

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

16th October, 2019

BSE Limited
P. J. Tower,
Dalal Street,
Fort, Mumbai 400 001

Ref : Scrip Code – 512147

Sub : Annual Report for the Financial year 2018-19

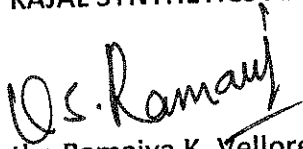
Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are submitting herewith the Annual Report for the Financial Year 2018-19

Kindly take the same 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
2018-19

KAJAL SYNTHETICS AND SILK MILLS LIMITED

Board of Directors

DIN

Shri. Seetha Ramaiya K. Vellore Managing Director	08216198
Shri. G. M. Loyalka	00299416
Shri. Giriraj Maheswari	00796252
Smt. Rajshree Tapuriah	01655859

Company Secretary:

Smt. Disha Hitesh Jain
Company Secretary & Compliance Officer

Auditor :

K. K. Khadaria & Co.
Chartered Accountants
401-A Pearl Arcade,
Opp. P. K. Jewellers,
Dawood Baug Road,
Andheri West
Mumbai 400 058

Registered Office :

29, Bank Street,
First Floor,
Fort,
Mumbai 400 001
CIN – L17110MH1985PLC035204

Registrar & Share Transfer Agent

Adroit Corporate Services Private Limited
19, Jaferbhoy Industrial Estate, 1st Floor
Makwana Road, Marol Naka, Andheri (East),
Mumbai 400 059

KAJAL SYNTHETICS AND SILK MILLS LIMITED
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Email: kajalsyntheticsandsilk@gmail.com

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the members of Kajal Synthetics and Silk Mills Limited will be held on Monday, the 30th day of September, 2019 at 5.00 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 receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended on 31st March, 2019 and the Board's and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. G. M. Loyalka (DIN No: 00299416) 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 29th 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."

By order of the Board of Directors
Kajal Synthetics and Silk Mills Limited



G. M. Loyalka
Director
(DIN: 00299416)

Place: Mumbai
Date: 05.09.2019

NOTES:

1. A member entitled to attend and vote at the 31st 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.

2. 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.
3. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 21st September, 2019 to Monday, 30th September, 2019, (both days inclusive) for the purpose of AGM.
4. Members are requested to bring their copy of the Annual Report at the Annual General Meeting.

5. 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 27th September, 2019 (9.00 am) and ends on 29th September, 2019 (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 24th September, 2019.
- vi. Mr. Girish Murarka, Proprietor of M/s GIRISH MURARKA & CO. practicing Company Secretaries, the scrutinizer will, on 3rd October, 2019 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

By order of the Board of Directors
Kajal Synthetics and Silk Mills Limited



A handwritten signature in black ink, appearing to read "G. M. Loyalka".

G. M. Loyalka
Director
(DIN: 00299416)

Place: Mumbai
Date: 05.09.2019

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 Thirty First Annual Report and the Audited Financial Statements of **Kajal Synthetics and Silk Mills Limited** for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended 31st March, 2019 is summarized below:

Particulars	Amount in Rs.		
	Standalone 31.03.19	31.03.18	Consolidated 31.03.19
Income	5,31,06,895	4,87,18,648	5,31,06,895
Expenditure	8,03,31,606	6,15,27,281	8,03,31,606
Profit/(Loss) before Tax	(2,72,24,711)	(1,28,08,633)	(2,72,24,711)
Add/(Less) : Tax Expense			
Current Tax	Nil		Nil
Income Tax for earlier years	Nil	34,735	Nil
Deferred Tax	Nil	Nil	Nil
Profit/(Loss) after tax	(2,72,24,711)	(1,27,73,898)	(2,72,24,711)
Share of Loss of Associates	Nil	Nil	(8,36,404)
Profit / (Loss) after Tax with share of Associates	(2,72,24,711)	(1,27,73,898)	(28,061,115)

PERFORMANCE REVIEW

During the year under review, the Company has incurred loss of Rs 2,72,24,711/- (Previous Year Net Loss After Tax of Rs. 1,27,73,898/-). 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. Nil /-) 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, 2019 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 2018-19

The Issued Share Capital as on 31st March, 2019 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, 2019 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 2019, 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 2019 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 2018-19 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 2018-19 was Rs.7.76 Lac and Net Loss After Tax was Rs. 7.23 Lac

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 2018-19 was Rs. 23.91 Lacs and Net Loss After Tax was Rs. 7.77 Lacs

The details of Company's subsidiary, associate and Joint Venture Company as on 31st March, 2019 is given in **Annexure III**

DIRECTORS

Mr. G. M. Loyalka (DIN No: 00299416) retire by rotation from the Board and being eligible offers himself for re-appointment.

In compliance of section 203 of the Companies Act, 2013 Mr. Ramswarup S. Jalan was appointed as Chief Financial Officer at the Board Meeting held on 23rd April, 2019

During the year under review, Mr. Naveen Bhattar (DIN-00503756) has resigned from Directorship of the Company with effect from 12th September, 2018

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 29.05.2018, 09.08.2018, 31.08.2019, 06.11.2018 and 06.02.2019 & Five meeting of Audit Committee were held on on 29.05.2018, 09.08.2018, 31.08.2019, 06.11.2018 and 06.02.2019. The Nomination and Remuneration Committee has also met on 06.02.2019.

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 31st Annual General Meeting.



**AUDITORS' REPORT ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2019**

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, 2019

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 2018-19 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.



Place : Mumbai
Date : 28.06.2019

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

A handwritten signature in black ink, appearing to read 'G. M. Loyalka'.

G. M. Loyalka
Director
(DIN: 00299416)

A handwritten signature in black ink, appearing to read 'S. Ramaiya'.

Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019
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	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	Nil	Nil	Nil



Change in Indebtedness during the financial year				
* Addition	Nil	57,00,00,000	Nil	57,00,00,000
* Reduction	Nil	83,00,00,000	Nil	83,00,00,000
Net Change	Nil	(26,00,00,000)	Nil	(26,00,00,000)
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	57,00,00,000	Nil	57,00,00,000
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	57,00,00,000	Nil	57,00,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
Remuneration to Managing Director is Rs. 10,64,550.00 during the financial year 2018-19

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

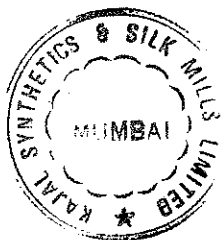
G. M. Loyalka
G. M. Loyalka
Director
(DIN: 00299416)

Seetha Ramaiya K. Vellore
Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)

Place : Mumbai
Date : 28.06.2019

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 2018-19 is Rs. 3,00,000/-
- The Remuneration paid to Managing Director is Rs. 10,64,550/- during FY 2018-19. Hence ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year is 6,72,275/-.
- (ii) The Median remuneration of employee during FY 2018-19 was Rs. 3,00,000/-
- (iii) In the FY 2018-19, 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 31.03.2019.
- (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	31.03.2019	31.03.2019
2. Date on which the Associate or Joint Venture was associated or acquired	24.03.2008	26.03.2008
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	2,19,66,516/-	1,92,01,264/-
7. Profit / Loss for the year		
i. Considered in Consolidation	(4,70,728)	(3,65,675)
ii. Not Considered in Consolidation	Nil	Nil




The following information shall be furnished:-

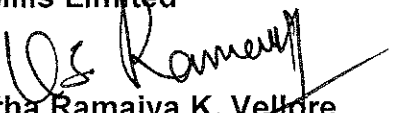
1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil



Place : Mumbai
Date : 28.06.2019

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


G. M. Loyalka
Director
(DIN: 00299416)


Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)

KAJAL SYNTHETICS AND SILK MILLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

During the year under review some major financial companies defaulted thereby affecting the liquidity in the markets. NBFCs too witnessed decline in disbursements and margin contraction due to rising cost of funds.

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 Capital market activities in which most of our activities depends on is also influenced by global events happening in the US, UK and China, 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 liquidity crisis coupled with increasing stress on the corporate segment warrants caution. The global economy and overseas factors exerts pressure in the capital market. Also within India visible slow down has been observed even in the defensive sector like Fast Moving Consumer Goods. The advent and Prediction of Monsoon is also key factor to be watched

Your Company continue to see the significant opportunity in the market and will use periods of interim weakness as investment opportunities on long term.

