may be transacted through electronic voting system and the Company is providing facility by electronic means.
 - ii) For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Shareholders of the Company to cast their votes electronically.
 - iii) The Board of Directors of the Company has appointed Mr. Girish Murarka, Proprietor of M/s GIRISH MURARKA & CO. to conduct and scrutinize the e-voting process in a fair and transparent manner.
 - iv) Process and manner of voting:



(a) In case of Shareholders receiving e-mail from NSDL:

- i. Open e-mail and open PDF file viz; "Kajal e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. In case any shareholder is already registered with NSDL for e-voting, then that shareholder can use the existing user ID and password for casting of vote and step no. (i) and (vi) be skipped.
- iii. Launch internet browser by typing the following URL:<https://www.evoting.nsd.com/>
- iv. Click on Shareholder – Login
- v. Put user ID and password as mentioned in step (i) or (ii) above, as may be applicable. Click Login.
- vi. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password.
- vii. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Kajal Synthetics and Silk Mills Ltd.
- ix. Now you are ready for e-Voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xiii. Institutional shareholders (i.e. members other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail kajalsyntheticsandsilk@gmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders receiving PIN mailer by Post:

- i. Initial password will be provided through a separate PIN Mailer.
- ii. Please follow steps (ii) to (xiii) above, to cast vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iv. In case of any query, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsd.com> or contact NSDL at the following Telephone No.: 022 24994600.
- v. The e-voting period commences on 21st September, 2018 (9.00 a.m) and ends on 23rd September, 2018 (5.00 p.m.). At the end of the voting period, the portal where votes are cast shall forthwith be blocked. The cut off date for Remote e-voting is 21st September, 2018.



- vi. Mr. Girish Murarka, Proprietor of M/s GIRISH MURARKA & CO. practicing Company Secretaries, the scrutinizer will, on 26th September, 2018 i.e. within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any and submit to the Chairman of the Annual General Meeting of the Company.
- vii. The results declared along with the scrutinizer's report shall be placed on the website of the company and on the website of the RTA or NSDL within two days of passing of the resolution.
- viii. Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of Annual General Meeting.
- v) Name, designation, address, email id and phone no. of the person responsible to address the grievances connected with facility for voting by electronic means.
Name:- Ms. Disha Hitesh Jain
Designation:- Company Secretary and Compliance Officer
Address: 29, Bank Street, First Floor, Fort, Mumbai 400 001
Email id: kajalsyntheticsandsilk@gmail.com
Phone No. 9821903049

**EXPLANATORY STATEMENT
(pursuant to section 102 of the Companies Act, 2013)**

The following explanatory statements sets out all material facts relating to item no. 4 and 5 of accompanying Notice dated 31st August, 2018.

Item No. 4

The requisite Notice under section 160 of the Act proposing Mr. Seetha Ramaiya K. Vellore as candidate for the office of Director. The consent has been filed by Mr. Seetha Ramaiya K. Vellore under section 152 of the Act. The Board of Director on the recommendation of Nomination and Remuneration Committee ("Committee"), included the resolution for appointment of Mr. Seetha Ramaiya K. Vellore as Director, liable to retire by rotation.

Mr. Seetha Ramaiya K. Vellore does not hold any share in the Company either in the individual capacity or on beneficial basis for any other person

Mr. Seetha Ramaiya K. Vellore and his relatives are interested in this resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution. Mr. Seetha Ramaiya K. Vellore is also not related to any of the Director or Key Managerial Personnel in the Company.

The Board recommends this resolution for your approval.



Item No. 5

On recommendation of Nomination and Remuneration Committee and provisions of Schedule V of the Companies Act, 2013, the Board recommends the Appointment of Mr. Seetha Ramaiya K. Vellore as Managing Director for the approval of the Members by Ordinary Resolution.

Mr. Seetha Ramaiya K. Vellore and his relatives are interested in the resolution set out in item no. 5. Save and except above, none of the Directors / Key Managerial Personnel, their relatives are in any way, concerned or interested, financial or otherwise in this Resolution.

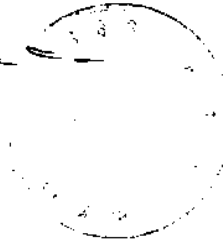
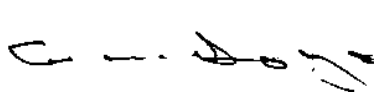
The relevant resolution passed in the Board / Committee meeting and other allied documents are available for inspection at the Registered office of the Company on any working day between 11.00 am to 1.00 pm upto the date of this AGM and will also be available for inspection at the venue of the AGM

Annexure to item no. 2 and 4
Details of Directors seeking re-appointment at the Annual General Meeting

Name	Mr. Naveen Bhattar	Mr. Seetha Ramaiya K. Vellore
DIN	00503756	To be applied
Date of Birth	25 th June, 1965	15 th March, 1966
Qualification	B.Com	B.Com
Expertise in specific functional area	Business	Accounts, Taxation and Administration
List of outside Directorship held in Public Limited Company	1.Aakarshak Synthetics Ltd. 2.Arvind Press Caps Ltd.	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil	Nil
Shareholding in the Company	Nil	Nil
Chairman / Member of the Committee of the Board of Directors of other Companies in which he is a Director	Nil	Nil
Chairman / Membership of the Committee of the Board of Directors of the Company Shareholding	Nil	Nil



By order of the Board of Directors of



G. M. Loyalka
Director
(DIN: 00299416)

Place: Mumbai
Date : 31.08.2018

GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To,
The Members
KAJAL SYNTHETICS AND SILK MILLS LIMITED
29, Bank Street,
First Floor, Fort,
Mumbai 400 001

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to corporate practices by **KAJAL SYNTHETICS AND SILK MILLS LIMITED** (herein after called "the Company") for the audit period covering the financial year ended on 31st March, 2018. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I, for the financial year ended on March 31, 2018, according to the provisions (to the extent applicable) of :
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of receipt of funds on non-repatriation basis from foreign investor;
 - 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, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009



GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
2. I have relied on the representations made by the Company and its Officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulation to the Company.
 3. I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchange. During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. as mentioned above. The Company is in the process of appointing Key Managerial Personnel. During the period under review, provisions of the following regulations were not applicable to the Company:
 - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 - iii) Secretarial Standards issued by the Institute of Company Secretaries of India (since not approved by the Central Government)
 4. I further report that –

The Board of Directors of the Company is duly constituted with five Directors including Woman Director / Independent Director

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

All resolutions / decisions at the Board and Committee Meeting are carried out unanimously as recorded in the minutes of meeting of the Board of Directors or the Committee.

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



GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

I further report that during the audit year, there were no instances of

- i) Public Issue of Equity Shares & Equity Warrants / Sweat Equity
- ii) Buy-back of securities
- iii) Merger / Amalgamation / Reconstruction etc.
- iv) Foreign Technical Collaborations.

Place : Mumbai

Date : August 31, 2018



GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576



ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2017 and March 31, 2018
3. Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee along with attendance register held during the financial year under report
4. Minutes of General Body Meeting held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meeting and Committee Meeting
7. Declaration received from Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013
8. E-forms filed by the Company, from time to time, under the applicable provisions of the Companies Act, 1956/ 2013 and attachments thereof during the financial year under report.



K K KHADARIA & Co

CHARTERED ACCOUNTANTS

Office : 401 - A, Pearl Arcade, Opp. P. K. Jewellers, Off J. P. Road, Andheri (W), Mumbai - 400 058.
Tel. : 022 - 26778155, 26797750, 26783178 • Telefax : 022 - 26781187

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAJAL SYNTHETICS AND SILK MILLS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Kajal Synthetics and Silk Mills Ltd (hereinafter referred to as "Company") and its associates, comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms with section 134(5) of the Companies Act, 2013 (hereinafter referred "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance & consolidated cash flows of the Company including its associates 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. The respective Board of Directors of the Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes

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

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

Opinion

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

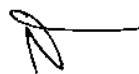
Other Matters

8. We did not audit the financial statements of the associate companies whose financial statements reflect net assets of Rs. 3,12,79,348 and share in loss of Rs. 3,09,960/- for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures to these Associates is based on the reports of the other auditors.
9. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

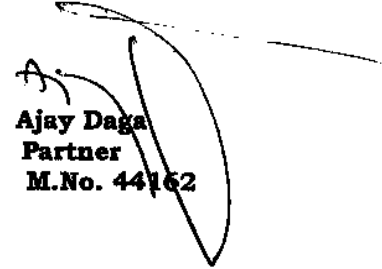
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law maintained by the Company and its associates including relevant record relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of books and records of the Company and its associates.
- c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained by the Company & its associates including the relevant records relating to preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated 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 of the Company and its associates as on 31st March, 2018 taken on record by the respective Board of Directors of the Company and of its associates, none of the director of the Company and its associates is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associates and the operating effectiveness of such controls, refer to our separate Report in Annexure "A"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. There were no pending litigations which would impact the Consolidated Financial position of the Company and its associates.
 - ii. The Company and its associates did not have any long-term contracts including derivative contracts as at 31st March, 2018.
 - iii. There has not been an occasion in case of the Company and its associates during the year under report to transfer any amounts to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such amounts does not arise.

**For K K Khadaria & Co
Chartered Accountants
Firm Regn No: 105013W**


**Ajay Daga
Partner
M.No. 44162**

**Place : Mumbai
Dated : 31st August, 2018**

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company and its associates have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company and its associates considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

Other Matters

9. Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate companies, is based on the corresponding report of the other auditor of the said associates. Our opinion is not qualified in respect of this matter.

**For K K KHADARIA & CO
CHARTERED ACCOUNTANTS
(FIRM REGN. NO. 105013W)**

**AJAY DAGA
PARTNER
M No. 44162**

Place : Mumbai
Dated : 31st August, 2018

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN No. L17110MH1985PLC035204
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,99,20,000	1,99,20,000
Reserves and Surplus	3	20,49,83,876	20,97,03,667
Non-Current Liabilities			
Other- Non current liabilities	4	1,48,952	1,57,344
Current Liabilities			
Short-term borrowings	5	83,00,00,000	53,00,00,000
Other current liabilities	6	1,23,900	89,250
Short-term provisions	7	15,94,632	12,98,300
Total		1,05,67,71,360	76,11,68,561
ASSETS			
Non-current assets			
Non-current investments	8	40,81,77,595	22,58,75,145
Long term loans and advances	9	70,52,808	1,47,01,650
Current assets			
Current investments	10	3,52,206	6,03,384
Cash and Cash Equivalents	11	32,50,917	5,23,223
Short-term loans and advances	12	61,02,85,000	50,13,95,000
Other current assets	13	2,76,52,834	1,80,70,159
Total		1,05,67,71,360	76,11,68,561

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements


As per our report of even date,
For K. K. KHADARIA & CO
Chartered Accountants
Firm Reg. No.105013W

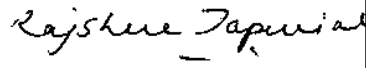

AJAY DAGA
Partner
Membership No. 44162

Place : Mumbai
Date : **31 AUG 2018**



For and on behalf of the Board of Directors


G.M. Loyalka
Director
DIN : 00299416

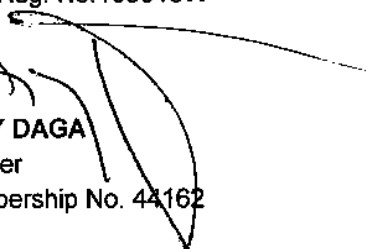


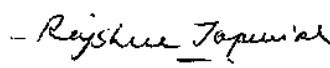


Rajshree Tapuria
Director
DIN : 01655859


Divya Jain
Company Secretary

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN No. L17110MH1985PLC035204

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Note No.	For the Year ended on March 31, 2018 Rs.	For the Year ended on March 31, 2017 Rs.
INCOME			
Revenue from Operations	14	4,82,71,626	2,02,35,269
Other Income	15	4,47,022	39,61,434
Total Revenue		4,87,18,648	2,41,96,703
EXPENSES			
Employee benefit expenses	16	6,01,927	5,32,615
Finance Cost	17	5,97,29,697	1,95,86,028
Other expenses	18	11,95,657	19,20,634
Total Expenses		6,15,27,281	2,20,39,277
Profit/(Loss) Before Tax		(1,28,08,633)	21,57,426
Tax expenses:			
Current tax		-	-
Tax adjustments for earlier years		34,735	-
		34,735	-
Profit/(Loss) for the year		(1,27,73,898)	21,57,426
Share of Profit of Associates		(3,09,960)	13,72,155
Profit/(Loss) after Tax And Share of Profit of Associates		(1,30,83,858)	35,29,581
Earnings per equity share of face value of Rs. 10 each			
Basic and Diluted in Rs.		(6.57)	1.77
Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements			
As per our report of even date, For K.K.KHADARIA & CO. Chartered Accountants Firm Reg. No.105013W		For and on behalf of the Board of Directors	
 AJAY DAGA Partner Membership No. 44162		 G.M. Loyalka Director DIN : 00299416	 Rajshree Tapuria Director DIN : 01655859
Place : Mumbai Date 31 AUG 2018		 Disha Jain Company Secretary	

