



Arrow Textiles Limited

Annual Report
2017-18



Arrow Textiles Limited

THE BOARD OF DIRECTORS

Mr. Jaydev Mody	Non-Executive Chairman
Mr. Chand Arora	Managing Director
Mr. Aditya Mangaldas	Independent Director
Ms. Anjali Mody	Non-Executive Director
Mr. Aurobind Patel	Independent Director
Dr. Vrajesh Udani	Independent Director

Chief Financial Officer

Mr. Ulhas Kale

Company Secretary & Compliance Officer

Mr. Saurabh Gangadhare

Registered Office & Plant Location

Plot No. 101 - 103,
19th Street, Satpur, MIDC,
Nasik - 422 007, Maharashtra.
Website: www.arrowtextiles.com

Statutory Auditors

M/s. M H S & Associates
Chartered Accountants

Bankers

Axis Bank Limited

Share Transfer Agents

Freedom Registry Limited
Plot No. 101 / 102, MIDC, 19th Street,
Satpur, Nasik - 422 007, Maharashtra.
Phone : (0253) 2354032, 2363372
Facsimile : (0253) 2351126
e-mail : support@freedomregistry.in

Shares Listed on

BSE Limited
National Stock Exchange of India Limited

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NOTICE

Notice is hereby given that the 11th Annual General Meeting (AGM) of Members of Arrow Textiles Limited (the "Company") will be held on Thursday, 27th September, 2018 at 2.00 p.m. at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra, to transact the following Ordinary business:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2018.
3. To appoint a director in place of Ms. Anjali Mody (DIN: 02784924), who retires by rotation and being eligible offers herself for re-appointment.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person shall not act as a Proxy for more than 50 Members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
4. In terms of Section 152 of the Act, Ms. Anjali Mody (DIN: 02784924), Director shall retire by rotation at the ensuing AGM. Ms. Anjali Mody (DIN: 02784924), being eligible, offers herself for re-appointment.
The Board of Directors of the Company recommends re-appointment of Ms. Anjali Mody
5. Details of Ms. Anjali Mody (DIN: 02784924), Director, proposed to be re-appointed at the ensuing AGM, as required by Regulation 26 and Regulation 36(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings (SS – 2) are forming part of this Notice. Requisite declaration had been received from her for re- appointment.
6. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the AGM held on 26th September, 2017.
7. Members are requested to bring their attendance slip duly completed and signed along with their copy of annual report to the AGM.
8. In case of joint holders attending the AGM, only such joint holders who is higher in the order of names will be entitled to vote.
9. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 20th September, 2018 to Thursday, 27th September, 2018 (both days inclusive), for the purpose of AGM and for declaration of dividend.
10. The dividend on Equity Shares, if declared at the AGM, will be paid on or before Friday, 26th October, 2018 to those Members or their mandates:

- (a) whose name appears at the end of the business hours on Wednesday, 19th September, 2018, in the list of Beneficial owners to be furnished by Depositories in respect of the shares held in demat form; and
 - (b) Whose names appear as Members on the Company's Register of Members after giving effect to valid share transfer request in physical form lodged with Share Transfer Agents (STA) of the Company on or before Wednesday, 19th September, 2018.
11. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate to the Company's STA the following information to be incorporated on the dividend warrants duly signed by the sole or first joint holder:
- (i) Name of the Sole/First joint holder and the Folio Number
 - (ii) Particulars of Bank Account, viz: Name of the Bank
Name of the Branch
Complete address of the Bank with Pin Code number
Account type whether Saving or Current
Bank Account Number
MICR Code
IFSC Code
- (b) Members holding shares in demat form may please note that their Bank account details, as furnished by their Depository Participant (DP) to the Company, shall be printed on their Dividend Warrants as per the applicable regulation of the Depositories and the Company shall not entertain any direct request from the members for deletion of or change in Bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in demat form. Members who wish to change their Bank details or particulars are requested to contact their DP.
- (c) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided facility to the Members for remittance through National Electronic Clearing Services (NECS) / Electronic Clearing System (ECS). The NECS / ECS facility is available at locations designated by Reserve Bank of India. In this regard, Members holding shares in demat form and desirous of availing the NECS / ECS facility are requested to contact their DP. Further, Members holding shares in physical form and desirous of availing the NECS / ECS facility are requested to contact the STA of the Company.
12. Members are requested to:
- (a) intimate to the Company's STA, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
 - (b) intimate to the respective DP, changes, if any, in their registered addresses / email ID or bank mandates to their DP with whom they are maintaining their demat accounts.
 - (c) quote their Folio Numbers/ Client ID/ DP ID in all correspondence; and
 - (d) consolidate their holdings into one Folio in case they hold shares under multiple folios in the identical order of names.
13. Members may please note that, Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/ STA for registration of such transfer of shares.

Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased Member(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

In accordance with the instructions prescribed under the SEBI circular No. SEBI /HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, the Company has sent letters/ intimations through registered/speed post seeking KYC documents from all those Members of the Company who hold shares in physical form and whose folios do not have / have incomplete details with regard to PAN and Bank Account details.