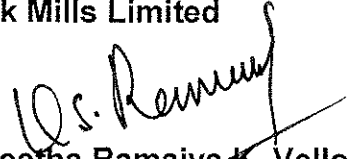
Risk and concerns

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)


Seetha Ramaiya K. Vellore
Managing Director
(DIN: 08216198)

Place : Mumbai
Date : 28.06.2019

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


The Board of Directors
KAJAL SYNTHETICS AND SILK MILLS LIMITED

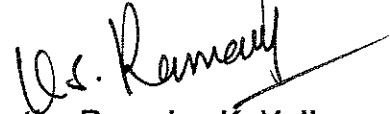
We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief certify that:

1. We have reviewed the financial statement and Cash Flow Statement both on standalone and consolidated basis for the year ended on 31.03.2019 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, 2019 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


G. M. Loyalka
Director
(DIN: 00299416)


Seetha Ramaiya K. Vellore
Managing Director
(DIN: 01655859)

Place: Mumbai
Date : 28.06.2019

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, 2019



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

G. M. Loyalka
Director
(DIN: 00299416)

Seetha Ramaiya K. Vellore
Managing Director
(DIN: 01655859)

Place: Mumbai
Date : 28.06.2019

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

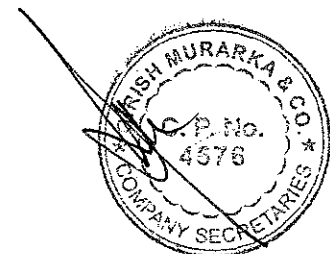
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014]

To,
The Members
KAJAL SYNTHETICS AND SILK MILLS LIMITED
29, Bank Street,
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, 2019. 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, 2019, 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, 2019, 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

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Email : girishmurarka@gmail.com

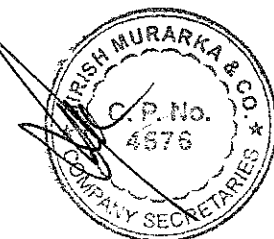
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt 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. 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 four 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

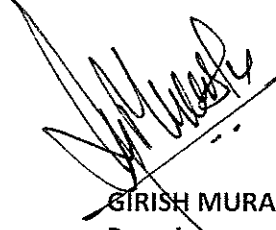
Email : girishmurarka@gmail.com

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 : June 28, 2019



GIRISH MURARKA

Proprietor

Girish Murarka & Co.

ACS No. 7036

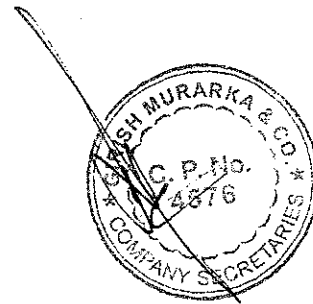
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ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2018 and March 31, 2019
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 audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Kajal Synthetics And Silk Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the loss, and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to be communicated in our report.

Other Information

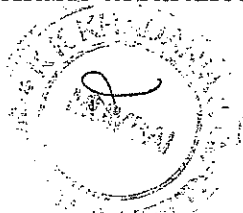
6. The Company's Board of Directors is responsible for preparation and presentation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and auditors' report thereon.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appear to be materially misstated.
9. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
12. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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



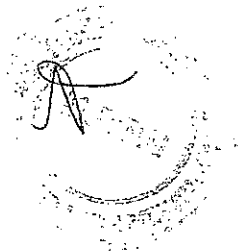
statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such control.
- iii. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

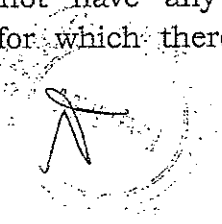
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements 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 Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position in its standalone financial statements.;
 - ii. The Company did not have any long-term contracts, including derivative contract, for which there were any material foreseeable losses.

A handwritten signature in black ink is written over a circular stamp. The stamp contains some illegible text and a central emblem, possibly a logo or seal of an organization.

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

For K K KHADARIA & CO
Chartered Accountants
(Firm Regn. No. 105013W)

Place : Mumbai
Dated : 29th May, 2019

AJAY DAGA
PARTNER
M.No.: 44162

ANNEXURE "A" TO THE AUDITORS' REPORT
(Referred to in paragraph (15) of our Report of even date)

1. The Company does not have any fixed assets and hence reporting under clause 3(i)(a), (i)(b) & (i)(c) of the said order are not applicable to the Company.
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 any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the provisions of section 185 of the Act are not applicable to the Company. The Company has complied with the provisions of section 186 of the Act to the extent applicable.
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 is generally regular in depositing undisputed statutory dues applicable to it with the appropriate authorities.

No undisputed amounts payable in respect of statutory dues applicable to the Company were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

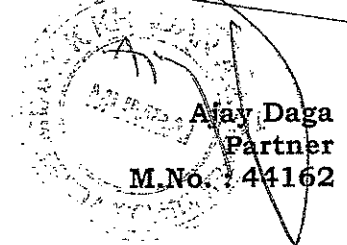
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty & Value Added Tax that have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution. The Company has not taken any loans or borrowings from Bank and Government nor has it issued any debentures as at the balance sheet date.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. 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. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.



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. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
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-IA 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)**



Place : Mumbai

Dated : 29th May, 2019

ANNEXURE "B" TO THE AUDITORS' REPORT

Referred to in paragraph 16(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, 2019

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Act

Opinion

We have audited internal financial controls with reference to financial statements of Kajal Synthetics And Silk Mills Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year then ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial control system with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

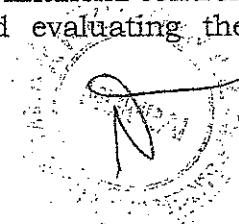
Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating



effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

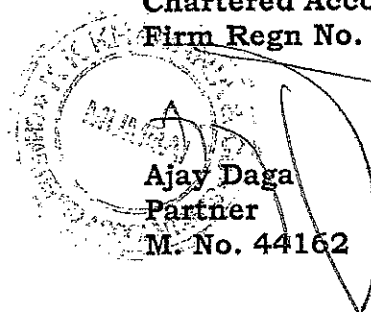
A Company's internal financial control with reference to financial statements is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and preparation of standalone financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements 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 the transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with the 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 control 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.

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



**Place: Mumbai
Dated: 29th May, 2019**

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN No. L17110MH1985PLC035204
BALANCE SHEET AS AT 31st MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	19,920,000	19,920,000
Reserves and Surplus	3	180,970,090	208,194,801
Non-Current Liabilities			
Other- Non current liabilities	4	171,120	148,952
Current Liabilities			
Short-term borrowings	5	570,000,000	830,000,000
Other current liabilities	6	132,149	123,900
Short-term provisions	7	872,134	1,594,632
Total		772,065,493	1,059,982,285
ASSETS			
Non-current assets			
Non-current investments	8	411,388,520	411,388,520
Long term loans and advances	9	10,231,332	7,052,808
Current assets			
Current investments	10	323,486	352,206
Cash and Cash Equivalents	11	838,539	3,250,917
Short-term loans and advances	12	302,606,136	610,285,000
Other current assets	13	46,677,480	27,652,834
Total		772,065,493	1,059,982,285

Significant Accounting Policies

1


The accompanying notes are an integral part of the Financial Statements

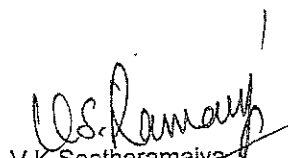
As per our report of even date,
For K K KHADARIA & CO.
Chartered Accountants
Firm Reg. No.105013W


For and on behalf of the Board of Directors

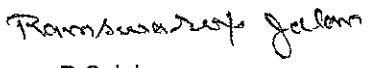
AJAY DAGA
Partner
Membership No. 44162

Place : Mumbai
Date : **29 MAY 2019**


G.M. Loyalka
Director
DIN : 00299416


V.K. Seetharamajya
Managing Director
DIN : 08216198


Disha Jain
Company Secretary


R.S. Jalan
Chief Financial Officer



KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN No. L17110MH1985PLC035204
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019