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	2017-18 Rupees	2016-17 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	(1,28,08,633)	21,57,426
ADJUSTMENTS		
Contingent provision against Standard Asset	2,96,332	12,85,812
Profit on sale of Current Investment (Net)	(3,57,973)	(51,067)
Provision for diminution in the value of Investments written back	-	(38,68,017)
Operating profit before working capital changes	(1,28,70,274)	(4,75,846)
Short term Loans & Advances	(10,88,90,000)	(49,79,50,000)
Other Current Assets	(95,82,675)	(1,72,07,593)
Long Term Loans & Advances	1,23,00,000	(1,24,30,950)
Other- Non Current Liabilities	(8,392)	1,57,344
Short term Provisions	34,650	(28,500)
Cash generated from operations	(11,90,16,691)	(52,79,35,545)
Less : Direct Tax paid (net of refunds)	(46,16,423)	(19,99,395)
Net cash flow from operating activities	(12,36,33,114)	(52,99,34,940)
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Purchases of Current investment	(8,74,00,000)	(6,00,000)
Sale of Current investments	8,80,09,153	8,50,000
Purchases of Non Current investment	(17,42,48,344)	-
Sale of Non Current investments	-	-
Net cash flow from investing activities	(17,36,39,191)	2,50,000
C. CASH FLOW FROM FINANCING ACTIVITIES :-		
Short Term Borrowings	30,00,00,000	53,00,00,000
Net cash flow from Financing activities	30,00,00,000	53,00,00,000
Net increase in cash & cash equivalent (A+B+C)	27,27,695	3,15,060
Cash and cash equivalents at the beginning of the year	2,08,162	2,08,162
Cash & Cash equivalents at the end of the year	32,50,917	5,23,223

Notes: 1) The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
2) Figures in brackets indicate cash outgo.
3) Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

This is the Cash Flow Statement referred to in our attached report of even date

For **K K KHADARIA & CO**
Chartered Accountants
Firm Reg. No. 105013W

For and on behalf of the Board of Directors

AJAY DAGA
Partner
Membership No. 44162

G.M. Loyalka
Director
DIN : 00299416

Rajshree Tapuria
Director
DIN : 01655859



Disha Jain
Company Secretary

Place: Mumbai
Date: **31 AUG 2018**

KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE. 1

1. Basis of preparation of consolidated financial statements

The consolidated financial statements of Kajal Synthetics And Silk Mills Limited ('the Company') and its associates company have been prepared on the basis of historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and comply in all material respects with the Standards notified under section 133 of the companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements are presented in Indian rupees.

2. Principals of Consolidation

A. The consolidated financial statements of the Company and its associates have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the companies (Accounts) Rules 2014.

B. The consolidated financial statements have been prepared on the following basis:

Investments in associates are accounted under equity method as per Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Under the equity method, the investment is initially recorded at cost, identifying goodwill/capital reserve arising at the time of acquisition and the carrying amount is increased/ decreased to recognize Group's share of profits/losses of the associates after the date of acquisition. Goodwill/Capital reserve arising on acquisition of the associates is included in the carrying amount of the respective investments. Unrealized profits resulting from transactions between the Group and the associates are eliminated to the extent of Group's interest in the associates. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

C. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

D. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

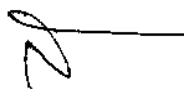
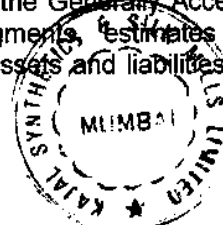
E. The companies considered in the consolidated financial statements are listed below:-

Sr. No	Name of the Company	Country of Incorporation	Date Of Becoming Associate	% Holding as on 31.3.2018
➤ Associate Company:				
1	Five Star Trading & Investment Company Limited	India	26.03.2008	47.05%
2	Park Avenue Engineering Limited	India	24.03.2008	44.11%

3. Significant Accounting Policies

A. Use of estimates

The preparation of consolidated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and

KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to carrying amounts of assets or liabilities in future periods

B. Revenue Recognition

- i. The Group's income from operation is accounted for on accrual basis.
- ii. Dividend Income is recognized when the right to receive the dividend is established.
- iii. Revenue from sale of shares is recognized as per the terms of the contract/agreement entered into with the parties when the relevant conditions of the contract/agreement are performed.
- iv. Revenue from Sale of goods is recognized upon passage of title to the customer which would generally coincide with delivery thereof. Claims due to uncertainty in realization are accounted for an acceptance / cash basis.
- v. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- vi. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9) -Revenue Recognition. Accordingly, wherever there are uncertainties in the ascertainment / realisation of income such as interest from Parties (including the financial condition of the person from whom the same is to be realized), the same is not accounted for.

C. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The Investments are classified as Quoted & Unquoted Investments and valued as under:-

- a. Long term Investments are stated at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each Investment.
- b. Current Investments are stated at lower of cost and fair market value determined by category of Investments.

D. Taxation

- a. Current Tax: A provision for current income tax is made on the taxable income using the applicable tax rates and tax laws.
- b. Deferred Tax: Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.

2



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

E. Earnings per share

Basic Earnings per share are computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculated Diluted Earnings per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

F. Provisions / contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Contingent liabilities are not provided for and are disclosed in the Notes on Accounts. Contingent assets are not recognised.

G. Retirement benefits

(i) Gratuity

Parent Company is providing Gratuity based on actuarial valuation report.

(ii) Leave Encashment

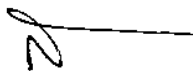
Leave encashment is accounted at the year end on actual basis and is charged to the Statement of Profit and Loss.

H. Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of respective assets upto the date when such asset is ready for its intended to use. Other borrowing cost are charged to the revenue.

I. General

Accounting policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principle.



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

Note 2 - SHARE CAPITAL

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
2 Authorised Share Capital		
20,00,000 (31 March 2017 : 20,00,000) Equity Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
	2,00,00,000	2,00,00,000
Issued, Subscribed and paid-up :		
19,92,000 (31 March 2017 : 19,92,000) Equity Shares of Rs. 10/- each	1,99,20,000	1,99,20,000
Total	1,99,20,000	1,99,20,000

2.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :

Shares outstanding at the beginning of the year	19,92,000	19,92,000
Changes during the year	-	-
Shares outstanding at the end of the year	19,92,000	19,92,000

2.2 Terms/Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend, if any proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2018, the amount of dividend per share recognized as distributions to equity shareholders was Rs. Nil (Previous Year Rs. Nil)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the No. of equity shares held by the shareholders.

2.3 Details of Equity shareholders holding more than 5 % shares in the Company

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Pick-Me-Quick Holdings Private Limited	4,20,100	21.09%	4,20,100	21.09%
Peigeon finance And Investment Private Limited	3,96,050	19.88%	3,96,050	19.88%
Benhur Investment Company Private Limited	4,52,650	22.72%	4,52,650	22.72%
Mragya Finance & Investment Private Limited	4,67,200	23.45%	4,67,200	23.45%
Five Star Trading & Investment Company Limited	2,41,000	12.10%	2,41,000	12.10%



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

	<u>As at</u> <u>31st March, 2018</u> <u>Rs.</u>		<u>As at</u> <u>31st March, 2017</u> <u>Rs.</u>	
Note 3 - RESERVES AND SURPLUS				
3.1 Capital Reserve				
Balance as per the last financial statement	2,06,69,380		2,06,69,380	
3.2 General Reserve				
Balance as per the last financial statement	41,47,949		41,47,949	
3.3 Reserve Fund under RBI Act, 1934				
Balance as per the last financial statement	5,36,45,541		5,32,14,056	
Add : Transfer from Surplus in the Statement of Profit and Loss.	-	5,36,45,541	4,31,485	5,36,45,541
3.4 Surplus in Statement of Profit and Loss :				
Balance as per the last financial statement	13,12,40,796		14,15,96,395	
Add: Profit for the year	(1,30,83,858)		35,29,581	
Share of Profit of Associate at the beginning	83,64,069		(1,34,53,695)	
	<u>12,65,21,006</u>		<u>13,16,72,281</u>	
Less: Appropriations				
Transfer to Reserve Fund under RBI Act, 1934	-	12,65,21,006	4,31,485	13,12,40,796
Total Reserve and Surplus		<u>20,49,83,876</u>		<u>20,97,03,667</u>
Note 4 - NON CURRENT LIABILITIES				
Other- Non Current Liabilities		1,48,952		1,57,344
		<u>1,48,952</u>		<u>1,57,344</u>
Note 5 - SHORT TERM BORROWINGS				
Loan from Body Corporate		83,00,00,000		53,00,00,000
		<u>83,00,00,000</u>		<u>53,00,00,000</u>
Note 6 - OTHER CURRENT LIABILITIES				
Other Payables		1,23,900		89,250
		<u>1,23,900</u>		<u>89,250</u>
Note 7 - SHORT-TERM PROVISIONS				
Contingent provision against Standard Asset		15,94,632		12,98,300
Total		<u>15,94,632</u>		<u>12,98,300</u>



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

Note 8 - Non-Current investments

	Face Value (Rs.)	As at March 31, 2018		Face Value (Rs.)	As at March 31, 2017	
		Quantity Nos.	Rs.		Quantity Nos.	Rs.
8.1 Non-trade Investments						
a Quoted, fully paid up						
In Equity Instruments						
Jay Shree Tea & Industries Limited	5	45,000	37,88,119	-	-	-
Kesoram Industries Limited	10	5,50,000	6,76,74,154	-	-	-
Mangalam Cement Limited	10	2,64,000	10,27,86,071	-	-	-
Mangalam Timber Products Limited	10	3,52,838	98,66,263	10	3,52,838	98,66,263
Mansoon Trading Company Limited	10	3,66,000	43,88,304	10	3,66,000	43,88,304
Meenakshi Steel Industries Limited	10	2,55,500	90,46,821	10	2,55,500	90,46,821
Nikanth Engineering Limited	10	2,06,000	62,86,317	10	2,06,000	62,86,317
Total			20,38,36,049			2,95,87,705
Total Quoted Investments (a)			20,38,36,049			2,95,87,705
b Unquoted-fully paid up						
Equity Shares of Associate Companies						
Five-Star Trading & Investment Company Limited (Including goodwill as mentioned below)	10	1,20,001	3,14,63,588	10	1,20,001	3,14,63,588
Add: Post Acquisition Profit/(Loss)			(7,21,078)			(88,27,494)
Add: Goodwill/(Capital Reserve) on Investment in Associates			(1,94,33,568)			(1,94,33,568)
			<u>1,13,08,942</u>			<u>32,02,526</u>
Park Avenue Engineering Limited (Including goodwill as mentioned below)	10	21,54,250	2,49,36,440	10	21,54,250	2,49,36,440
Add: Post Acquisition Profit/(Loss)			(24,89,845)			(24,37,537)
Add: Goodwill/(Capital Reserve) on Investment in Associates			(24,76,189)			(24,76,189)
			<u>1,99,70,406</u>			<u>2,00,22,714</u>
Equity Shares of Other Companies						
Pintail Realty Developers Private Limited (Formerly known as Arindam Sekhar Garments Marketing Pvt. Ltd.)	10	2,00,000	5,23,30,500	10	2,00,000	5,23,30,500
Niranjan Housing Private Limited	10	55,945	2,07,31,700	10	55,945	2,07,31,700
Total Unquoted Investments (b)			10,43,41,546			9,62,87,440
c Unquoted-fully paid up						
Preference Shares of Other Companies						
5% Cumulative Redeemable Fully Convertible Preference Shares of Niranjan Housing Private Limited	10	1,25,000	10,00,00,000	10	1,25,000	10,00,00,000
Total Unquoted Investments (c)			10,00,00,000			10,00,00,000
Total (a) + (b) + (c)			40,81,77,595			22,58,75,145
		Book Value			Market Value	
		As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)		As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)
Aggregate of Quoted Investments		-	-		20,38,36,049	2,95,87,705
Aggregate of Unquoted Investments		20,43,41,546	19,62,87,440		20,43,41,546	19,62,87,440
		<u>20,43,41,546</u>	<u>19,62,87,440</u>		<u>40,81,77,595</u>	<u>22,58,75,145</u>

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KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	Rs.	Rs.	Rs.
Note 9 - LONG TERM LOANS AND ADVANCES				
Unsecured, considered good				
Capital Advance		-		1,23,00,000
Advance Income Tax (Net of provisions for tax)				
Taxes Paid	70,52,808		25,81,650	
Less : Provision for Taxes	-	70,52,808	(1,80,000)	24,01,650
Total		70,52,808		1,47,01,650

Note 10 - CURRENT INVESTMENTS

	Face Value (Rs.)	As at March 31, 2018		Face Value (Rs.)	As at March 31, 2017	
		Quantity Nos.	Rs.		Quantity Nos.	Rs.
Investment in Mutual Funds						
Unquoted - fully paid up						
Aditya Birla Sun Life Cash Plus - Growth Regular Plan	100	1,287.594	3,52,206	100	2,385.434	6,03,384
Total			3,52,206			6,03,384

	Book Value		Repurchase Value	
	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)
Aggregate of Unquoted Investments	3,52,206	6,03,384	3,58,252	6,21,437
	<u>3,52,206</u>	<u>6,03,384</u>	<u>3,58,252</u>	<u>6,21,437</u>