14. Pursuant to sections 101 and 136 of the Act read with the Rules made thereunder, the Notice calling the AGM along with the Annual Report 2017-18 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depositories or the Company's STA, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. However, in case a Members wishes to receive a physical copy of the Annual Report, he/she is requested to send an email to secretarial@arrowtextiles.com and support@freedomregistry.in duly quoting his/her/their DP ID and Client ID or the Folio number, as the case may be.

Members are requested to register/update their e-mail addresses with the DP (in case of shares held in dematerialized form) or with STA (in case of shares held in physical form) which will help us in prompt sending of notices, annual reports and other shareholder communications in electronic form.

15. Members holding shares in physical form are advised to avail the Nomination facility in respect of their shares by filling the prescribed form. Members holding shares in electronic form may contact their DP for recording their Nomination.

16. Voting through electronic means:

In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory modifications, clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the Listing Regulations and SS – 2, the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the AGM ("remote e-Voting") using an electronic voting system provided by National Securities Depository Limited ("NSDL"), on all the business items set forth in the Notice of AGM and the business may be transacted through such remote e-voting. The instructions for remote e-Voting explain the process and manner for generating/receiving the password and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items:

- a. The remote e-Voting period will commence on Monday, 24th September, 2018 (9.00 am IST) and will end on Wednesday, 26th September, 2018 (5.00 pm IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 19th September, 2018, may cast their votes through remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting after 5.00 pm (IST) on Wednesday, 26th September, 2018 and remote e-Voting shall not be allowed beyond the said time.
- b. The voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date, being Wednesday, 19th September, 2018.
- c. Once the vote on a resolution is cast by a Member through remote e-voting, he/she/it shall not be allowed to change it subsequently.

- d. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of AGM Notice and holding shares as of the cut-off date, i.e. Wednesday, 19th September, 2018, may refer to this Notice of the AGM of the Company, posted on Company's website www.arrowtextiles.com for detailed procedure with regard to remote e-Voting. The Notice shall also be available at www.evoting.nsdl.com. Any person, who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- e. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the Members, there shall be no voting by show of hands at the AGM. The Company is also offering facility for voting by way of polling papers at the AGM for the Members attending the meeting who has not cast their vote by remote e-voting.
- f. A Member may participate in the AGM even after exercising his right to vote through remote e-voting, cannot vote again at the AGM.
- g. If a Member cast votes by both modes i.e. remote e-voting and polling papers at the AGM, then voting done through remote e-voting shall prevail and polling paper shall be treated as invalid.
- h. The Company has appointed Mr. Ashish Kumar Jain, Practicing Company Secretary (membership no. 6058) from M/s A. K. Jain and Co., Company Secretaries in Practice, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- i. The Scrutinizer shall, immediately after the conclusion of AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Chairman or a person authorised by him. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
- j. The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's website www.arrowtextiles.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman.

The instructions for shareholders voting electronically are as under:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akjaincs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

A. Ms. Pallavi Mhatre, Asst. Manager

E-voting Helpdesk

National Securities Depositories Limited

Email: evoting.nsdl.co.in

Phone: 022 - 24994545

B. Mr. Saurabh Gangadhare, Company Secretary

Arrow Textiles Limited

Corporate Office: Bayside Mall,

2nd Floor, Tardeo Road,

Haji Ali, Mumbai – 400 034

Email: secretarial@arrowtextiles.com

Phone: 022-40794700

C. Mr. Bhushan Chandratre

Freedom Registry Limited (STA)

Registered Office: Plot No. 101 / 102,

19th Street, MIDC, Satpur, Nasik - 422 007Email: support@freedomregistry.in

Phone: 0253-2354032, 2363372

17. Members desirous of asking any questions at the AGM are requested to send in their questions so as to reach the Company at least 10 days before the AGM, so that the same can be suitably replied.
18. The Landmark and routemap to the venue of the AGM is attached and forms a part of this Notice.