PARTICULARS	Note No.	For the Year ended on March 31, 2019 Rs.	For the Year ended on March 31, 2018 Rs.
INCOME			
Revenue from Operations	14	51,864,884	48,271,626
Other Income	15	1,242,011	447,022
Total Revenue		53,106,895	48,718,648
EXPENSES			
Employee benefit expenses	16	1,436,252	601,927
Finance Cost	17	74,686,301	59,729,697
Other expenses	18	4,209,053	1,195,657
Total Expenses		80,331,606	61,527,281
Profit/(Loss) Before Tax		(27,224,711)	(12,808,633)
Tax expenses:			
Current tax		-	34,735
Tax adjustments for earlier years		-	-
		-	34,735
Profit/(Loss) for the year		(27,224,711)	(12,773,898)
Earnings per equity share of face value of Rs. 10 each Basic and Diluted in Rs.		(13.67)	(6.41)
Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements			

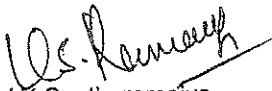
As per our report of even date,
For K K KHADARIA & CO.
Chartered Accountants
Firm Reg. No.105013W

AJAY DAGA
Partner
Membership No. 44162

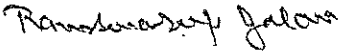
Place : Mumbai
Date : **29 MAY 2019**

For and on behalf of the Board of Directors


G.M. Loyalka
Director
DIN : 00299416


V.K. Seetharamaiya
Managing Director
DIN : 08216198


Dishá Jain
Company Secretary


R.S. Jalan
Chief Financial Officer



KAJAL SYNTHETICS AND SILK MILLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	2018-19 Rupees	2017-18 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	(27,224,711)	(12,808,633)
ADJUSTMENTS		
Contingent provision against Standard Asset	(722,498)	296,332
Profit on sale of Current Investment (Net)	(121,280)	(357,973)
Interest received on Income Tax Refund	(140,535)	-
Operating profit before working capital changes	(28,209,023)	(12,870,274)
Short term Loans & Advances	307,678,864	(108,890,000)
Other Current Assets	(19,024,646)	(9,582,675)
Long Term Loans & Advances	-	12,300,000
Other- Non Current Liabilities	22,168	(8,392)
Short term Provisions	8,249	34,650
Cash generated from operations	260,475,611	(119,016,691)
Less : Direct Tax paid (net of refunds)	(3,037,989)	(4,616,423)
Net cash flow from operating activities	257,437,623	(123,633,114)
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Purchases of Current investment	(3,400,000)	(87,400,000)
Sale of Current investments	3,550,000	88,009,153
Purchases of Non Current investment	-	(174,248,344)
Sale of Non Current investments	-	-
Net cash flow from investing activities	150,000	(173,639,191)
C. CASH FLOW FROM FINANCING ACTIVITIES :-		
Short Term Borrowings	(260,000,000)	300,000,000
Net cash flow from Financing activities	(260,000,000)	300,000,000
Net increase in cash & cash equivalent (A+B+C)	(2,412,377)	2,727,695
Cash and cash equivalents at the beginning of the year	3,250,917	523,223
Cash & Cash equivalents at the end of the year	838,539	3,250,917

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

V.K. Seetharamaiya
Managing Director
DIN : 08216198

Place : Mumbai
Date : 29 MAY 2019

Dis. Jain
Company Secretary

Rambhadrans Jalan
R.S. Jalan
Chief Financial Officer



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2019

NOTE. 1 - SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Accounts

The Financial Statements have been prepared on accrual basis, with due compliance of the relevant Directions of the Reserve Bank of India relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it and are in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

1.2 Recognition of Income & Expenditure

All Income and Expenditure are generally accounted for on accrual and prudent basis with due compliance of the guidelines of the Reserve Bank of India on Prudential Norms for Income recognition and Provisioning for Non-Performing Assets.

1.3 Investments:

Investments have been classified into long term investments and current investments in accordance with Accounting Standard 13 issued by the Institute of Chartered Accountants of India. Long term Investments are stated at cost. Current Investments are valued at lower of cost or market / fair valued determined by the category of Investment. Provisions in respect of diminution other than temporary, in the value of long term quoted investments are recognized on a prudent basis. Gains / Losses on disposal of Investments are recognized as income / expenditure.

1.4 Taxes on Income:

- a. Current Tax is determined as an amount of tax payable in respect of taxable income for the year.
- b. In accordance with the accounting standard 22 - Accounting for Taxes on Income - issued by The Institute of Chartered Accountants of India, the Deferred Tax for timing difference is accounted for using tax rates and laws that have been enacted or substantially enacted by the Balance Sheet Date.
- c. Deferred Tax Assets arising for timing differences are recognized only on consideration of prudence.

1.5 Retirement and other employee benefits :

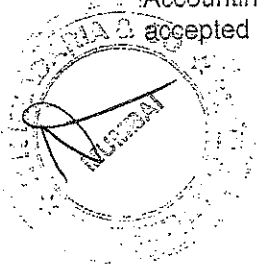
- a. **Gratuity**
Company is providing Gratuity based on actuarial valuation report
- b. **Leave Encashment**
Leave encashment is accounted at the year end on actual basis and is charged to the Statement of Profit and Loss.

1.6 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 costs are charged to the revenue.

1.7 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 Financial Statements for the year ended 31 March, 2019

Note 2 - SHARE CAPITAL

	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
2 Authorised Share Capital		
20,00,000 (31 March 2018 : 20,00,000) Equity Shares of Rs. 10/- each	20,000,000	20,000,000
	20,000,000	20,000,000
 Issued, Subscribed and paid-up :		
19,92,000 (31 March 2018 : 19,92,000) Equity Shares of Rs. 10/- each	19,920,000	19,920,000
Total	19,920,000	19,920,000

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	1,992,000	1,992,000
Changes during the year	-	-
Shares outstanding at the end of the year	1,992,000	1,992,000

2.2 Terms/Rights attached to equity shares:

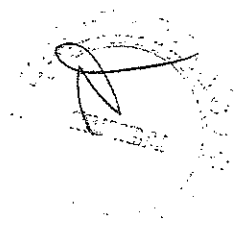
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend, if any proposed by the Board of Directors is subject to approval of the shareholders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

During the year ended 31st March, 2019, 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 a shareholders.

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

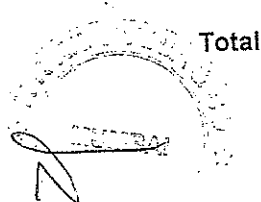
Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Pick-Me-Quick Holdings Private Limited	420,100	21.09%	420,100	21.09%
Peigeon finance And Investment Private Limited	396,050	19.88%	396,050	19.88%
Benhur Investment Company Private Limited	452,650	22.72%	452,650	22.72%
Mragya Finance & Investment Private Limited	467,200	23.45%	467,200	23.45%
Five Star Trading & Investment Company Limited	241,000	12.10%	241,000	12.10%



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2019

	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
Note 3 - RESERVES AND SURPLUS		
3.1 Capital Reserve		
Balance as per the last financial statement	20,669,380	20,669,380
3.2 General Reserve		
Balance as per the last financial statement	4,147,949	4,147,949
3.3 Reserve Fund under RBI Act, 1934		
Balance as per the last financial statement	53,645,541	53,645,541
Add: Transfer from Surplus in the Statement of Profit and Loss.	-	-
	53,645,541	53,645,541
3.4 Surplus in Statement of Profit and Loss :		
Balance as per the last financial statement	129,731,930	142,505,828
Add: Profit for the year	(27,224,711)	(12,773,898)
	102,507,219	129,731,930
Less: Appropriations		
Transfer to Reserve Fund under RBI Act, 1934	-	-
	102,507,219	129,731,930
Total Reserve and Surplus	180,970,090	208,194,801
Note 4 - NON CURRENT LIABILITIES		
Other- Non Current Liabilities	171,120	148,952
	171,120	148,952
Note 5 - SHORT TERM BORROWINGS		
Loan from Body Corporate	570,000,000	830,000,000
Total	570,000,000	830,000,000
Note 6 - OTHER CURRENT LIABILITIES		
Other Payables	132,149	123,900
	132,149	123,900
Note 7 - SHORT-TERM PROVISIONS		
Contingent provision against Standard Asset	872,134	1,594,632
Total	872,134	1,594,632



KAJAL SYNTHETICS AND SILK MILLS LIMITED

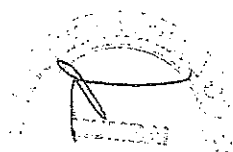
Notes to Financial Statements for the year ended 31 March, 2019