	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	Rs.	Rs.	Rs.
Note 11 - CASH AND CASH EQUIVALENTS				
Cash on Hand		2,022		365
Balance with a Bank on Current Account		32,48,895		5,22,858
Total		32,50,917		5,23,223

Note 12 - SHORT TERM LOANS AND ADVANCES

Unsecured, considered good				
Short Term Loans				
Loans		61,02,00,000		50,12,50,000
Advance to an employee		85,000		1,45,000
		<u>61,02,85,000</u>		<u>50,13,95,000</u>

Note 13 - OTHER CURRENT ASSETS

Interest accrued on Loans		2,76,52,834		1,80,70,159
		<u>2,76,52,834</u>		<u>1,80,70,159</u>



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

	<u>For the Year ended on March 31, 2018 Rs.</u>	<u>For the Year ended on March 31, 2017 Rs.</u>
Note 14 - REVENUE FROM OPERATIONS		
Interest Income	4,82,71,626	2,02,35,269
Total	<u>4,82,71,626</u>	<u>2,02,35,269</u>
Note 15 - OTHER INCOME		
Net gain on Redemption of Units of Mutual Fund	3,57,973	51,067
Contingent Provision against Standard Asset	80,657	42,350
Excess Provision for Gratuity written back	8,392	
Provision for diminution in the value of Investments written back	-	38,68,017
Total	<u>4,47,022</u>	<u>39,61,434</u>
Note 16 - EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	6,01,927	4,41,271
Gratuity	-	91,344
Total	<u>6,01,927</u>	<u>5,32,615</u>
Note 17 - FINANCE COST		
Interest on Inter Corporate Loans	5,97,29,697	1,95,86,028
Total	<u>5,97,29,697</u>	<u>1,95,86,028</u>
Note 18 - OTHER EXPENSES		
Advertisement Expenses	20,498	22,438
Bank Charges	4,598	976
Custodian / ISIN activation charges	20,816	42,838
Certification Fees	11,800	11,000
Filing Fees	7,200	41,400
Legal and Professional Charges	2,25,806	1,35,293
Listing Fees	2,87,500	2,29,000
Demat Account Charges	920	916
Conveyance	45,268	56,574
General Expenses	3,955	2,969
Telephone charges	2,400	2,400
Security Transaction Tax paid	1,74,164	-
Contingent Provision against Standard Asset	2,96,332	12,85,812
Payment to Auditors :		
As Auditors		
Audit Fees	50,000	50,000
Other matters	30,000	25,000
GST / Service Tax on Audit Fees	14,400	14,018
Total	<u>11,95,657</u>	<u>19,20,634</u>

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KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

19. Contingent Liability in respect of income tax demands raised/arrears by the Income Tax department but disputed by the Company is Rs. 5,62,051/- (Previous Year Rs.5,62,051)
20. The Group is primarily engaged in investment & financial activities. These in context of Accounting Standard -17 on Segment Reporting in the opinion of the management, are considered to one single Primary Segment.
21. There were no dues outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors (Previous Year – Nil).
22. The Group Companies whom Non Banking Financial Company (NBFC) norms applicable are required to create Special Reserve out of the profits after tax for the year in compliance of Section 45-IC. However, in view of Losses during the year, the Group Companies has not created any Special Reserve.
23. No Deferred Tax Assets have been recognized on the carried forward Losses as per the Income Tax Act, 1961 considering the prudence aspect. However, the position would be reviewed on yearly basis.
24. In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made of funds all known liabilities.
25. While determining diminution, other than temporary, in the value of the long term quoted investments, the objective of such investments and the asset base of the investee companies have been considered. In view thereof, the decline, if any, in the market value of such investments is considered to be of a temporary nature.
26. The accounts of Group Companies registered with the Reserve Bank of India (RBI) as NBFC have been prepared on the basis of relevant RBI guidelines.
27. In case of associate, in the opinion of management amount of Gratuity is not certain therefore not provided.
28. Earnings Per Share

Particulars	For the Year Ended March 31,2018	For the Year Ended March 31,2017
(a) Calculation of weighted average number of Equity Shares of Rs. 10/- each		
No. of Equity Shares at the beginning of the year	19,92,000	19,92,000
Equity Shares issued during the year	NIL	NIL
Total number of Equity Shares outstanding at the end of the year	19,92,000	19,92,000
(b) Net Profit / (Loss) after tax available for equity shareholders (Rs.)	(1,30,83,858)	35,29,581
(c) Basic and diluted Earnings per Equity Share of Rs. 10/- each	(6.57)	1.77

29. The Group Companies registered with the Reserve Bank of India as a NBFC have been legally advised that the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Companies.

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KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

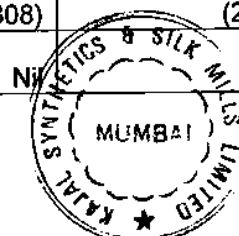
30. Additional information as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Associate Companies:

Name of Entities	Net Assets i.e. Total Assets minus Total Liability		Share in profit or loss	
	As % of Consolidated net assets	Amount (Rs.)	As % of Consolidated profit or loss	Amount (Rs.)
Parent				
Kajal Synthetics And Silk Mills Limited	101.43%	22,81,14,801	97.63%	(1,27,73,898)
Associates				
Five Star Trading & Investment Company Limited	5.03%	1,13,08,942	1.97%	(2,57,653)
Park Avenue Engineering Limited	8.88%	1,99,70,406	0.40%	(52,308)
Sub Total		3,12,79,348		(3,09,960)
Inter Company elimination and Consolidation Reserve	-15.34%	(3,44,90,271)	0.00%	-
Grand Total	100.00%	22,49,03,878	100.00%	(1,30,83,858)

31. Statement pursuant to section 129(3) of the Companies Act, 2013 relating to Associate Companies :-:

Name of Associate Company	Park Avenue Engineering Ltd.	Five Star Trading And Investment Company Ltd.
Latest audited Balance Sheet Date	31-03-2018	31-03-2018
Date on which the Associate was associated or acquired	24.03.2008	26.03.2008
Share of Associate held by the company on the year end:		
Number of Shares	21,54,250	1,20,001
Amount of Investment in Associates (In lacs)	2,24,60,251	12,030,020
Extend of Holding (%)	44.11%	47.05%
Description of how there is significant influence	Refer Note 1	Refer Note 1
Reasons why the associate is not consolidated	NA	NA
Net worth attributable to shareholding as per latest Audited Balance Sheet	2,24,38,103	1,95,66,943
Profit or Loss for the year		
i. Considered in Consolidation	(52,308)	(2,57,653)
ii. Not Considered in Consolidation	Nil	Nil

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KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 1:

- a) There is a significant influence due to percentage (%) of share capital.
- b) The above statement also indicates Performance of the Associates.
- c) Name of associate which are yet to commence operations : None
- d) Name of associate which have been liquidated or sold during the year: None

32. Related Party Disclosures:-

I. Key Management Personnel / Directors :

- a) Shri G. M. Loyalka Director

II. Other Related Parties with whom the company had transactions:-

III.

Name of the Company	Nature of Relationship	Nature of Transaction
Benhur Investment Company Private Limited*	Associate Company	Nil
Five Star Trading & Investment Company Limited	Associate Company	Nil
Mragya Finance & Investment Private Limited *	Associate Company	Nil
Pick-Me Quick Holdings Private Limited *	Associated Company	Nil
Park Avenue Engineering Limited	Assocaite Company	Nil

*In respect of which the Company is an Investee

IV. During the year, there were no transactions with any of the related parties.

33. Previous year's figures have been regrouped/reclassified wherever necessary to confirm with the current year's classification/disclosure.

As per our report of even date attached

For K K KHADARIA & CO,
Chartered Accountants,
Firm Registration No. 105013W

AJAY DAGA
PARTNER
Membership No.: 44162

For and on behalf of the Board of Directors

G.M.Loyalka
Director
DIN: 00299416

Rajshree Tapuria
Director
DIN: 01655859



Disha Jain
Company Secretary

Mumbai:
Date: **3 1 AUG 2018**

K K KHADARIA & Co

CHARTERED ACCOUNTANTS

Office : 401 - A, Pearl Arcade, Opp. P. K. Jewellers, Off J. P. Road, Andheri (W), Mumbai - 400 058.
Tel. : 022 - 26778155, 26797750, 26783178 • Telefax : 022 - 26781187

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAJAL SYNTHETICS AND SILK MILLS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Kajal Synthetics and Silk Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance & 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 of 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 these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 auditors' 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.

7. 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

8. 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, 2018, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

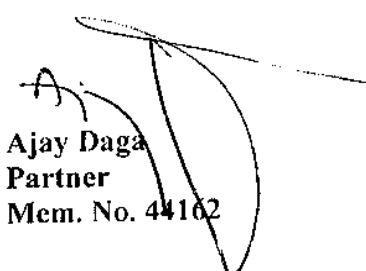
10. As required by Section 143(3) of the Act, we report that:

- (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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2018.

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- iii. There has not been an occasion in case of the Company during the year under report to transfer any amounts to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such amounts does not arise.

For K K Khadaria & Co.
Chartered Accountants
(Firm Regn. No. 105013W)



Ajay Daga
Partner
Mem. No. 44162

Place : Mumbai
Dated : 29th May, 2018

**ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph (9) of our Report of even date)**

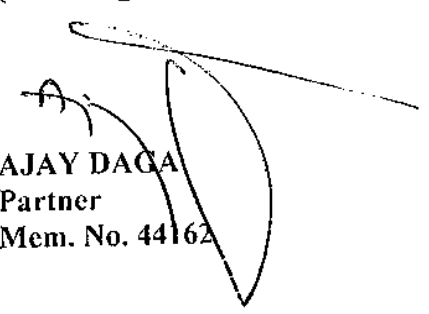
1. As the Company does not own any fixed asset, Clause 3 (i) (a) of the Order relating to maintenance of records showing full particulars including quantitative details and situation of fixed assets and clause 3(i) (b) relating to physical verification thereof, are not applicable.
2. The Company does not have any inventories. Hence reporting under clause 3(ii) of the Order is not applicable to the Company.
3. As informed to us, the Company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. There are no firms/LLP/other parties which are covered in the said register.
4. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act are not applicable to the Company.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty & Value Added Tax that have not been deposited with the appropriate authorities on account of any dispute.
8. According to information and explanation given to us the Company has not taken any loan or borrowing from financial institution, bank or debenture holders during the year therefore, the said clause is not applicable to the Company.
9. The Company did not raise any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The Company has neither paid nor provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.



13. The Company has not entered into any transactions with related parties during the financial year as defined under section 188 of the Act. Accordingly, the provisions of clause 3(xiii) of the order are not applicable to the Company.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. On examination of relevant records and according to the information and explanations given to us, the Company is required to be registered under section 45-1A of Reserve Bank of India Act, 1934 and holds a valid certificate of registration under the same.

**For K K Khadaria & Co.
Chartered Accountants
(Firm Regn. No. 105013W)**


**AJAY DAGA
Partner
Mem. No. 44162**

Place : Mumbai
Dated : 29th May, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 10(f) of the Independent Auditor's Report of even date to the members of Kajal Synthetics and Silk Mills Limited on the financial statements for the year ended 31st March, 2018

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

1. We have audited the internal financial controls over financial reporting of Kajal Synthetics and Silk Mills Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

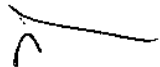
2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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

3. 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 Standards on Auditing prescribed under section 143(10) of Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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.
5. 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

6. 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



KAJAL SYNTHETICS AND SILK MILLS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,99,20,000	1,99,20,000
Reserves and Surplus	3	20,81,94,801	22,09,68,699
Non-Current Liabilities			
Other- Non current liabilities	4	1,48,952	1,57,344
Current Liabilities			
Short-term borrowings	5	83,00,00,000	53,00,00,000
Other current liabilities	6	1,23,900	89,250
Short-term provisions	7	15,94,632	12,98,300
Total		<u>1,05,99,82,285</u>	<u>77,24,33,593</u>
ASSETS			
Non-current assets			
Non-current investments	8	41,13,88,520	23,71,40,176
Long term loans and advances	9	70,52,808	1,47,01,650
Current assets			
Current investments	10	3,52,206	6,03,385
Cash and Cash Equivalents	11	32,50,917	5,23,223
Short-term loans and advances	12	61,02,85,000	50,13,95,000
Other current assets	13	2,76,52,834	1,80,70,159
Total		<u>1,05,99,82,285</u>	<u>77,24,33,593</u>
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date,

For K K KHADARIA & CO.

Chartered Accountants

Firm Reg. No.105013W

AJAY DAGA
Partner
Membership No. 44162

Place : Mumbai

Date : **29 MAY 2018**



For and on behalf of the Board of Directors

G.M. Loyalka
Director
DIN : 00299416

Naveen Bhatler
Director
DIN : 00503756

Disha Jain
Company Secretary

KAJAL SYNTHETICS AND SILK MILLS LIMITED

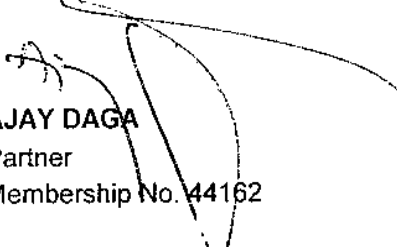
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Note No.	For the Year ended on March 31, 2018 Rs.	For the Year ended on March 31, 2017 Rs.
INCOME			
Revenue from Operations	14	4,82,71,626	2,02,35,269
Other Income	15	4,47,022	39,61,434
Total Revenue		<u>4,87,18,648</u>	<u>2,41,96,703</u>
EXPENSES			
Employee benefit expenses	16	6,01,927	5,32,615
Finance Cost	17	5,97,29,697	1,95,86,028
Other expenses	18	11,95,657	19,20,634
Total Expenses		<u>6,15,27,281</u>	<u>2,20,39,277</u>
Profit/(Loss) Before Tax		(1,28,08,633)	21,57,426
Tax expenses:			
Current tax		-	-
Tax adjustments for earlier years		34,735	-
		<u>34,735</u>	<u>-</u>
Profit/(Loss) for the year		<u>(1,27,73,898)</u>	<u>21,57,426</u>
Earnings per equity share of face value of Rs. 10 each			
Basic and Diluted in Rs.		(6.41)	1.08
Significant Accounting Policies	1		

The accompanying notes are an integral part of the
Financial Statements

As per our report of even date,
For K K KHADARIA & CO.

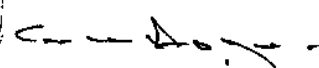
Chartered Accountants
Firm Reg. No.105013W

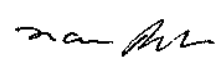

AJAY DAGA
Partner
Membership No. 44162

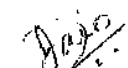
Place : Mumbai
Date : 15/05/2018



For and on behalf of the Board of Directors


G.M. Loyalka
Director
DIN : 00299416


Naveen Bhatler
Director
DIN : 00503756


Disha Jain
Company Secretary

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	2017-18 Rupees	2016-17 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	(1,28,08,633)	21,57,426
ADJUSTMENTS		
Contingent provision against Standard Asset	2,96,332	12,85,812
Profit on sale of Current Investment (Net)	(3,57,973)	(51,067)
Provision for diminution in the value of Investments written back	-	(38,68,017)
Operating profit before working capital changes	(1,28,70,274)	(4,75,846)
Short term Loans & Advances	(10,88,90,000)	(49,79,50,000)
Other Current Assets	(95,82,675)	(1,72,07,593)
Long Term Loans & Advances	1,23,00,000	(1,24,30,950)
Other- Non Current Liabilities	(8,392)	1,57,344
Short term Provisions	34,650	(28,500)
Cash generated from operations	(11,90,16,691)	(52,79,35,545)
Less : Direct Tax paid (net of refunds)	(46,16,423)	(19,99,395)
Net cash flow from operating activities	(12,36,33,114)	(52,99,34,940)
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Purchases of Current investment	(8,74,00,000)	(6,00,000)
Sale of Current investments	8,80,09,153	8,50,000
Purchases of Non Current investment	(17,42,48,344)	-
Sale of Non Current investments	-	-
Net cash flow from investing activities	(17,36,39,191)	2,50,000
C. CASH FLOW FROM FINANCING ACTIVITIES :-		
Short Term Borrowings	30,00,00,000	53,00,00,000
Net cash flow from Financing activities	30,00,00,000	53,00,00,000
Net increase in cash & cash equivalent (A+B+C)	27,27,695	3,15,060
Cash and cash equivalents at the beginning of the year	5,23,223	2,08,162
Cash & Cash equivalents at the end of the year	32,50,917	5,23,223

Notes: 1) The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
2) Figures in brackets indicate cash outgo.
3) Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

This is the Cash Flow Statement referred to in our attached report of even date

For K K KHADARIA & CO.
Chartered Accountants
Firm Reg. No.105013W

AJAY DAGA
Partner
Membership No. 44162



For and on behalf of the Board of Directors

(G.M. Loyalka)
Director
DIN : 00299416

(Naveen Bhattar)
Director
DIN : 00503756

Place : Mumbai
Date : 29 MAY 2018

Disha Jain
Company Secretary

KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

Note 2 - SHARE CAPITAL

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
2 Authorised Share Capital		
20,00,000 (31 March 2017 : 20,00,000) Equity Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
	<u>2,00,00,000</u>	<u>2,00,00,000</u>
Issued, Subscribed and paid-up :		
19,92,000 (31 March 2017 : 19,92,000) Equity Shares of Rs. 10/- each	1,99,20,000	1,99,20,000
Total	<u>1,99,20,000</u>	<u>1,99,20,000</u>
2.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :		
Shares outstanding at the beginning of the year	19,92,000	19,92,000
Changes during the year	-	-
Shares outstanding at the end of the year	<u>19,92,000</u>	<u>19,92,000</u>

2.2 Terms/Rights attached to equity shares:

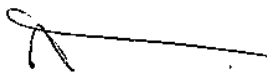
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend, if any proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2018, the amount of dividend per share recognized as distributions to equity shareholders was Rs. Nil (Previous Year Rs. Nil)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the No. of equity shares held by the shareholders.

2.3 Details of Equity shareholders holding more than 5 % shares in the Company

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No.of Shares held	% of holding	No.of Shares held	% of holding
Pick-Me-Quick Holdings Private Limited	4,20,100	21.09%	4,20,100	21.09%
Peigeon finance And Investment Private Limited	3,96,050	19.88%	3,96,050	19.88%
Benhur Investment Company Private Limited	4,52,650	22.72%	4,52,650	22.72%
Mragya Finance & Investment Private Limited	4,67,200	23.45%	4,67,200	23.45%
Five Star Trading & Investment Company Limited	2,41,000	12.10%	2,41,000	12.10%




KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2018

	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	Rs.	Rs.	Rs.
Note 9 - LONG TERM LOANS AND ADVANCES				
Unsecured, considered good				
Capital Advance		-		1,23,00,000
Advance Income Tax (Net of provisions for tax)				
Taxes Paid	70,52,808			25,81,650
Less : Provision for Taxes	-	70,52,808		(1,80,000)
Total		<u>70,52,808</u>		<u>24,01,650</u>
				<u>1,47,01,650</u>

Note 10 - CURRENT INVESTMENTS

Investment in Mutual Funds

Unquoted - fully paid up	Face Value	No. of Units	Face Value	No. of Units
	(Rs.)		(Rs.)	
Aditya Birla Sun Life Cash Plus - Growth Regular F	100	1,287.594	3,52,206	100
				2,385.434
Total		<u>3,52,206</u>		<u>6,03,385</u>

	Book Value		Repurchase Value	
	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)
Aggregate of Unquoted Investments	3,52,206	6,03,385	3,58,252	6,21,437
	<u>3,52,206</u>	<u>6,03,385</u>	<u>3,58,252</u>	<u>6,21,437</u>

Note 11 - CASH AND CASH EQUIVALENTS

	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	Rs.	Rs.	Rs.
Cash on Hand		2,022		365
Balance with a Bank on Current Account		32,48,895		5,22,858
Total		<u>32,50,917</u>		<u>5,23,223</u>

Note 12 - SHORT TERM LOANS AND ADVANCES

Unsecured, considered good		
	Rs.	Rs.
Short Term Loans	61,02,00,000	50,12,50,000
Loans		
Advance to an employee	85,000	1,45,000
Total	<u>61,02,85,000</u>	<u>50,13,95,000</u>

Note 13 - OTHER CURRENT ASSETS

Other Advances		
	Rs.	Rs.
	2,76,52,834	1,80,70,159
Total	<u>2,76,52,834</u>	<u>1,80,70,159</u>



Note - 28

In compliance with AS-20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India the disclosures are as follows

Particulars	2017-18	2016-17
Calculation of Weighted average number of Equity Shares of Rs. 10/- each, fully paid up		
Number of shares at the beginning of the year	19,92,000	19,92,000
Shares issued during the year	Nil	Nil
Total number of equity shares shares outstanding at the end of the year	19,92,000	19,92,000
Net Profit after tax available for equity shareholders (Rs.)	(1,27,73,898)	21,57,426
Basic and diluted earnings per share (Rs.)	(6.41)	1.08

Note - 29

The Management has identified the following companies and individuals as Related Parties of the Company for the year ended March 31, 2018 for the purpose of reporting of Related Party disclosure as required in terms of Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

Name of the Related Parties :

- 1) Key Management Personnel /Directors :
 - a. Shri G.M.Loyalka Director

- 2) Name of the Related Parties:

Name of the Party	Nature of relationship	Nature of Transaction
Benhur Investment Company Private Limited *	Associate Company	Nil
Five Star Trading & Investment Company Limited	Associate Company	Nil
Mragya Finance & Investment Private Limited *	Associate Company	Nil
Pick-Me-Quick Holdings Private Limited *	Associate Company	Nil
Park Avenue Engineering Limited	Associate Company	Nil

* In respect of which the Company is an Investee

The Company has confirmed that none of the transactions, if any, with the related parties were in material conflict with the interest of the Company.

Note - 30

Previous year's figures have been regrouped/reclassified wherever necessary to conform with the current year's classification/disclosure.

As per our report of even date,
For K K KHADARIA & CO.
Chartered Accountants
Firm Reg. No. 105013W

For and on behalf of the Board of Directors

AJAY DAGA
Partner
Membership No. 44162

G.M. Loyalka
Director
DIN : 00299416

Naveen Bhatler
Director
DIN : 00503756

Disha Jain
Company Secretary



Place : Mumbai
Date : 29 MAY 2018

Kajal Synthetics And Silk Mills Limited

CIN No. L17110MH1985PLC035204

Regd. Office : 29, Bank Street, 1st Floor, Fort, Mumbai - 400 001

Email : kajalsyntheticsandsilk@gmail.com

Website : www.kajalsynthetics.com

8th December, 2018

BSE Limited
P. J. Tower,
Dalal Street,
Fort, Mumbai

Ref : Scrip Code : 512147

Dear Sir,

Sub: Annual Report for the Financial Year 2017-18

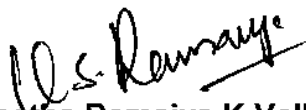
Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report for the financial year 2017-18

Kindly take the above information on record and oblige.

Thanking you.

Yours faithfully,

For Kajal Synthetics and Silk Mills Limited


Seetha Ramaiya K Vellore
Managing Director
(DIN 08216198)



KAJAL SYNTHETICS AND SILK MILLS LIMITED
Annual Report
2017-18

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN : L17110MH1985PLC035204
Regd. Office: 29, Bank Street, 1st Floor, Fort, Mumbai 400 001
Telephone No. : 9821903049, Website: www.kajalsynthetics.com
Email: kajalsyntheticsandsilk@gmail.com

DIRECTORS REPORT

To,
The Members,

The Directors of your Company are pleased to present their Thirtieth Annual Report and the Audited Financial Statements of **Kajal Synthetics and Silk Mills Limited** for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended 31st March, 2018 is summarized below:

	Year Ended 31 st March 2018 Rs.	Year Ended 31 st March 2017 Rs.
Income	4,87,18,648	2,41,96,703
Expenses	6,15,27,281	2,20,39,277
Profit / (Loss) before tax	(1,28,08,633)	21,57,426
Tax expenses:		
Current Tax		Nil
Tax adjustment of Earlier years	34,735	Nil
Profit after tax	(1,27,73,898)	21,57,426

PERFORMANCE REVIEW

During the year under review, the Company has incurred loss of Rs 1,27,73,898/- (Previous Year Net Profit After Tax of Rs. 21,57,426/-). Your Directors are hopeful of achieving even better performance in the current year.

The Company is engaged in the business of Financing and Investment activities. There have been no change in the business of the Company during the financial year under review.



FINANCE

Your Company has made provisions for sufficient borrowing facilities to meet its long-term and short-term requirements in order to support the business operations uninterrupted.

DIVIDEND

In view of the loss during the year under review, your Directors do not recommend any dividend for the year under review.

TRANSFER TO RESERVES

In view of losses during the year under review, the Company has transferred Rs. Nil (Previous Year Rs.4,31,485/-) to Reserve Fund under RBI Act, 1934

PUBLIC DEPOSIT

During the year, the Company has not accepted or renewed any deposit from the public as covered under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

The Authorised Share Capital as on 31st March, 2018 was Rs.2,00,00,000 /-(Rupees Two Crore Only) divided into 20,00,000 Equity Shares of Rs. 10/- each.

There has been no change in the Share Capital of the Company during the financial year 2017-18.

The Issued Share Capital as on 31st March, 2018 was Rs 1,99,20,000/- (Rupees One Crore Ninety Nine Lac Twenty Thousand Only) divided into 19,92,000 Equity Shares of Rs. 10/- each.

SUBSIDIARY:

As at the end of the year under review i.e. on 31st March, 2018 and also as on the date of this report, your Company does not have any Subsidiary.



EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure I**.

PARTICULARS OF EMPLOYEES

The information regarding employee remuneration and other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure II**. Further Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required as there are no employees in the Company for this category.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company had not entered into any transactions as enumerated in section 188 of Companies Act, 2013 and rules made thereunder with its related party as defined under section 2(76) of the Act,

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements are commensurate with the size of the Company and nature of its business.

Compliance processes form an integral part of your Company's Corporate governance practices and is fundamental to achieving its strategic and operational business objectives.