Note 8 - Non-Current Investments

	Face Value (Rs.)	As at March 31, 2019		Face Value (Rs.)	As at March 31, 2018	
		Quantity Nos.	Rs.		Quantity Nos.	Rs.
1 Non-trade Investments						
a Quoted, fully paid up						
In Equity Instruments						
Jay Shree Tea & Industries Limited	5	45,000	3,788,119	5	45,000	3,788,119
Kesoram Industries Limited	10	550,000	67,674,154	10	550,000	67,674,154
Mangalam Cement Limited	10	264,000	102,786,071	10	264,000	102,786,071
Mangalam Timber Products Limited	10	352,838	9,866,263	10	352,838	9,866,263
Mansoon Trading Company Limited	10	366,000	4,388,304	10	366,000	4,388,304
Meenakshi Steel Industries Limited	10	255,500	9,046,821	10	255,500	9,046,821
Nilkanth Engineering Limited	10	206,000	6,286,317	10	206,000	6,286,317
Total			203,836,049			203,836,049
Total Quoted Investments (a)			203,836,049			203,836,049
b Unquoted-fully paid up						
Equity Shares of Associate Companies						
Five-Star Trading & Investment Company Limited	10	120,001	12,030,020	10	120,001	12,030,020
Park Avenue Engineering Limited	10	2,154,250	22,460,251	10	2,154,250	22,460,251
Equity Shares of Other Companies						
Pintall Realty Developers Private Limited	10	200,000	52,330,500	10	200,000	52,330,500
Niranjan Housing Private Limited	10	55,945	20,731,700	10	55,945	20,731,700
Total Unquoted Investments (b)			107,552,471			107,552,471
c Unquoted-fully paid up						
Preference Shares of Other Companies						
5% Cumulative Redeemable Fully Convertible Preference Shares of Niranjan Housing Private Limited	10	125,000	100,000,000	10	125,000	100,000,000
Total Unquoted Investments (c)			100,000,000			100,000,000
Total (a) + (b) + (c)			411,388,520			411,388,520

Aggregate of Quoted Investments
Aggregate of Unquoted Investments

Book Value		Market Value	
As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
203,836,049	203,836,049	121,633,496	159,719,371
207,552,471	207,552,471		
411,388,520	411,388,520		



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2019

	As at 31st March, 2019		As at 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.
Note 9 - LONG TERM LOANS AND ADVANCES				
Unsecured, considered good				
Capital Advance				
Advance Income Tax (Net of provisions for tax)				7,052,808
Taxes Paid	10,231,332			
Less : Provision for Taxes		10,231,332		7,052,808
Total		<u>10,231,332</u>		<u>7,052,808</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.)	
ABSL Liquid Fund - Growth Regular Plan	100	1,120.697	100	1,287.594
				352,206
Total			<u>323,486</u>	<u>352,206</u>

Aggregate of Unquoted Investments	Book Value		Repurchase Value	
	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
	323,486	352,206	335,094	358,252
	<u>323,486</u>	<u>352,206</u>	<u>335,094</u>	<u>358,252</u>

Note 11 - CASH AND CASH EQUIVALENTS

	As at 31st March, 2019		As at 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.
Cash on Hand		5,825		2,022
Cheque on hand		83,984		-
Balance with a Bank on Current Account		748,730		3,248,895
Total		<u>838,539</u>		<u>3,250,917</u>

Note 12 - SHORT TERM LOANS AND ADVANCES

Unsecured, considered good				
Short Term Loans				610,200,000
Loans		302,175,000		
Advance to an employee		431,136		85,000
Total		<u>302,606,136</u>		<u>610,285,000</u>

Note 13 - OTHER CURRENT ASSETS

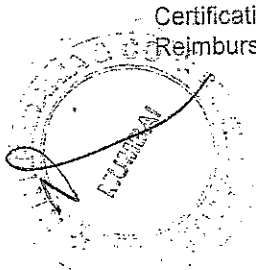
Interest Receivable		46,677,480		27,652,834
Total		<u>46,677,480</u>		<u>27,652,834</u>



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Financial Statements for the year ended 31 March, 2019

	For the Year ended on March 31, 2019 Rs.	For the Year ended on March 31, 2018 Rs.
Note 14 - REVENUE FROM OPERATIONS		
Interest Income	51,864,884	48,271,626
Total	<u>51,864,884</u>	<u>48,271,626</u>
Note 15 - OTHER INCOME		
Net gain on Redemption of Units of Mutual Fund	121,280	357,973
Dividend on Long Term Investment	217,000	80,657
Provision for Gratuity written back	-	8,392
Contingent Provision against Standard Asset written back	722,498	-
Interest Received on Employee Loan	40,698	-
Interest Received from Income Tax	140,535	-
Total	<u>1,242,011</u>	<u>447,022</u>
Note 16 - EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	1,398,850	601,927
Staff Welfare Expenses	15,234	-
Gratuity	22,168	-
Total	<u>1,436,252</u>	<u>601,927</u>
16.1 Salary includes Managerial Remuneration of Rs.10,64,550/- (P.Y. Rs. 3,00,000)		
Note 17 - FINANCE COST		
Interest on Inter Corporate Loans	74,686,301	59,729,697
Total	<u>74,686,301</u>	<u>59,729,697</u>
Note 18 - OTHER EXPENSES		
Advertisement Expenses	17,841	20,498
Bank Charges	2,267	4,598
Custodian / ISIN activation charges	22,438	20,816
Certification Fees	-	11,800
Filing Fees	7,500	7,200
Legal and Professional Charges	92,935	225,806
Listing Fees	295,000	287,500
Reinstatement Fees paid to BSE	3,540,000	-
Demat Account Charges	944	920
Conveyance	51,057	45,268
General Expenses	17,067	3,955
Telephone charges	5,400	2,400
Travelling Expenses	4,384	-
Credit Information Membership fees	35,400	-
Security Transaction Tax paid	-	174,164
Contingent Provision against Standard Asset	-	296,332
Payment to Auditors :		
As Auditors		
Audit Fees	50,000	50,000
CFS Fees	30,000	30,000
Certification	19,000	-
Reimbursement of GST	17,820	14,400
Total	<u>4,209,053</u>	<u>1,195,657</u>



KAJAL SYNTHETICS AND SILK MILLS LIMITED
Notes to Financial Statements for the year ended 31st March, 2019

Note - 19

Contingent Liability not provided for in respect of

- a Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (Previous year Rs. Nil)
- b Other Contingent Liability - Rs. Nil (Previous Year. Rs. Nil)

Note - 20

In the opinion of the Board of Directors, the current assets, loans and advances, etc are approximately of the value stated in the accounts, if realized in the ordinary course of business, unless otherwise stated. The provision of all known liabilities is adequate and not in excess / short of amount considered reasonably necessary.

Note - 21

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 hereof, the decline, if any, in the market value of such investments is considered to be of a temporary nature.

Note - 22

The Company is duly registered with the Reserve Bank of India (RBI) as a Non Banking Financial Company (NBFC) and the accounts have been prepared on the basis of relevant RBI guidelines.

Note - 23

In Compliance of Section 45-IC of the Reserve Bank of India Act 1934, the Company is required to create Special Reserve out of the profits after tax for the year. However, in view of Losses during the year, the Company has not created any Special Reserve.

Note - 24 - Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

Sr. No	Particulars	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
i	Principal amount remaining unpaid and Interest due thereon.	NIL	NIL
ii	Interest paid in term of Section 16.	NIL	NIL
iii	Interest due and payable for the period of delay in payment.	NIL	NIL
iv	Interest accrued and remaining unpaid.	NIL	NIL
v	Interest due and payable even in succeeding years.	NIL	NIL



Note - 25

The Company is engaged in only one business segment i.e. Non Banking Financial Services (granting of loans, making Investments, etc.) and as such there are no separate reportable segments in accordance with Accounting Standard (AS) - 17 (Segment Reporting) issued by the Institute of Chartered Accountants of India.

Note - 26

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.

Note - 27

The Company is registered with Reserve Bank of India as a NBFC. Accordingly, the Company has been legally advised that the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

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	2018-19	2017-18
Calculation of Weighted average number of Equity Shares of Rs. 10/- each, fully paid up		
Number of shares at the beginning of the year	1,992,000	1,992,000
Shares issued during the year	Nil	Nil
Total number of equity shares outstanding at the end of the year	1,992,000	1,992,000
Net Profit after tax available for equity shareholders (Rs.)	(27,224,711)	(12,773,898)
Basic and diluted earnings per share (Rs.)	(13.67)	(6.41)

Note - 29

The Management has identified the following companies and individuals as Related Parties of the Company for the year ended March 31, 2019 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 :

V.K.Seetharmaiya	Managing Director
G.M.Loyalka	Director
Disha Jain	Company Secretary

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



Material Transactions with related parties during the Year (Rs.)