RISK MANAGEMENT

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect value to shareholders/ stakeholders, ability of company to achieve objectives, ability to implement business strategies, the manner in which the company operates.



Investment business is always prone to various external risks i.e. risk of capital market fluctuations, global developments, competition risk, interest rate volatility, economic cycles and geo-political risks which can adversely affect the fortunes of investment companies in both ways. To manage these identified risks, your Company adopted a sound and prudent risk management policy to mitigate the risk and challenges. The objectives of the risk policy is to minimize risk and maximize the returns.

In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration, framed policy for selection and appointment of Directors, Senior Management and their remuneration.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub-Section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that:-

- i) in the preparation of the annual accounts for the year ended 31 March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2018 and of the loss of the Company for year ended on that date;
- iii) the Directors have 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 have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down internal financial controls and that such internal financial controls are adequate and are operating effectively; and
- vi) 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.



CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statement of your Company for the Financial Year 2017-18 is prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy.

PREVENTION OF INSIDER TRADING:

The Company has adopted a code of conduct for Prevention of Insider Trading with a view to regulate trading in securities by Directors and designated employees of the Company. The Code of conduct require pre-disclosure for dealing in the Company's Shares and prohibit the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when trading windows is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed the compliance of the Code

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the Audited Financial Statements, wherever applicable.

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

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

There were no foreign exchange earnings and outgoings during the year under review.



STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES , ASSOCIATE OR JOINT VENTURES

Pursuant to sub-section (3) of Section 129 of the Act, a statement containing the salient features of the financial statement of Company's subsidiary, associate and Joint Venture Company is required to be given.

The Company does not have any subsidiary. Further, brief about the only following Associate Companies, is given hereunder:

1. Park Avenue Engineering Limited (Associate)

Park Avenue Engineering Limited (Park Avenue) is registered with Reserve Bank of India (RBI) as Non-Banking Financial Company (NBFC) in the category of the Company not accepting / holding public deposits.

The Total Revenue of Park Avenue during Financial Year 2017-18 was Rs.9.16 Lacs and Net Loss After Tax was Rs. 5.75 Lacs

2. Five Star Trading & Investment Company Limited (Associate)

Five Star Trading & Investment Company Limited (Five Star) has paid up capital of Rs. 25,50,500/-. It does not have any substantial business.

The Total Revenue of Five Star during Financial Year 2017-18 was Rs. 26.84 Lacs and Net Profit After Tax was Rs. 10.29 Lacs

The details of Company's subsidiary, associate and Joint Venture Company as on 31st March, 2018 is given in **Annexure III**

DIRECTORS

Mr. Naveen Bhattar (DIN No: 00503756) retire by rotation from the Board and being eligible offers himself for re-appointment.

The requisite Notice under section 160 of the Act proposing Mr. Seetha Ramaiya K. Vellore as candidate for the office of Director. The consent has been filed by Mr. Seetha Ramaiya K. Vellore under section 152 of the Act. The Board of Director on the recommendation of Nomination and Remuneration Committee ("Committee"), included the resolution for appointment of Mr. Seetha Ramaiya K. Vellore as Director, liable to retire by rotation.

On recommendation of Nomination and Remuneration Committee and provisions of Schedule V of the Companies Act, 2013, the Board recommends the Appointment of Mr. Seetha Ramaiya K. Vellore as Managing Director for the approval of the Members by Ordinary Resolution.



INDEPENDENT DIRECTORS' MEETING:

Pursuant to Part VII of Schedule IV of the Companies Act, 2013 and provisions of Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors had separate meeting without attendance of Non-Independent Directors during the year and have reviewed the performance of Non-Independent Directors and the Board of Directors as a whole. The Independent Directors assessed the quality, quantity and timeliness of information between the Company and the management and the Board

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEE AND INDIVIDUAL DIRECTOR

As per Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board has also made the formal evaluation of its own performance as well as the evaluation of working of Audit Committee and Nomination & Remuneration Committee. The Board has also evaluated performance of Independent Directors.

DECLARATION OF INDEPENDENCE

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from each of the Independent Directors confirming that he/she is not disqualified from appointing/continuing as an Independent Director.

BOARD MEETINGS

During the year under review, Five meetings of the Board of Directors of the Company were held i.e on 30.05.2017, 10.08.2017, 31.08.2017, 13.11.2017 and 12.02.2018 & Five meeting of Audit Committee were held on 30.05.2017, 10.08.2017, 31.08.2017, 13.11.2017 and 12.02.2018. The Nomination and Remuneration Committee has also met on 12.02.2018.

The intervening gap between the meetings was within the period prescribed under the provisions of the Companies Act, 2013.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

M/s K. K. Khadaria & Co, Chartered Accountants, Mumbai (Firm Registration No. 105013W) were appointed as Statutory Auditor of the Company at 29th Annual General Meeting of the financial year ended 31.03.2017 to hold office for the period of 5 years till the conclusion of 34th Annual General Meeting subject to ratification of his appointment at every Annual General Meeting. The consent and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if



appointed at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under section 139 of the Act and Rules framed thereunder. The Board recommend ratification of appointment of M/s K. K. Khadaria & Co., Chartered Accountants, Mumbai (Firm Registration No. 105013W) at ensuing 30th Annual General Meeting.

AUDITORS' REPORT ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments from your Board. The Auditors Report does not contain any qualification, reservation or adverse remark or reporting of any fraud.

CORPORATE GOVERNANCE:

Corporate Governance provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 specified in regulations from 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C,D,E of Schedule V are not applicable to the Company as neither the paid up equity share capital of the Company exceed Rs. 10.00 Cr nor net worth of the Company exceed Rs. 25.00 Cr as on 31st March, 2018

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed, M/s Girish Murarka & Co., Company Secretaries in Practice having Membership Number 7036 to undertake the secretarial audit of the Company. Secretarial Audit Report for the year 2017-18 as issued by him in the prescribed form MR-3 is annexed to this Report as **Annexure IV**. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by secretarial auditor.

COST AUDIT

The provisions of Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

OTHER DISCLOSURES

- Your Company has not issued: -
 - Any shares with differential rights;
 - Any sweat equity shares
- There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.




- There were no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report.
- There was no revision in the financial statements.
- Your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

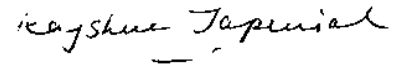
APPRECIATION

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and unstinted support received from them during the year and look forward to their continued support in future.



**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**


G. M. Loyalka
Director
(DIN: 00299416)


Rajshree Tapuriah
Director
(DIN: 01655859)

Place : Mumbai
Date : 31.08.2018

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

as on the financial year ended on March 31, 2018
of

KAJAL SYNTHETICS AND SILK MILLS LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L17110MH1985PLC035204
ii) Registration Date: 29.01.1985
iii) Name of the Company: Kajal Synthetics and Silk Mills Limited
iv) Category / Sub-Category of the Company: Company having Share Capital
v) Address of the Registered Office and contact details: 29, Bank Street, First Floor, Fort, Mumbai 400 001
vi) Whether listed company Yes
vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol, Naka, Andheri (E), Mumbai 400 059
Tele: 022-4227 0400

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Investment Activity	64200	100%



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	CIN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	Park Avenue Engineering Limited	U27200MH1985PLC035603	Associate	44.11	Section 2(6)
2	Five Star Trading & Investment Company Limited	U67120MH1982PLC027789	Associate	47.05	Section 2(6)

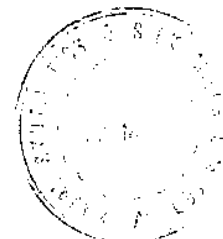
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	8,63,250	4,20,100	1283350	64.43	1283350	0	1283350	64.43	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL:(A) (1)	8,63,250	4,20,100	1283350	64.43	1283350	0	1283350	64.43	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	



d) Banks/FI	0	0	0	0.00	0	0	0	0.00	
e) Any other...	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	8,63,250	4,20,100	1283350	64.43	1283350	0	1283350	64.43	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
c) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(1):	0	0	0	0.00	0	0	0	0.00	0
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	693650	693650	34.82	0	693650	693650	34.82	0
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	15000	15000	0.75	0	15000	15000	0.75	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00	0	0	0	0.00	0
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(2):	0	708650	708650	35.57	0	708650	708650	35.57	0



Total Public Shareholding (B)= (B)(1)+(B)(2)	0	708650	708650	35.57	0	708650	708650	35.57	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	0	1992000	1992000	100.00	863250	1128750	1992000	100.00	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mragya Finance and Investment Private Limited	467200	49.55	0	467200	49.55	0	0
2	Peigeon Finance and Investment Private Limited	396050	19.88	0	396050	19.88	0	0
3	Pick Me Quick Holdings Private Limited	420100	21.09	0	420100	21.09	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the shareholding of the Promoter



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

Sr.No	For Each of the Top 10 Shareholders	Date of Change	Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	No. of shares	No. of shares	% of total shares of the Company
1	Benhur Investment Company Pvt. Ltd	No Change	452650	22.72	452650	22.72
2	Five Star Trading & Investment Company Limited	No Change	241000	12.09	241000	12.09
3	Lakhwani Krishnachand	No Change	100	0.01	100	0.01
4	Bala Jajoo	No Change	100	0.01	100	0.01
5	Sushila Devi Jain	No Change	100	0.01	100	0.01
6	Pramil Mathur	No Change	100	0.01	100	0.01
7	Renu Bhandari	No Change	100	0.01	100	0.01
8	Rekha Kothari	No Change	100	0.01	100	0.01
9	Dinesh Mundra	No Change	100	0.01	100	0.01
10	B. B. Chandak	No Change	100	0.01	100	0.01

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans Amount (Rs.)	Deposits	Total Indebtedness Amount (Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount*	Nil	53,00,00,000	Nil	53,00,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil



Change in Indebtedness during the financial year				
* Addition	Nil	83,00,00,000	Nil	83,00,00,000
* Reduction	Nil	53,00,00,000	Nil	53,00,00,000
Net Change	Nil	30,00,00,000	Nil	30,00,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	83,00,00,000	Nil	83,00,00,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	83,00,00,000	Nil	83,00,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
Not Applicable since there is no MD / WTD / Manager in the Company

B. Remuneration to other directors: Nil

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

Sr. No.	Name of the Employee	Designation	Total Remuneration Paid
01	Dish Hitesh Jain	Company Secretary and Compliance Officer	3,00,000/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited



G. M. Loyalka
G. M. Loyalka
Director
(DIN: 00299416)

Rajshree Tapuriah
Rajshree Tapuriah
Director
(DIN: 01655859)

Place : Mumbai
Date : 31.08.2018

DETAILS PERTAINING TO REMUNEATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) Remuneration paid to Company Secretary during FY 2017-18 is Rs. 3,00,000/-
- No remuneration paid to the Director during FY 2017-18. Hence ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year is Nil.
- (ii) The Median remuneration of employee during FY 2017-18 was Rs. 3,00,963/-
- (iii) In the FY 2017-18, there was no increase in the Remuneration of the Employee.
- (iv) There were only two employee on the pay roll of the Company as on 31.03.2018.
- (v) There was no Average Percentage increase in the Salary of the Employee.
- (vi) It is hereby affirmed that the remuneration is paid as per the remuneration policy.



**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures
Part "A": Subsidiaries**

Name of the subsidiary	Nil
1. Date on which the subsidiary was acquired	
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
3. Share capital	
4. Reserves & surplus	
5. Total assets	
6. Total Liabilities	
7. Investments	
8. Turnover	
9. Profit before taxation	
10. Provision for taxation	
11. Profit after taxation	
12. Proposed Dividend	
13. % of shareholding	

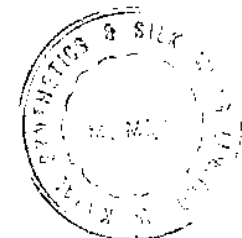
The following information shall be furnished:-

- 1. Names of subsidiaries which are yet to commence operations**
- 2. Names of subsidiaries which have been liquidated or sold during the year.**



Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures	Park Avenue Engineering Limited	Five Star Trading & Investment Company Limited
1. Latest audited Balance Sheet Date	31.03.2018	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired		
3. Shares of Associate/Joint Ventures held by the company on the year end		
No.	2154250	120001
Amount of Investment in Associates/Joint Venture	2,24,60,251/-	1,20,30,020/-
Extend of Holding %	44.11%	47.05%
4. Description of how there is significant influence	Since the Company holds more than 20% equity capital, significant influence is assumed.	Since the Company holds more than 20% equity capital, significant influence is assumed.
5. Reason why the associate/joint venture is not consolidated	N.A	N.A
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	2,06,78,695/-	1,95,66,943/-
7. Profit / Loss for the year i. Considered in Consolidation	(52,308)	(2,57,653)
ii. Not Considered in Consolidation	(66,277)	(5,47,615)



The following information shall be furnished:-

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited



G. M. Loyalka

G. M. Loyalka
Director
(DIN: 00299416)

Rajshree Tapuriah

Rajshree Tapuriah
Director
(DIN: 01655859)

Place : Mumbai

Date : 31.08.2018

COMPLIANCE CERTIFICATE
[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015

The Board of Directors
KAJAL SYNTHETICS AND SILK MILLS LIMITED

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief certify that:

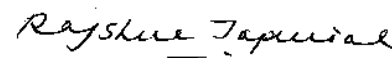
1. We have reviewed the financial statement and Cash Flow Statement both on standalone and consolidated basis for the year ended on 31.03.2018 and to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material facts or contain any statement that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
2. We are to the best of their knowledge and belief, no transaction entered into by the Company during year ended 31st March, 2018 which are fraudulent, illegal or violating of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps have been taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee that there is no:
 - a) significant changes in the internal controls over financial reporting
 - b) significant change in accounting policies and the same have been disclosed in the notes to the financial statements and
 - c) instances of significant fraud of which we have become and the involvement therein, if any, of the management or employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited**



Place: Mumbai
Date : 31.08.2018


G. M. Loyalka
Director
(DIN: 00299416)


Rajshree Tapuria
Director
(DIN: 01655859)

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

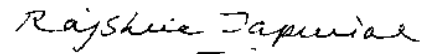
As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board Members and the Senior Management Personnel have confirmed compliance with Code of Conduct for the year ended 31st March, 2018

For and on behalf of the Board of Directors of
Kajal Synthetics and Silk Mills Limited



Place: Mumbai
Date : 31.08.2018


G. M. Loyalka
Director
(DIN: 00299416)


Rajshree Tapuriah
Director
(DIN: 01655859)

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN : L17110MH1985PLC0035204
Regd. Office: 29, Bank Street, First Floor, Fort, Mumbai 400 001
Website: www.kajalsynthetics.com
Email: kajalsyntheticsandsilk@gmail.com

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of Kajal Synthetics and Silk Mills Limited will be held on Monday, the 24th day of September, 2018 at 4.30 PM at the Registered Office of the Company at 29, Bank Street, First Floor, Fort, Mumbai 400 001 to transact the following business :

Ordinary Business:

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended on 31st March, 2018 and the Board's and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Naveen Bhattar (DIN No: 00503756) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved That pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and Rules made therein , the appointment of M/s K.K. Khadaria & Co., Chartered Accountants, Mumbai, (Firm Registration No. 105013W), having their office at 401-A, Pearl Arcade, Opp. P. K. Jewellers, Dawood Baug Road, Andheri (West), Mumbai 400 058 who were appointed as Statutory Auditor to hold the office from conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting be and is hereby ratified, at such remuneration (including re-imbusement of out of pocket expenses) as may be decided by the Board of Directors of the Company in consultation with M/s M/s K.K. Khadaria & Co, Chartered Accountants, Mumbai."

Special Business:

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

RESOLVED THAT pursuant to the provision 149, 152 and other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rule, 2014, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Seetha Ramaiya K. Vellore, in respect of whom the Company has received notice in writing from member under section 160 of the Companies Act, 2013, signifying his intention to



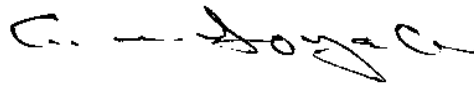
propose Mr. Seetha Ramaiya K. Vellore as candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation

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

RESOLVED FURTHER THAT Pursuant to section 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and subject to approval of Central Government, if any and such other consent and permission as may be necessary and subject to such modifications, variations acceptable to the appointee, the Company approve the appointment of Mr. Seetha Ramaiya K. Vellore as the Managing Director of the Company for the period of Two year from 1st October, 2018 to 30th September, 2020 at remuneration of Rs. 13,52,650/- p.a. (Rupees Thirteen Lac Fifty Two Thousand Six Hundred Fifty only) as approved by Remuneration Committee in its meeting.

RESOLVED FURTHER THAT where in any financial year, the Company has no profit or its profit are inadequate, the foregoing amount of remuneration shall be the Minimum Remuneration payable to Mr. Seetha Ramaiya K. Vellore.

By order of the Board of Directors



G. M. Loyalka
Director
(DIN: 00299416)



Place: Mumbai
Date: 31.08.2018

NOTES:


1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 setting out the material facts in respect of item No. 4 and 5 set out in the Notice is annexed hereto and forms part of this Notice.
2. **A member entitled to attend and vote at the 30th Annual General Meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.**


A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the Meeting.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Monday 17th September, 2018 to Monday, 24th September, 2018, (both days inclusive) for the purpose of AGM.
5. Members are requested to bring their copy of the Annual Report at the Annual General Meeting.
6. **EVOTING:**
 - i) Pursuant to Section 108 of the Companies Act, 2013 and in compliance with the provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to announce that all the business mentioned in the notice may be transacted through electronic voting system and the Company is providing facility by electronic means.
 - ii) For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Shareholders of the Company to cast their votes electronically.
 - iii) The Board of Directors of the Company has appointed Mr. Girish Murarka, Proprietor of M/s GIRISH MURARKA & CO. to conduct and scrutinize the e-voting process in a fair and transparent manner.
 - iv) Process and manner of voting:



By order of the Board of Directors of


G. M. Loyalka
Director
(DIN: 00299416)



Place: Mumbai
Date : 31.08.2018

GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To,

The Members

KAJAL SYNTHETICS AND SILK MILLS LIMITED

29, Bank Street,

First Floor, Fort,

Mumbai 400 001

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to corporate practices by **KAJAL SYNTHETICS AND SILK MILLS LIMITED** (herein after called "the Company") for the audit period covering the financial year ended on 31st March, 2018. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I, for the financial year ended on March 31, 2018, according to the provisions (to the extent applicable) of :
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of receipt of funds on non-repatriation basis from foreign investor;
 - 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, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009



GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
2. I have relied on the representations made by the Company and its Officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulation to the Company.
3. I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchange. During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. as mentioned above. The Company is in the process of appointing Key Managerial Personnel. During the period under review, provisions of the following regulations were not applicable to the Company:
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 - iii) Secretarial Standards issued by the Institute of Company Secretaries of India (since not approved by the Central Government)
4. I further report that –

The Board of Directors of the Company is duly constituted with five Directors including Woman Director / Independent Director

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

All resolutions / decisions at the Board and Committee Meeting are carried out unanimously as recorded in the minutes of meeting of the Board of Directors or the Committee.

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



GIRISH MURARKA & CO.

Company Secretaries

Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

I further report that during the audit year, there were no instances of

- i) Public Issue of Equity Shares & Equity Warrants / Sweat Equity
- ii) Buy-back of securities
- iii) Merger / Amalgamation / Reconstruction etc.
- iv) Foreign Technical Collaborations.

Place : Mumbai

Date : August 31, 2018



GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576



ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2017 and March 31, 2018
3. Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee along with attendance register held during the financial year under report
4. Minutes of General Body Meeting held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meeting and Committee Meeting
7. Declaration received from Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013
8. E-forms filed by the Company, from time to time, under the applicable provisions of the Companies Act, 1956/ 2013 and attachments thereof during the financial year under report.



K K KHADARIA & Co

CHARTERED ACCOUNTANTS

Office : 401 - A, Pearl Arcade, Opp. P. K. Jewellers, Off J. P. Road, Andheri (W), Mumbai - 400 058.
Tel. : 022 - 26778155, 26797750, 26783178 • Telefax : 022 - 26781187

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAJAL SYNTHETICS AND SILK MILLS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Kajal Synthetics and Silk Mills Ltd (hereinafter referred to as "Company") and its associates, comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms with section 134(5) of the Companies Act, 2013 (hereinafter referred "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance & consolidated cash flows of the Company including its associates 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. The respective Board of Directors of the Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes

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

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

Opinion

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

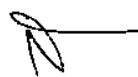
Other Matters

8. We did not audit the financial statements of the associate companies whose financial statements reflect net assets of Rs. 3,12,79,348 and share in loss of Rs. 3,09,960/- for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures to these Associates is based on the reports of the other auditors.
9. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

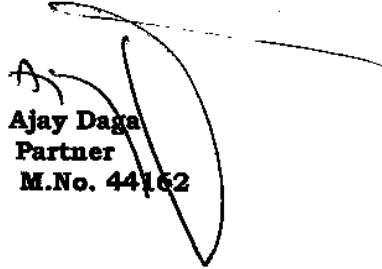
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law maintained by the Company and its associates including relevant record relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of books and records of the Company and its associates.
- c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained by the Company & its associates including the relevant records relating to preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated 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 of the Company and its associates as on 31st March, 2018 taken on record by the respective Board of Directors of the Company and of its associates, none of the director of the Company and its associates is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associates and the operating effectiveness of such controls, refer to our separate Report in Annexure "A"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. There were no pending litigations which would impact the Consolidated Financial position of the Company and its associates.
 - ii. The Company and its associates did not have any long-term contracts including derivative contracts as at 31st March, 2018.
 - iii. There has not been an occasion in case of the Company and its associates during the year under report to transfer any amounts to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such amounts does not arise.

For K K Khadaria & Co
Chartered Accountants
Firm Regn No: 105013W


Ajay Daga
Partner
M.No. 44162

Place : Mumbai
Dated : 31st August, 2018

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company and its associates have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company and its associates considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

Other Matters

9. Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate companies, is based on the corresponding report of the other auditor of the said associates. Our opinion is not qualified in respect of this matter.

**For K K KHADARIA & CO
CHARTERED ACCOUNTANTS
(FIRM REGN. NO. 105013W)**

**AJAY DAGA
PARTNER
M No. 44162**

Place : Mumbai
Dated : 31st August, 2018

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN No. L17110MH1985PLC035204
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,99,20,000	1,99,20,000
Reserves and Surplus	3	20,49,83,876	20,97,03,667
Non-Current Liabilities			
Other- Non current liabilities	4	1,48,952	1,57,344
Current Liabilities			
Short-term borrowings	5	83,00,00,000	53,00,00,000
Other current liabilities	6	1,23,900	89,250
Short-term provisions	7	15,94,632	12,98,300
Total		1,05,67,71,360	76,11,68,561
ASSETS			
Non-current assets			
Non-current investments	8	40,81,77,595	22,58,75,145
Long term loans and advances	9	70,52,808	1,47,01,650
Current assets			
Current investments	10	3,52,206	6,03,384
Cash and Cash Equivalents	11	32,50,917	5,23,223
Short-term loans and advances	12	61,02,85,000	50,13,95,000
Other current assets	13	2,76,52,834	1,80,70,159
Total		1,05,67,71,360	76,11,68,561


Significant Accounting Policies 1

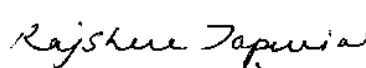
The accompanying notes are an integral part of the Financial Statements

As per our report of even date,
For K. K. KHADARIA & CO
Chartered Accountants
Firm Reg. No.105013W


AJAY DAGA
Partner
Membership No. 44162

For and on behalf of the Board of Directors


G.M. Loyalka
Director
DIN : 00299416


Rajshree Tapuria
Director
DIN : 01655859



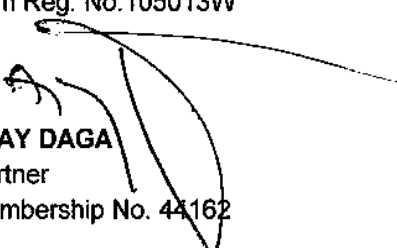


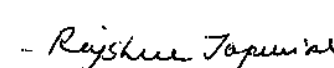


Disha Jain
Company Secretary

Place : Mumbai
Date : **31 AUG 2018**

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN No. L17110MH1985PLC035204

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Note No.	For the Year ended on March 31, 2018 Rs.	For the Year ended on March 31, 2017 Rs.
INCOME			
Revenue from Operations	14	4,82,71,626	2,02,35,269
Other Income	15	4,47,022	39,61,434
Total Revenue		4,87,18,648	2,41,96,703
EXPENSES			
Employee benefit expenses	16	6,01,927	5,32,615
Finance Cost	17	5,97,29,697	1,95,86,028
Other expenses	18	11,95,657	19,20,634
Total Expenses		6,15,27,281	2,20,39,277
Profit/(Loss) Before Tax		(1,28,08,633)	21,57,426
Tax expenses:			
Current tax		-	-
Tax adjustments for earlier years		34,735	-
		34,735	-
Profit/(Loss) for the year		(1,27,73,898)	21,57,426
Share of Profit of Associates		(3,09,960)	13,72,155
Profit/(Loss) after Tax And Share of Profit of Associates		(1,30,83,858)	35,29,581
Earnings per equity share of face value of Rs. 10 each			
Basic and Diluted in Rs.		(6.57)	1.77
Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements			
As per our report of even date, For K.K.KHADARIA & CO. Chartered Accountants Firm Reg. No.105013W		For and on behalf of the Board of Directors	
 AJAY DAGA Partner Membership No. 44162		 G.M. Loyalka Director DIN : 00299416	 Rajshree Tapuria Director DIN : 01655859
Place : Mumbai Date: 31 AUG 2018		 Disha Jain Company Secretary	