Particulars	Key Management Personnel (KMP)	
	2018-2019	2017-2018
Salary Paid		
V.K.Seetharamaiya - Managing Director	764,550	-
Disha Jain - Company Secretary	300,000	300,000
	1,064,550	300,000

Note : Related Parties are disclosed by the management and relied upon by the auditors.

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

Place : Mumbai
Date : **29 MAY 2019**

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

V.K. Seetharamaiya
V.K. Seetharamaiya
Managing Director
DIN : 08216198

Disha Jain
Disha Jain
Company Secretary

Rambhadrachandran Jalan
R.S. Jalan
Chief Financial Officer



KAJAL SYNTHETICS AND SILK MILLS LIMITED

SCHEDULE TO THE BALANCE SHEET OF A NON - DEPOSIT TAKING NON - BANKING FINANCIAL COMPANY AS AT MARCH 31, 2019

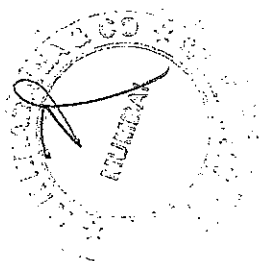
[As required in terms of paragraph 18 of - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

As at March 31, 2019
Amount in `

PARTICULARS		Amount Outstanding	Amount Overdue
Liabilities Side			
1	Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid		
(a)	Debtures : Secured : Unsecured (Other than falling within the meaning of public deposits)	NIL NIL	NIL NIL
(b)	Deferred Credits	NIL	NIL
(c)	Term Loans	NIL	NIL
(d)	Inter Corporate Loans & Borrowings	570,000,000	NIL
(e)	Commercial Paper	NIL	NIL
(f)	Public Deposits	NIL	NIL
(g)	Other Loans (specify nature)	NIL	NIL
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a)	In the form of Unsecured debtures In the form of partly secured debtures i.e. debtures where there is a	NIL	NIL
(b)	shortfall in the value of security	NIL	NIL
(c)	Other public deposits	NIL	NIL

Amount in `

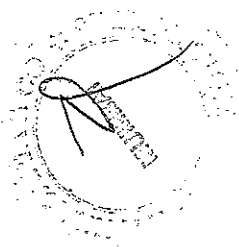
Assets Side		Amount Outstanding
3	Break up of Loans & Advances including bills receivables other than those included in (4) below :	
(a)	Secured	NIL
(b)	Unsecured	359,514,948
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(I)	Lease Assets including lease rentals under Sundry Debtors	
(a)	Financial Lease	N.A.
(b)	Operating Lease	N.A.
(ii)	Stock on Hire including hire charges under Sundry Debtors	
(a)	Assets on Hire	N.A.
(b)	Repossessed Assets	N.A.
(iii)	Other loans counting towards AFC activities	N.A.
(a)	Loans where assets have been repossessed	N.A.
(b)	Loans other than (a) above	N.A.



5 Break Up of Investments			
Current Investments			
1	Quoted		NIL
(i)	Shares : (a) Equity		NIL
	(b) Preference		NIL
(ii)	Debentures & Bonds		NIL
(iii)	Units of Mutual Fund		NIL
(iv)	Government Securities		NIL
(v)	Others		NIL
2	Unquoted		NIL
(i)	Shares : (a) Equity		NIL
	(b) Preference		
(ii)	Debentures & Bonds	323,486	NIL
(iii)	Units of Mutual Fund		NIL
(iv)	Government Securities		NIL
(v)	Others		NIL
Long Term Investments			
1	Quoted	203,836,049	
(i)	Shares : (a) Equity		NIL
	(b) Preference		NIL
(ii)	Debentures & Bonds		NIL
(iii)	Units of Mutual Fund		NIL
(iv)	Government Securities		NIL
(v)	Others		NIL
2	Unquoted	107,552,471	
(i)	Shares : (a) Equity	100,000,000	
	(b) Preference		NIL
(ii)	Debentures & Bonds		NIL
(iii)	Units of Mutual Fund		NIL
(iv)	Government Securities		NIL
(v)	Others		NIL

Amount in ₹

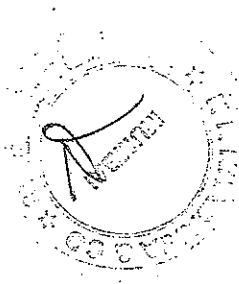
6 Borrower group - wise classification of assets financed as in (2) and (3) above		Amount Net of Provisions		
Category		Secured	Unsecured	Total
1	Related Parties			
(a)	Subsidiaries	NIL	NIL	NIL
(b)	Companies in the same Group*	NIL	NIL	NIL
(c)	Other related parties	NIL	NIL	NIL
2	Other than Related Parties	NIL	359,514,948	359,514,948
	Gross Total	NIL	359,514,948	359,514,948
7 Investor Groupwise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted)		Market Value/ Breakup or fair Value or NAV		Book Value (Net of Provisions)
Category				
1	Related Parties			
(a)	Subsidiaries			
(b)	Companies in the same Group*	34,490,271	335,094	34,490,271
(c)	Other related parties			323,486
2	Other than Related Parties	294,695,696		376,898,249
Total		329,521,061		411,712,006



8 Other Information		Amount in
Particulars		
1	Gross Non Performing Assets	NIL
(a)	Related Parties	NIL
(b)	Other than Related Parties	
2	Net Non Performing Assets	NIL
(a)	Related Parties	NIL
(b)	Other Than Related Parties	
Assets acquired in satisfaction of debt		NIL

* As per definition given in Non-Banking Financial Company Non Systemically Important Non-Deposit taking Company (Reserve Bank) Direction, 2016

For and on behalf of the Board of Directors



G.M. Loyalka

G.M. Loyalka
Director
DIN : 00299416

V.K. Seetharama

V.K. Seetharama
Managing Director
DIN : 08216198

Place : Mumbai
Date : 29 MAY 2019

Disha Jain

Disha Jain
Company Secretary

Rambhadransh Jain

R.S. Jain
Chief Financial Officer



KAJAL SYNTHETICS AND SILK MILLS LIMITED

**GROUPINGS FOR FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019**

	Amount (Rs.)	Amount (Rs.)
BANK BALANCE		748,731
Uco Bank		<u>748,731</u>
ADVANCE TAX & TDS		
Advance Tax/TDS A.Y. 2018 - 19	4,818,873	
Advance Tax/TDS A.Y. 2019 - 20	<u>5,186,319</u>	
	10,005,192	
INCOME TAX REFUND RECEIVABLE		
AY 2008-09	<u>226,140</u>	10,231,332
	226,140	
SHORT TERM BORROWINGS		
Aditya Birla Finance Limited		<u>570,000,000</u>
		<u>570,000,000</u>
SHORT TERM LOANS AND ADVANCES		
Niagara Financial Consultants Pvt. Ltd.		242,600,000
Amber Credit Company Limited		56,500,000
Team Eleven Melchem Technology Pvt. Ltd.		2,450,000
Kanupriya Verma		625,000
		<u>302,175,000</u>
ADVANCES TO STAFF		
V.K.Seetharamaiya		431,136
		<u>431,136</u>
TOTAL OF SHORT TERM LOANS AND ADVANCES		<u>302,606,136</u>
OTHER CURRENT ASSTS		
Interest accrued on Loan from Kanupriya Verma		616
Niagara Financial Consultants Pvt. Ltd.		27,004,355
Amber Credit Company Limited		19,644,962
Team Eleven Melchem Technology Pvt. Ltd.		27,547
		<u>46,677,480</u>
OTHER NON-CURRENT LIABILITIES		
Gratuity Payable		<u>171,120</u>
CURRENT LIABILITIES		
K K Khadaria & Co. - Audit Fees		86,400
S. S. Rathi & Co. - Tax Audit Fees		27,000
TDS Payable on above fees		10,500
TDS Payable on Others		8,249
		<u>132,149</u>
GENERAL EXPENSES		
Office Expenses Office Racks for filing		5,250
Paid for making DSC of director, franking charges		1,630
Purchase of Umbrella and making rubber stamps		600
Xerox copies, Office stationery purchases		9,587
		<u>17,067</u>



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 Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Kajal Synthetics And Silk Mills Limited("the Company") and its associates, which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss and the consolidated Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 as at March 31, 2019, its consolidated loss and its consolidated cash flows for the year ended on that date.