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	2017-18 Rupees	2016-17 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	(1,28,08,633)	21,57,426
ADJUSTMENTS		
Contingent provision against Standard Asset	2,96,332	12,85,812
Profit on sale of Current Investment (Net)	(3,57,973)	(51,067)
Provision for diminution in the value of Investments written back	-	(38,68,017)
Operating profit before working capital changes	(1,28,70,274)	(4,75,846)
Short term Loans & Advances	(10,88,90,000)	(49,79,50,000)
Other Current Assets	(95,82,675)	(1,72,07,593)
Long Term Loans & Advances	1,23,00,000	(1,24,30,950)
Other- Non Current Liabilities	(8,392)	1,57,344
Short term Provisions	34,650	(28,500)
Cash generated from operations	(11,90,16,691)	(52,79,35,545)
Less : Direct Tax paid (net of refunds)	(46,16,423)	(19,99,395)
Net cash flow from operating activities	(12,36,33,114)	(52,99,34,940)
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Purchases of Current investment	(8,74,00,000)	(6,00,000)
Sale of Current investments	8,80,09,153	8,50,000
Purchases of Non Current investment	(17,42,48,344)	-
Sale of Non Current investments	-	-
Net cash flow from investing activities	(17,36,39,191)	2,50,000
C. CASH FLOW FROM FINANCING ACTIVITIES :-		
Short Term Borrowings	30,00,00,000	53,00,00,000
Net cash flow from Financing activities	30,00,00,000	53,00,00,000
Net increase in cash & cash equivalent (A+B+C)	27,27,695	3,15,060
Cash and cash equivalents at the beginning of the year	2,08,162	2,08,162
Cash & Cash equivalents at the end of the year	32,50,917	5,23,223

Notes: 1) The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
2) Figures in brackets indicate cash outgo.
3) Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

This is the Cash Flow Statement referred to in our attached report of even date

For **K K KHADARIA & CO**
Chartered Accountants
Firm Reg. No. 105013W

For and on behalf of the Board of Directors

AJAY DAGA
Partner
Membership No. 44162



G.M. Loyalka
Director
DIN : 00299416

Rajshree Tapuria
Director
DIN : 01655859

Place: Mumbai

Date: **31 AUG 2018**

Disha Jain
Company Secretary

KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE. 1

1. Basis of preparation of consolidated financial statements

The consolidated financial statements of Kajal Synthetics And Silk Mills Limited ('the Company') and its associates company have been prepared on the basis of historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and comply in all material respects with the Standards notified under section 133 of the companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements are presented in Indian rupees.

2. Principals of Consolidation

A. The consolidated financial statements of the Company and its associates have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements' and Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the companies (Accounts) Rules 2014.

B. The consolidated financial statements have been prepared on the following basis:

Investments in associates are accounted under equity method as per Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Under the equity method, the investment is initially recorded at cost, identifying goodwill/capital reserve arising at the time of acquisition and the carrying amount is increased/ decreased to recognize Group's share of profits/losses of the associates after the date of acquisition. Goodwill/Capital reserve arising on acquisition of the associates is included in the carrying amount of the respective investments. Unrealized profits resulting from transactions between the Group and the associates are eliminated to the extent of Group's interest in the associates. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

C. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

D. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

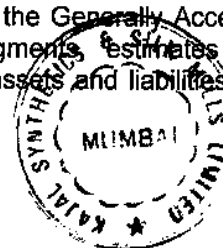
E. The companies considered in the consolidated financial statements are listed below:-

Sr. No	Name of the Company	Country of Incorporation	Date Of Becoming Associate	% Holding as on 31.3.2018
➤ Associate Company:				
1	Five Star Trading & Investment Company Limited	India	26.03.2008	47.05%
2	Park Avenue Engineering Limited	India	24.03.2008	44.11%

3. Significant Accounting Policies

A. Use of estimates

The preparation of consolidated financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to carrying amounts of assets or liabilities in future periods

B. Revenue Recognition

- i. The Group's income from operation is accounted for on accrual basis.
- ii. Dividend Income is recognized when the right to receive the dividend is established.
- iii. Revenue from sale of shares is recognized as per the terms of the contract/agreement entered into with the parties when the relevant conditions of the contract/agreement are performed.
- iv. Revenue from Sale of goods is recognized upon passage of title to the customer which would generally coincide with delivery thereof. Claims due to uncertainty in realization are accounted for an acceptance / cash basis.
- v. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- vi. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9) -Revenue Recognition. Accordingly, wherever there are uncertainties in the ascertainment / realisation of income such as interest from Parties (including the financial condition of the person from whom the same is to be realized), the same is not accounted for.

C. Investments

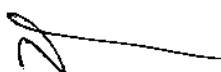
Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The Investments are classified as Quoted & Unquoted Investments and valued as under:-

- a. Long term Investments are stated at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each Investment.
- b. Current Investments are stated at lower of cost and fair market value determined by category of Investments.

D. Taxation

- a. Current Tax: A provision for current income tax is made on the taxable income using the applicable tax rates and tax laws.
- b. Deferred Tax: Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future.



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

E. Earnings per share

Basic Earnings per share are computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculated Diluted Earnings per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

F. Provisions / contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. Contingent liabilities are not provided for and are disclosed in the Notes on Accounts. Contingent assets are not recognised.

G. Retirement benefits

(i) Gratuity

Parent Company is providing Gratuity based on actuarial valuation report.

(ii) Leave Encashment

Leave encashment is accounted at the year end on actual basis and is charged to the Statement of Profit and Loss.

H. Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of respective assets upto the date when such asset is ready for its intended to use. Other borrowing cost are charged to the revenue.

I. General

Accounting policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principle.

2



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

Note 2 - SHARE CAPITAL

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
2 Authorised Share Capital		
20,00,000 (31 March 2017 : 20,00,000) Equity Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
	2,00,00,000	2,00,00,000
Issued, Subscribed and paid-up :		
19,92,000 (31 March 2017 : 19,92,000) Equity Shares of Rs. 10/- each	1,99,20,000	1,99,20,000
Total	1,99,20,000	1,99,20,000

2.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :

Shares outstanding at the beginning of the year	19,92,000	19,92,000
Changes during the year	-	-
Shares outstanding at the end of the year	19,92,000	19,92,000

2.2 Terms/Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend, if any proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2018, the amount of dividend per share recognized as distributions to equity shareholders was Rs. Nil (Previous Year Rs. Nil)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the No. of equity shares held by the shareholders.

2.3 Details of Equity shareholders holding more than 5 % shares in the Company

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No.of Shares held	% of holding	No.of Shares held	% of holding
Pick-Me-Quick Holdings Private Limited	4,20,100	21.09%	4,20,100	21.09%
Peigeon finance And Investment Private Limited	3,96,050	19.88%	3,96,050	19.88%
Benhur Investment Company Private Limited	4,52,650	22.72%	4,52,650	22.72%
Mragya Finance & Investment Private Limited	4,67,200	23.45%	4,67,200	23.45%
Five Star Trading & Investment Company Limited	2,41,000	12.10%	2,41,000	12.10%



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

	<u>As at 31st March, 2018 Rs.</u>		<u>As at 31st March, 2017 Rs.</u>	
Note 3 - RESERVES AND SURPLUS				
3.1 Capital Reserve				
Balance as per the last financial statement		2,06,69,380		2,06,69,380
3.2 General Reserve				
Balance as per the last financial statement		41,47,949		41,47,949
3.3 Reserve Fund under RBI Act, 1934				
Balance as per the last financial statement	5,36,45,541		5,32,14,056	
Add : Transfer from Surplus in the Statement of Profit and Loss.	-	5,36,45,541	4,31,485	5,36,45,541
3.4 Surplus in Statement of Profit and Loss :				
Balance as per the last financial statement	13,12,40,796		14,15,96,395	
Add: Profit for the year	(1,30,83,858)		35,29,581	
Share of Profit of Associate at the beginning	83,64,069		(1,34,53,695)	
	<u>12,65,21,006</u>		<u>13,16,72,281</u>	
Less: Appropriations				
Transfer to Reserve Fund under RBI Act, 1934	-	12,65,21,006	4,31,485	13,12,40,796
Total Reserve and Surplus		<u>20,49,83,876</u>		<u>20,97,03,667</u>
Note 4 - NON CURRENT LIABILITIES				
Other- Non Current Liabilities		1,48,952		1,57,344
		<u>1,48,952</u>		<u>1,57,344</u>
Note 5 - SHORT TERM BORROWINGS				
Loan from Body Corporate		83,00,00,000		53,00,00,000
		<u>83,00,00,000</u>		<u>53,00,00,000</u>
Note 6 - OTHER CURRENT LIABILITIES				
Other Payables		1,23,900		89,250
		<u>1,23,900</u>		<u>89,250</u>
Note 7 - SHORT-TERM PROVISIONS				
Contingent provision against Standard Asset		15,94,632		12,98,300
Total		<u>15,94,632</u>		<u>12,98,300</u>




KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

Note 8 - Non-Current Investments

	Face Value	As at March 31, 2018		Face Value	As at March 31, 2017	
	(Rs.)	Quantity Nos.	Rs.	(Rs.)	Quantity Nos.	Rs.
8.1 Non-trade Investments						
a Quoted, fully paid up						
In Equity Instruments						
Jay Shree Tea & Industries Limited	5	45,000	37,88,119	-	-	-
Kesoram Industries Limited	10	5,50,000	6,76,74,154	-	-	-
Mangalam Cement Limited	10	2,64,000	10,27,86,071	-	-	-
Mangalam Timber Products Limited	10	3,52,838	98,66,263	10	3,52,838	98,66,263
Mansoon Trading Company Limited	10	3,66,000	43,88,304	10	3,66,000	43,88,304
Meenakshi Steel Industries Limited	10	2,55,500	90,46,821	10	2,55,500	90,46,821
Nilkanth Engineering Limited	10	2,06,000	62,86,317	10	2,06,000	62,86,317
Total			20,38,36,049			2,95,87,705
Total Quoted Investments (a)			20,38,36,049			2,95,87,705
b Unquoted-fully paid up						
Equity Shares of Associate Companies						
Five-Star Trading & Investment Company Limited (Including goodwill as mentioned below)	10	1,20,001	3,14,63,588	10	1,20,001	3,14,63,588
Add: Post Acquisition Profit/(Loss)			(7,21,078)			(88,27,494)
Add: Goodwill/(Capital Reserve) on Investment in Associates			(1,94,33,568)			(1,94,33,568)
			1,13,08,942			32,02,526
Park Avenue Engineering Limited (Including goodwill as mentioned below)	10	21,54,250	2,49,36,440	10	21,54,250	2,49,36,440
Add: Post Acquisition Profit/(Loss)			(24,89,845)			(24,37,537)
Add: Goodwill/(Capital Reserve) on Investment in Associates			(24,76,189)			(24,76,189)
			1,99,70,406			2,00,22,714
Equity Shares of Other Companies						
Pintail Realty Developers Private Limited	10	2,00,000	5,23,30,500	10	2,00,000	5,23,30,500
(Formerly known as Arindam Sekhar Garments Marketing Pvt. Ltd.)						
Niranjan Housing Private Limited	10	55,945	2,07,31,700	10	55,945	2,07,31,700
Total Unquoted Investments (b)			10,43,41,546			9,62,87,440
c Unquoted-fully paid up						
Preference Shares of Other Companies						
5% Cumulative Redeemable Fully Convertible Preference Shares of Niranjan Housing Private Limited	10	1,25,000	10,00,00,000	10	1,25,000	10,00,00,000
Total Unquoted Investments (c)			10,00,00,000			10,00,00,000
Total (a) + (b) + (c)			40,81,77,595			22,58,75,145
	Book Value		Market Value			
	As at	As at	As at	As at		
	31st March,	31st March,	31st March,	31st March,		
	2018	2017	2018	2017		
	(Rs.)	(Rs.)	(Rs.)	(Rs.)		
Aggregate of Quoted Investments	-	-	20,38,36,049	2,95,87,705		
Aggregate of Unquoted Investments	20,43,41,546	19,62,87,440	20,43,41,546	19,62,87,440		
	20,43,41,546	19,62,87,440	40,81,77,595	22,58,75,145		

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KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	Rs.	Rs.	Rs.
Note 9 - LONG TERM LOANS AND ADVANCES				
Unsecured, considered good				
Capital Advance		-		1,23,00,000
Advance Income Tax (Net of provisions for tax)				
Taxes Paid	70,52,808		25,81,650	
Less : Provision for Taxes	-	70,52,808	(1,80,000)	24,01,650
Total		<u>70,52,808</u>		<u>1,47,01,650</u>

Note 10 - CURRENT INVESTMENTS

Investment in Mutual Funds Unquoted - fully paid up	Face Value (Rs.)	As at March 31, 2018		Face Value (Rs.)	As at March 31, 2017	
		Quantity Nos.	Rs.		Quantity Nos.	Rs.
Aditya Birla Sun Life Cash Plus - Growth Regular Plan	100	1,287.594	3,52,206	100	2,385.434	6,03,384
Total			<u>3,52,206</u>			<u>6,03,384</u>

Aggregate of Unquoted Investments	Book Value		Repurchase Value	
	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)
	3,52,206	6,03,384	3,58,252	6,21,437
	<u>3,52,206</u>	<u>6,03,384</u>	<u>3,58,252</u>	<u>6,21,437</u>

	As at 31st March, 2018		As at 31st March, 2017	
	Rs.	Rs.	Rs.	Rs.
Note 11 - CASH AND CASH EQUIVALENTS				
Cash on Hand		2,022		385
Balance with a Bank on Current Account		32,48,895		5,22,858
Total		<u>32,50,917</u>		<u>5,23,223</u>