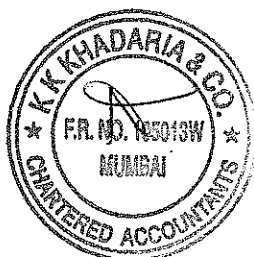
Basis for Opinion

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

Key Audit Matters

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

We have determined that there are no key audit matters to be communicated in our report.



Other Information

The Company's Board of Directors is responsible for preparation and presentation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements, consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appear to be materially misstated.

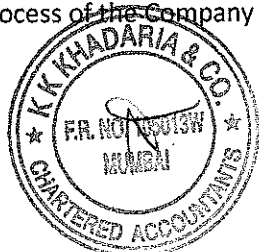
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Company and its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 the assets of the Company and of its associates 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and its associates are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its associates are responsible for overseeing the financial reporting process of the Company and of its associates.

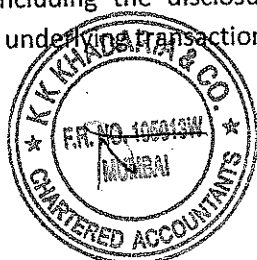


Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal financial controls with reference to consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associates to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



- obtain sufficient appropriate audit evidence regarding the financial information of the Company of which we are independent auditors and whose financial statements we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Company and for the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

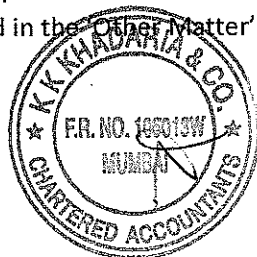
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended 31st March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

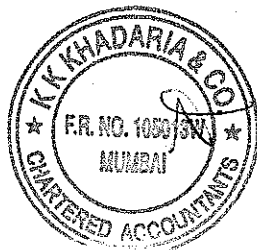
- We did not audit the financial statements and other financial information of associate companies, which have been audited by other auditors. These financial statements & other information and auditors' reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate companies and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the associate companies is based solely on the report of such other auditors.
- Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on consideration of report of the other auditors on separate financial statements and other financial information of associate companies, as noted in the 'Other Matter' paragraph, 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 have been 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 report of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts 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 as on 31st March, 2019 taken on record by the Board of Directors of the Company and report of statutory auditors of the associate companies, none of the directors of the Company and its associates is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Company and its associate companies, refer to our separate report in Annexure A to this report; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 2. There were no pending litigations which would impact the consolidated financial position of the Company and its associates.
 3. The Company and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



4. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associates.

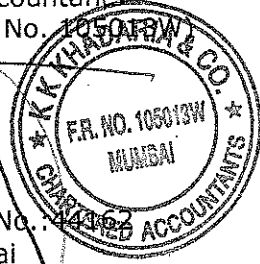
For K K Khadaria & Co
Chartered Accountants
(Registration No. 105013W)

A.
Ajay Daga
Partner

Membership No.: 443162

Place: Mumbai

Dated: 28.06.2019



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

Annexure A to Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of KAJAL SYNTHETICS AND SILK MILLS LIMITED and its Associates , incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

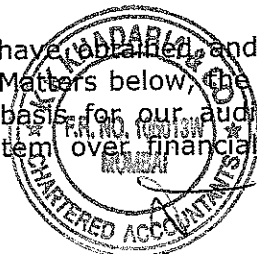
The respective Board of Directors of the Company and its Associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company & its Associates considering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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, and in terms of other auditor's report referred to in paragraph (a) of the Other Matters below, the audit evidence obtained by them, is sufficient and appropriate to provide a basis for our audit opinion on the Company and its Associates internal financial controls system over financial reporting with reference to these consolidated financial statements.



Meaning of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements

A company's internal financial control over financial reporting with reference to consolidated financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on auditor's report of Associates, the Company and its Associates, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting with reference to these consolidated financial statements 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 ICAI .

Other Matters

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 with reference to these consolidated financial statements of the Company, in so far as it relates to Associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For K K Khadaria & Co

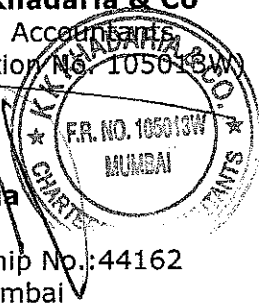
Chartered Accountants
(Registration No. 105013W)

Aj
Ajay Daga
Partner

Membership No.: 44162

Place: Mumbai

Dated: 28.06.2019

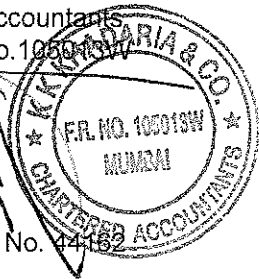


KAJAL SYNTHETICS AND SILK MILLS LIMITED
CIN : L17110MH1985PLC035204
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

	Note No.	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	19,920,000	19,920,000
Reserves and Surplus	3	181,868,865	204,983,878
Non-current Liabilities			
Other Long-term Liabilities	4	171,120	148,952
Current Liabilities			
Short-term Borrowings	5	570,000,000	830,000,000
Other Current Liabilities	6	132,149	123,900
Short-term Provisions	7	872,134	1,594,632
Total		772,964,269	1,056,771,362
ASSETS			
Non-current Assets			
Non-current Investments	8	412,287,296	408,177,597
Long-term Loans and Advances	9	10,231,332	7,052,808
Current Assets			
Current Investments	10	323,486	352,206
Cash and Bank Balances	11	838,539	3,250,917
Short-term Loans and Advances	12	302,606,136	610,285,000
Other Current Assets	13	46,677,480	27,652,834
Total		772,964,269	1,056,771,362
Significant Accounting Policies	1		
Other Notes to Accounts 2-33			
The accompanying notes are an integral part of the Consolidated Financial Statements			

As per our report of even date,
For K K KHADARIA & CO
Chartered Accountants
Firm Reg. No. 105643W

AJAY DAGA
Partner
Membership No. 44162



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

V.K. Seetharamaia
V.K. Seetharamaia
Managing Director
DIN : 08216198

Place : Mumbai
Dated :

28 JUN 2019

Disha Jain
Disha Jain
Company Secretary

Rameswarup Jalan
R.S. Jalan
Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED

CIN : L17110MH1985PLC035204

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

	Note No.	For the Year ended on 31st March, 2019 Rs.	For the Year ended on 31st March, 2018 Rs.
INCOME			
Revenue from Operations	14	51,864,884	48,271,626
Other Income	15	1,242,011	447,022
Total Revenue		53,106,895	48,718,648
EXPENSES			
Employee Benefits Expense	16	1,436,252	601,927
Finance Costs	17	74,686,301	59,729,697
Other Expenses	18	4,209,053	1,195,657
Total Expenses		80,331,606	61,527,281
Profit/(Loss) Before Tax		(27,224,711)	(12,808,633)
Tax expenses:			
Current tax		NIL	NIL
Tax adjustments for Earlier Years		NIL	34,735
		NIL	34,735
Profit / (Loss) After Tax before Share of result of Associates		(27,224,711)	(12,773,898)
Share in Net Profit / (Loss) of Associates		(836,404)	(309,960)
Net Profit / (Loss) for the year		(28,061,115)	(13,083,858)
Earnings per equity share of face value of Rs. 10 each			
Basic and Diluted in Rs.		(14.09)	(6.57)
Significant Accounting Policies	1		
Other Notes to Accounts 2-33			
The accompanying notes are an integral part of the Consolidated 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. 24162



G.M. Loyalka
Director
DIN : 00299416

V.K. Seetharamaiah
Managing Director
DIN : 08216198

Place : Mumbai

Dated : **28 JUN 2019**

Disha Jain
Company Secretary

Rameswarup Jalan
R.S. Jalan
Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

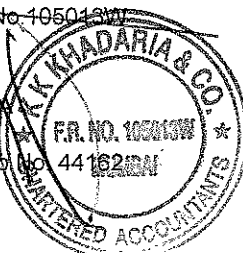
PARTICULARS	2018-19 Rupees	2017-18 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	(27,224,711)	(12,808,633)
ADJUSTMENTS		
Contingent provision against Standard Asset	(722,498)	296,332
Profit on sale of Current Investment (Net)	(121,280)	(357,973)
Interest received on Income Tax Refund	(140,535)	NIL
Operating profit before working capital changes	(28,209,024)	(12,870,274)
Short-term Loans & Advances	307,678,864	(108,890,000)
Other Current Assets	(19,024,646)	(9,582,675)
Long-term Loans & Advances	NIL	12,300,000
Other Long-term Liabilities	22,168	(8,392)
Short-term Provisions	8,249	34,650
Cash generated from operations	260,475,611	(119,016,691)
Less : Direct Tax paid (net of refunds)	(3,037,989)	(4,616,423)
Net cash flow from Operating activities	257,437,622	(123,633,114)
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Purchases of Current Investments	(3,400,000)	(87,400,000)
Sale of Current Investments	3,550,000	88,009,153
Purchases of Non-current Investments	NIL	(174,248,344)
Net cash flow from Investing activities	150,000	(173,639,191)
C. CASH FLOW FROM FINANCING ACTIVITIES :-		
Short-term Borrowings	(260,000,000)	300,000,000
Net cash flow from Financing activities	(260,000,000)	300,000,000
Net increase in cash & cash equivalent (A+B+C)	(2,412,378)	2,727,695
Cash and cash equivalents at the beginning of the year	3,250,917	523,223
Cash & Cash equivalents at the end of the year	838,539	3,250,917

Notes: 1) Cash and Cash Equivalents include cash in hand, balance with banks in Current Account.
2) 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.
3) Figures in brackets indicate cash outgo.
4) 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. 405013W

AJAY DAG
Partner
Membership No. 441620W



G.M. Loyalka
Director
DIN : 00299416

V.K. Seetharamaiya
Managing Director
DIN : 08216198

Place : Mumbai
Dated : 28 JUN 2019

Disha Jain
Company Secretary

R.S. Jalan
Chief Financial Officer

KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE. 1

1. Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention under accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Central Government in consultation with the National Advisory Committee on Accounting Standards has notified the Companies (Indian Accounting Standards) Rules, 2015 vide MCA's notification dated 16.02.15 which Accounting Standards are made applicable to the Company w.e.f. 1.4.19.

Accordingly, these consolidated financial statements have been prepared to comply in all material aspects with the accounting standards including the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (Companies (Accounting Standards), Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

2. Principle of Consolidation

- A. The consolidated financial statements comprises of the financial statements of Kajal Synthetics and Silk Mills Ltd. (the Company) and its proportionate interest in associates. The consolidated financial statements have been prepared in accordance with the Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements".
- B. Associates have been accounted for in the consolidated financial statements using the equity method of accounting whereby the investment is initially recored at cost, identifying goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition changes in the investor's share of the net assets of the investee.
- C. The components considered in the preparation of the Consolidated Fianacial Satatements are:-

Sr. No	Name of the Associate	Country of Incorporation	% of interest in the Associate as at 31st March, 2019	% of interest in the Associate as at 31st March, 2018
1	Five Star Trading & Investment Company Limited	India	47.05%	47.05%
2	Park Avenue Engineering Limited	India	44.11%	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 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.



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

B. Revenue Recognition

- i. The 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 made for permanent diminution in the value, if any.
- 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.

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.



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

The 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 Costs

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, 2019

Note 2 - SHARE CAPITAL

	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
2 Authorised Share Capital		
20,00,000 (31 March 2018 : 20,00,000) Equity Shares of Rs. 10/- each	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>
Issued, Subscribed and paid-up :		
19,92,000 (31 March 2018 : 19,92,000) Equity Shares of Rs. 10/- each	19,920,000	19,920,000
Total	<u>19,920,000</u>	<u>19,920,000</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	1,992,000	1,992,000
Changes during the year	NIL	NIL
Shares outstanding at the end of the year	<u>1,992,000</u>	<u>1,992,000</u>

2.2 Terms/Rights attached to equity shares:

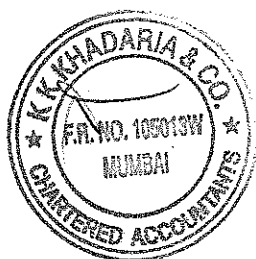
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend, if any proposed by the Board of Directors is subject to approval of the shareholders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

During the year ended 31st March, 2019, 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, 2019		As at 31st March, 2018	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Pick-Me-Quick Holdings Private Limited	420,100	21.09%	420,100	21.09%
Peigeon finance And Investment Private Limited	396,050	19.88%	396,050	19.88%
Benhur Investment Company Private Limited	452,650	22.72%	452,650	22.72%
Mragya Finance & Investment Private Limited	467,200	23.45%	467,200	23.45%
Five Star Trading & Investment Company Limited	241,000	12.10%	241,000	12.10%



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2019

	<u>As at 31st March, 2019 Rs.</u>		<u>As at 31st March, 2018 Rs.</u>	
Note 3 - RESERVES AND SURPLUS				
3.1 Capital Reserve				
Balance as per the last financial statements		20,669,380		20,669,380
3.2 General Reserve				
Balance as per the last financial statements		4,147,949		4,147,949
3.3 Reserve Fund under RBI Act, 1934				
Balance as per the last financial statements	53,645,541		53,645,541	
Add : Transfer from Surplus in the Statement of Profit and Loss.	<u>NIL</u>	53,645,541	<u>NIL</u>	53,645,541
3.4 Surplus in Statement of Profit and Loss :				
Balance as per the last financial statements	126,521,008		131,240,796	
Add : Adjustments on a/c of excess / short loss provided earlier (net)	4,946,102		8,364,069	
: Profit/ (Loss) for the year	<u>(28,061,115)</u>		<u>(13,083,857)</u>	
	103,405,995		126,521,008	
Less: Appropriations				
Transfer to Reserve Fund under RBI Act, 1934	<u>NIL</u>	103,405,995	<u>NIL</u>	126,521,008
Total Reserve and Surplus		<u>181,868,865</u>		<u>204,983,878</u>
Note 4 - NON CURRENT LIABILITIES				
Other Long-term Liabilities		171,120		148,952
		<u>171,120</u>		<u>148,952</u>
Note 5 - SHORT TERM BORROWINGS				
Loan from Body Corporate		570,000,000		830,000,000
		<u>570,000,000</u>		<u>830,000,000</u>
Note 6 - OTHER CURRENT LIABILITIES				
Other Payables		132,149		123,900
		<u>132,149</u>		<u>123,900</u>
Note 7 - SHORT-TERM PROVISIONS				
Contingent provision against Standard Assets		872,134		1,594,632
Total		<u>872,134</u>		<u>1,594,632</u>



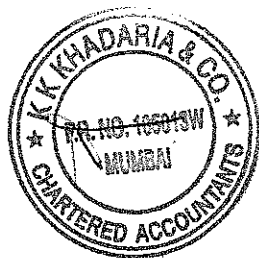
KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2019

Note 8 - Non-current Investments

	Face Value	As at March 31, 2019		Face Value	As at March 31, 2018	
	(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	3,788,119	5	45,000	3,788,119
Keocram Industries Limited	10	550,000	67,674,154	10	550,000	67,674,154
Mangalam Cement Limited	10	264,000	102,786,071	10	264,000	102,786,071
Mangalam Timber Products Limited	10	352,838	9,866,263	10	352,838	9,866,263
Mansoon Trading Company Limited	10	366,000	4,388,304	10	366,000	4,388,304
Meenakshi Steel Industries Limited	10	255,500	9,046,821	10	255,500	9,046,821
Nilkanth Engineering Limited	10	206,000	6,286,317	10	206,000	6,286,317
Total Quoted Investments (a)			203,836,049			203,836,049
b Unquoted, fully paid-up Equity Shares of Associate Companies						
Five-Star Trading & Investment Company Limited	10	120,001	15,332,565	10	120,001	31,463,588
Less: Capital Reserve on Investment in Associates			19,433,568			19,433,568
Add: Excess Capital Reserve recorded earlier now rectified			16,131,023			NIL
			12,030,020			12,030,020
Add/(Less): - Accumulated share in profit/(loss) at the beginning of the year			(721,078)			(8,827,494)
- Excess loss provided earlier now rectified			4,955,453			8,364,069
- Share in Profit/(Loss) of current year			(365,675)			(257,653)
			15,898,720			11,308,942
Park Avenue Engineering Limited	10	2,154,250	24,936,440	10	2,154,250	24,936,440
Less: Capital Reserve on Investment in Associates			2,476,189			2,476,189
			22,460,251			22,460,251
Add/(Less): - Accumulated share in profit/(loss) at the beginning of the year			(2,489,845)			(2,437,537)
- Loss provided less in earlier year now rectified			(9,351)			NIL
- Share in Profit/(Loss) of current year			(470,728)			(52,308)
			19,490,327			19,970,406
Equity Shares of Other Companies						
Pintail Realty Developers Private Limited	10	200,000	52,330,500	10	200,000	52,330,500
Niranjan Housing Private Limited	10	55,945	20,731,700	10	55,945	20,731,700
Total Unquoted Investments (b)			108,451,247			104,341,548
c Unquoted-fully paid up Preference Shares of Other Companies						
5% Cumulative Redeemable Fully Convertible Preference Shares of Niranjan Housing Private Limited	10	125,000	100,000,000	10	125,000	100,000,000
Total Unquoted Investments (c)			100,000,000			100,000,000
Total (a) + (b) + (c)			412,287,296			408,177,597