Note 12 - SHORT TERM LOANS AND ADVANCES

Unsecured, considered good				
Short Term Loans				
Loans		61,02,00,000		50,12,50,000
Advance to an employee		85,000		1,45,000
		<u>61,02,85,000</u>		<u>50,13,95,000</u>

Note 13 - OTHER CURRENT ASSETS

Interest accrued on Loans		2,76,52,834		1,80,70,159
		<u>2,76,52,834</u>		<u>1,80,70,159</u>



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2018

	<u>For the Year ended on March 31, 2018 Rs.</u>	<u>For the Year ended on March 31, 2017 Rs.</u>
Note 14 - REVENUE FROM OPERATIONS		
Interest Income	4,82,71,626	2,02,35,269
Total	<u>4,82,71,626</u>	<u>2,02,35,269</u>
Note 15 - OTHER INCOME		
Net gain on Redemption of Units of Mutual Fund	3,57,973	51,067
Contingent Provision against Standard Asset	80,657	42,350
Excess Provision for Gratuity written back	8,392	
Provision for diminution in the value of Investments written back	-	38,68,017
Total	<u>4,47,022</u>	<u>39,61,434</u>
Note 16 - EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	6,01,927	4,41,271
Gratuity	-	91,344
Total	<u>6,01,927</u>	<u>5,32,615</u>
Note 17 - FINANCE COST		
Interest on Inter Corporate Loans	5,97,29,697	1,95,86,028
Total	<u>5,97,29,697</u>	<u>1,95,86,028</u>
Note 18 - OTHER EXPENSES		
Advertisement Expenses	20,498	22,438
Bank Charges	4,598	976
Custodian / ISIN activation charges	20,816	42,838
Certification Fees	11,800	11,000
Filing Fees	7,200	41,400
Legal and Professional Charges	2,25,806	1,35,293
Listing Fees	2,87,500	2,29,000
Demat Account Charges	920	916
Conveyance	45,268	56,574
General Expenses	3,955	2,969
Telephone charges	2,400	2,400
Security Transaction Tax paid	1,74,164	-
Contingent Provision against Standard Asset	2,96,332	12,85,812
Payment to Auditors :		
As Auditors		
Audit Fees	50,000	50,000
Other matters	30,000	25,000
GST / Service Tax on Audit Fees	<u>14,400</u>	<u>14,018</u>
Total	<u>11,95,657</u>	<u>19,20,634</u>




KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

19. Contingent Liability in respect of income tax demands raised/arrears by the Income Tax department but disputed by the Company is Rs. 5,62,051/- (Previous Year Rs.5,62,051)
20. The Group is primarily engaged in investment & financial activities. These in context of Accounting Standard -17 on Segment Reporting in the opinion of the management, are considered to one single Primary Segment.
21. There were no dues outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors (Previous Year – Nil).
22. The Group Companies whom Non Banking Financial Company (NBFC) norms applicable are required to create Special Reserve out of the profits after tax for the year in compliance of Section 45-IC. However, in view of Losses during the year, the Group Companies has not created any Special Reserve.
23. No Deferred Tax Assets have been recognized on the carried forward Losses as per the Income Tax Act, 1961 considering the prudence aspect. However, the position would be reviewed on yearly basis.
24. In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made of funds all known liabilities.
25. While determining diminution, other than temporary, in the value of the long term quoted investments, the objective of such investments and the asset base of the investee companies have been considered. In view thereof, the decline, if any, in the market value of such investments is considered to be of a temporary nature.
26. The accounts of Group Companies registered with the Reserve Bank of India (RBI) as NBFC have been prepared on the basis of relevant RBI guidelines.
27. In case of associate, in the opinion of management amount of Gratuity is not certain therefore not provided.
28. Earnings Per Share

Particulars	For the Year Ended March 31,2018	For the Year Ended March 31,2017
(a) Calculation of weighted average number of Equity Shares of Rs. 10/- each		
No. of Equity Shares at the beginning of the year	19,92,000	19,92,000
Equity Shares issued during the year	NIL	NIL
Total number of Equity Shares outstanding at the end of the year	19,92,000	19,92,000
(b) Net Profit / (Loss) after tax available for equity shareholders (Rs.)	(1,30,83,858)	35,29,581
(c) Basic and diluted Earnings per Equity Share of Rs. 10/- each	(6.57)	1.77

29. The Group Companies registered with the Reserve Bank of India as a NBFC have been legally advised that the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Companies.





KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

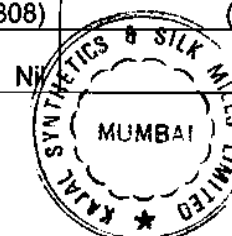
30. Additional information as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Associate Companies:

Name of Entities	Net Assets i.e. Total Assets minus Total Liability		Share in profit or loss	
	As % of Consolidated net assets	Amount (Rs.)	As % of Consolidated profit or loss	Amount (Rs.)
Parent				
Kajal Synthetics And Silk Mills Limited	101.43%	22,81,14,801	97.63%	(1,27,73,898)
Associates				
Five Star Trading & Investment Company Limited	5.03%	1,13,08,942	1.97%	(2,57,653)
Park Avenue Engineering Limited	8.88%	1,99,70,406	0.40%	(52,308)
Sub Total		3,12,79,348		(3,09,960)
Inter Company elimination and Consolidation Reserve	-15.34%	(3,44,90,271)	0.00%	-
Grand Total	100.00%	22,49,03,878	100.00%	(1,30,83,858)

31. Statement pursuant to section 129(3) of the Companies Act, 2013 relating to Associate Companies :-:

Name of Associate Company	Park Avenue Engineering Ltd.	Five Star Trading And Investment Company Ltd.
Latest audited Balance Sheet Date	31-03-2018	31-03-2018
Date on which the Associate was associated or acquired	24.03.2008	26.03.2008
Share of Associate held by the company on the year end:		
Number of Shares	21,54,250	1,20,001
Amount of Investment in Associates (In lacs)	2,24,60,251	12,030,020
Extend of Holding (%)	44.11%	47.05%
Description of how there is significant influence	Refer Note 1	Refer Note 1
Reasons why the associate is not consolidated	NA	NA
Net worth attributable to shareholding as per latest Audited Balance Sheet	2,24,38,103	1,95,66,943
Profit or Loss for the year		
i. Considered in Consolidation	(52,308)	(2,57,653)
ii. Not Considered in Consolidation		Nil

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KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 1:

- a) There is a significant influence due to percentage (%) of share capital.
- b) The above statement also indicates Performance of the Associates.
- c) Name of associate which are yet to commence operations : None
- d) Name of associate which have been liquidated or sold during the year: None

32. Related Party Disclosures:-

I. Key Management Personnel / Directors :

- a) Shri G. M. Loyalka Director

II. Other Related Parties with whom the company had transactions:-

III.

Name of the Company	Nature of Relationship	Nature of Transaction
Benhur Investment Company Private Limited*	Associate Company	Nil
Five Star Trading & Investment Company Limited	Associate Company	Nil
Mragya Finance & Investment Private Limited *	Associate Company	Nil
Pick-Me Quick Holdings Private Limited *	Associated Company	Nil
Park Avenue Engineering Limited	Assocaite Company	Nil

*In respect of which the Company is an Investee

IV. During the year, there were no transactions with any of the related parties.

33. Previous year's figures have been regrouped/reclassified wherever necessary to confirm with the current year's classification/disclosure.

As per our report of even date attached

For K K KHADARIA & CO,
Chartered Accountants,
Firm Registration No. 105013W

AJAY DAGA
PARTNER
Membership No.: 44162

For and on behalf of the Board of Directors

G.M.Loyalka
Director
DIN: 00299416

Rajshree Tapuriah
Director
DIN: 01655859



Disha Jain
Company Secretary

Mumbai:
Date: **31 AUG 2018**

K K KHADARIA & Co

CHARTERED ACCOUNTANTS

Office : 401 - A, Pearl Arcade, Opp. P. K. Jewellers, Off J. P. Road, Andheri (W), Mumbai - 400 058.
Tel. : 022 - 26778155, 26797750, 26783178 • Telefax : 022 - 26781187

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAJAL SYNTHETICS AND SILK MILLS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Kajal Synthetics and Silk Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance & 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 of 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 these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 auditors' 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.

7. 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

8. 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, 2018, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

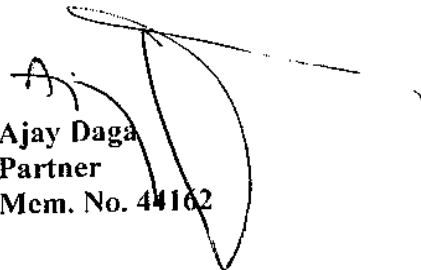
10. As required by Section 143(3) of the Act, we report that:

- (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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2018.

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- iii. There has not been an occasion in case of the Company during the year under report to transfer any amounts to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such amounts does not arise.

**For K K Khadaria & Co.
Chartered Accountants
(Firm Regn. No. 105013W)**


**Ajay Daga
Partner
Mem. No. 44162**

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

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph (9) of our Report of even date)

1. As the Company does not own any fixed asset, Clause 3 (i) (a) of the Order relating to maintenance of records showing full particulars including quantitative details and situation of fixed assets and clause 3(i) (b) relating to physical verification thereof, are not applicable.
2. The Company does not have any inventories. Hence reporting under clause 3(ii) of the Order is not applicable to the Company.
3. As informed to us, the Company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. There are no firms/LLP/other parties which are covered in the said register.
4. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act are not applicable to the Company.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty & Value Added Tax that have not been deposited with the appropriate authorities on account of any dispute.
8. According to information and explanation given to us the Company has not taken any loan or borrowing from financial institution, bank or debenture holders during the year therefore, the said clause is not applicable to the Company.
9. The Company did not raise any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The Company has neither paid nor provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.



KAJAL SYNTHETICS AND SILK MILLS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,99,20,000	1,99,20,000
Reserves and Surplus	3	20,81,94,801	22,09,68,699
Non-Current Liabilities			
Other- Non current liabilities	4	1,48,952	1,57,344
Current Liabilities			
Short-term borrowings	5	83,00,00,000	53,00,00,000
Other current liabilities	6	1,23,900	89,250
Short-term provisions	7	15,94,632	12,98,300
Total		<u>1,05,99,82,285</u>	<u>77,24,33,593</u>
ASSETS			
Non-current assets			
Non-current investments	8	41,13,88,520	23,71,40,176
Long term loans and advances	9	70,52,808	1,47,01,650
Current assets			
Current investments	10	3,52,206	6,03,385
Cash and Cash Equivalents	11	32,50,917	5,23,223
Short-term loans and advances	12	61,02,85,000	50,13,95,000
Other current assets	13	2,76,52,834	1,80,70,159
Total		<u>1,05,99,82,285</u>	<u>77,24,33,593</u>
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date,
For K K KHADARIA & CO.
 Chartered Accountants
 Firm Reg. No.105013W

AJAY DAGA
 Partner
 Membership No. 44162

Place : Mumbai
 Date : **29 MAY 2018**



For and on behalf of the Board of Directors

G.M. Loyalka
 G.M. Loyalka
 Director
 DIN : 00299416

Naveen Bhattar
 Naveen Bhattar
 Director
 DIN : 00503756

Disha Jain
 Disha Jain
 Company Secretary

Note - 28

In compliance with AS-20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India the disclosures are as follows

Particulars	2017-18	2016-17
Calculation of Weighted average number of Equity Shares of Rs. 10/- each, fully paid up		
Number of shares at the beginning of the year	19,92,000	19,92,000
Shares issued during the year	Nil	Nil
Total number of equity shares outstanding at the end of the year	19,92,000	19,92,000
Net Profit after tax available for equity shareholders (Rs.)	(1,27,73,898)	21,57,426
Basic and diluted earnings per share (Rs.)	(6.41)	1.08

Note - 29

The Management has identified the following companies and individuals as Related Parties of the Company for the year ended March 31, 2018 for the purpose of reporting of Related Party disclosure as required in terms of Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

Name of the Related Parties :

- 1) Key Management Personnel /Directors :
 - a. Shri G.M.Loyalka Director
- 2) Name of the Related Parties:

Name of the Party	Nature of relationship	Nature of Transaction
Benhur Investment Company Private Limited *	Associate Company	Nil
Five Star Trading & Investment Company Limited	Associate Company	Nil
Mragya Finance & Investment Private Limited *	Associate Company	Nil
Pick-Me-Quick Holdings Private Limited *	Associate Company	Nil
Park Avenue Engineering Limited	Associate Company	Nil

* In respect of which the Company is an Investee

The Company has confirmed that none of the transactions, if any, with the related parties were in material conflict with the interest of the Company.

Note - 30

Previous year's figures have been regrouped/reclassified wherever necessary to conform with the current year's classification/disclosure.

As per our report of even date,
For K K KHADARIA & CO.
Chartered Accountants
Firm Reg. No. 105013W

For and on behalf of the Board of Directors

AJAY DAGA
Partner
Membership No. 44162

G.M. Loyalka
Director
DIN : 00299416

Naveen Bhattar
Director
DIN : 00503756



Place : Mumbai
Date : 29 MAR 2018

Disha Jain
Company Secretary