	Book Value		Market Value	
	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Aggregate of Quoted Investments	203,836,049	203,836,049	121,633,496	203,836,049
Aggregate of Unquoted Investments	208,451,247	204,341,548	208,451,247	204,341,548
	412,287,296	408,177,597	330,084,743	408,177,597



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2019

	As at 31st March, 2019		As at 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.
Note 9 - LONG TERM LOANS AND ADVANCES				
Unsecured, considered good				
Advance Income Tax (Net of provisions for tax)				
Taxes Paid	10,231,332		7,052,808	
Less : Provision for Tax	NIL	10,231,332	NIL	7,052,808
Total		10,231,332		7,052,808

Note 10 - CURRENT INVESTMENTS

Investment in Mutual Funds Unquoted - fully paid up	Face Value (Rs.)	As at March 31, 2019		Face Value (Rs.)	As at March 31, 2018	
		Quantity Nos.	Rs.		Quantity Nos.	Rs.
ABSL Liquid Fund - Growth Regular Plan	100	1,120,697	323,486	100	1,287,594	352,206
Total			323,486			352,206

Aggregate of Unquoted Investments	Book Value		Repurchase Value	
	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
	323,486	352,206	358,252	358,252
	323,486	352,206	358,252	358,252

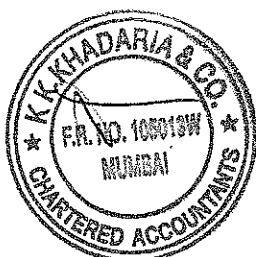
	As at 31st March, 2019		As at 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.
Note 11 - CASH & BANK BALANCES				
CASH AND CASH EQUIVALENTS				
Cash on Hand		5,825		2,022
Cheque on hand		83,984		NIL
Balance with Bank on Current Account		748,730		3,248,895
Total		838,539		3,250,917

Note 12 - SHORT TERM LOANS AND ADVANCES

	As at 31st March, 2019		As at 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.
(Unsecured, considered good)				
Loans & Advances				
- to Others		302,175,000		610,200,000
Advance to staff		431,136		85,000
		302,606,136		610,285,000

Note 13 - OTHER CURRENT ASSETS

	As at 31st March, 2019		As at 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.
Interest accrued on Loans		46,677,480		27,652,834
		46,677,480		27,652,834



KAJAL SYNTHETICS AND SILK MILLS LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2019

	For the Year ended on March 31, 2019 Rs.	For the Year ended on March 31, 2018 Rs.
Note 14 - REVENUE FROM OPERATIONS		
Interest Income	51,864,884	48,271,626
Total	51,864,884	48,271,626
Note 15 - OTHER INCOME		
Net gain on Redemption of Units of Mutual Fund	121,280	357,973
Dividend on Long-term Investments	217,000	80,657
Excess Provision for Gratuity written back	NIL	8,392
Contingent Provision against Standard Assets w/back	722,498	NIL
Interest received on Employee Loan	40,698	NIL
Interest received on Income-tax refund	140,535	NIL
Total	1,242,011	447,022
Note 16 - EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	1,398,850	601,927
Staff Welfare Expenses	15,234	NIL
Gratuity	22,168	NIL
Total	1,436,252	601,927
16.1 Salary Includes Managerial Remuneration of Rs, 10,64,550/- (P.Y.Rs.3,00,000/-)		
Note 17 - FINANCE COST		
Interest on Inter Corporate Loans	74,686,301	59,729,697
Total	74,686,301	59,729,697
Note 18 - OTHER EXPENSES		
Advertisement Expenses	17,841	20,498
Bank Charges	2,267	4,598
Custodian / ISIN activation charges	22,438	20,816
Certification Fees	NIL	11,800
Filing Fees	7,500	7,200
Legal and Professional Charges	92,935	225,806
Listing Fees	295,000	287,500
Reinstatement Fees paid to BSE	3,540,000	NIL
Demat Account Charges	944	920
Conveyance	51,057	45,268
General Expenses	17,067	3,955
Telephone charges	5,400	2,400
Travelling Expenses	4,384	NIL
Credit Information Membership Fees	35,400	NIL
Security Transaction Tax paid	NIL	174,164
Contingent Provision against Standard Assets	NIL	296,332
Payment to Auditors :		
As Auditors		
Audit Fees	50,000	50,000
Other matters	30,000	30,000
Certification Fees	19,000	NIL
GST / Service Tax on Audit Fees	17,820	14,400
Total	4,209,053	1,195,657



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

19. Contingent Liability in respect of income tax demands raised/arrears by the Income Tax department but disputed by the Company is Rs. 4,68,521/- (Previous Year Rs.5,62,051/-)
20. The Company 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 Company is a Non-Banking Financial Company (NBFC) and is 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 incurred during the year, the Company 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 permanent diminution 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 not considered to be of a permanent nature.
26. The accounts of the Company has been prepared on the basis of relevant RBI guidelines.
27. Earnings Per Share

Particulars	For the Year Ended March 31,2019	For the Year Ended March 31,2018
(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.)	(2,80,61,115)	(1,30,83,858)
(c) Basic and diluted Earnings per Equity Share of Rs. 10/- each	(14.09)	(6.57)

28. The Company being registered with the Reserve Bank of India as a NBFC has been legally advised that the provisions of Section 186 of the Companies Act, 2013 are not applicable to it.
29. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Associate Companies:



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Name of Entity	Net Assets i.e. Total Assets minus Total Liability		Share in Profit/(Loss)	
	As a % of Consolidated Net Assets	Amount (In Rs.)	As a % of Consolidated Profits	Amount (In Rs.)
The Company				
Kajal Synthetics And Silk Mills Limited	99.55%	20,08,90,090	97.02%	(2,72,24,711)
Associates				
Five Star Trading & Investment Company Limited	7.88%	1,58,98,720	1.30%	(3,65,675)
Park Avenue Engineering Limited	9.66%	1,94,90,327	1.68%	(4,70,728)
Sub Total		3,53,89,047		(8,36,404)
Inter-Company Elimination & Consolidation Reserve	-17.09%	(3,44,90,271)	0.00%	-
Consolidated Net Asset/ (Loss) After Tax	100%	20,17,88,865	100%	(2,80,61,115)

30. 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	31-03-2019	31-03-2019
Date on which the Associate was associated or acquired	24.03.2008	26.03.2008
Shares of Associates held by the Company at 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
Extent 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	2,19,66,516	1,92,01,264
Profit or Loss for the year		



KAJAL SYNTHETICS AND SILK MILLS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

TOTAL :-	1,064,550	300,000
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Note: Related Parties are disclosed by the management and relied upon by the auditors.

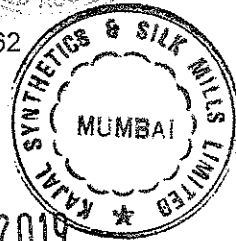
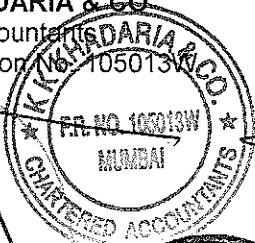
32. Previous year's figures have been regrouped/reclassified wherever necessary to confirm with the current year's classification/disclosure.

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

Mumbai:
Dated: 28 JUN 2019



G.M.Loyalka
Director
DIN: 00299416

Disha Jain
Company Secretary

V.K.Seetharamaiya
Managing Director
DIN: 08216198

R.S.Jalan
Chief Financial

Ramswaraj Jalan