By Order of the Board of Directors,

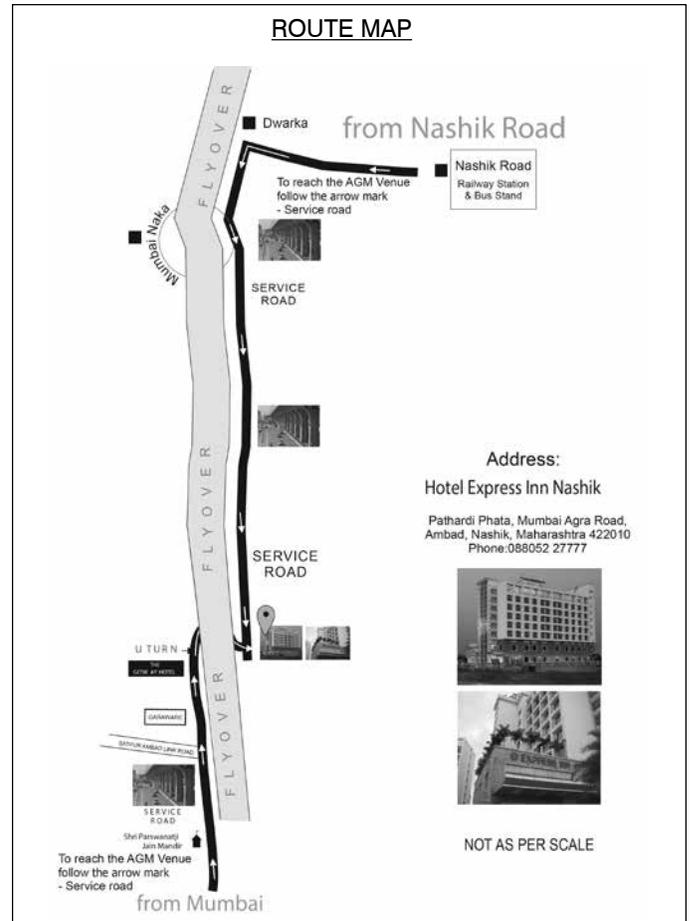
SAURABH GANGADHARE
Company Secretary
ACS No: A49743

Mumbai, 10th August, 2018**Registered Office:**Plot No. 101-103, 19th Street, MIDC,
Satpur, Nasik – 422 007, Maharashtra.

CIN : L51494MH2008PLC178384

Email ID : secretarial@arrowtextiles.comWebsite : www.arrowtextiles.com

Tel No: 91-253-6609893





DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED AT THE FORTHCOMING AGM AS REQUIRED BY REGULATION 26 AND REGULATION 36(3) OF THE LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS – 2)



Name of Director

Ms. Anjali Mody

Age

32 years

Date of First Appointment

4th August, 2014

Qualification

Bachelors of Fine Arts in Industrial Design from the Rhode Island School of Design.

Profile and Expertise

Ms. Anjali Mody, graduated from the Rhode Island School of Design in 2009 with a Bachelor of Fine Arts in Industrial Design. After returning to India, with a strong creative passion burning within, Ms. Mody engaged in two creative ventures. In 2010, Ms. Mody founded Josmo Studio, a boutique furniture design studio, creating individualist, bespoke furniture that caters to the specific needs of the buyer. Despite being a young studio, Josmo has managed to take leaps and bounds in the furniture industry, having collected a reputable clientele base extending throughout the country. She is simultaneously engaged in founding and running Skarma; a Creative Agency where she is one of two partners. Skarma, also founded in 2010, is on its way to defining the highest standard of design during India's much needed design revolution. Ms. Mody's philosophy is to blend "necessity" with "artistry". Through these creative ventures, Ms. Mody seeks to transform the arena of design in India, by opening India up to the world, exposing it to new ideas and innovations, and more importantly, by opening the rest of the world up to India and its innate, creative ingenuity.

Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid

Non Executive, Non-Independent Director liable to retire by rotation.

Last drawn remuneration

Nil

Relationship with other Directors, Manager and Key Managerial Personnel

Daughter of Mr. Jaydev Mody

No. of Board Meetings attended during the year

4

Number of shares held in the Company, Individually or Jointly.

Nil

Directorship and Committee memberships (Excluding Arrow Textiles Limited)

i) Directorships held in other Companies

Delta Holdings (USA) Inc. (Foreign Company)

Skarma Consultancy Private Limited

J M Holdings Limited (U A E) (Foreign Company)

J M Livestock Private Limited

J M Holdings (USA) Inc. (Foreign Company)

ii) Chairman of Board Committees:

Nil

iii) Member of Board Committees:

Nil

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Eleventh (11th) Directors' Report of your Company along with the financial statements for the Financial Year ended 31st March, 2018.

1. OPERATING RESULTS

Certain key aspects of your Company's performance during the Financial Year ended 31st March, 2018 as compared to the previous Financial Year are summarised below:

(₹ in '000)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Income for the year	4,10,105.71	4,94,366.52
Profit before Interest, Depreciation and Tax	74,001.71	1,03,842.88
Finance Charges	4,113.13	6,880.46
Profit before Depreciation and Taxes	69,888.58	96,962.42
Depreciation & Amortisation	44,553.76	39,465.31
Provisions for Taxation/ Deferred Tax	9,267.61	18,715.61
Prior Period Items / Exceptional Items	0	0
Minority Interest & Profit from Associate Company	0	0
Net Profit for the current year	16,067.21	38,781.50
Other Comprehensive income (net of tax)	566.51	(2,045.49)
Earlier years balance brought forward	1,81,084.77	1,66,357.56
Depreciation reversed on Capital Subsidy Received	0	912.02
Net Profit available for Appropriation	1,97,718.49	2,04,005.59
Appropriation:		
Dividend on Equity Shares	(28,565.91)	(19,043.94)
Dividend Distribution Tax (Net)	(5,815.36)	(3,876.88)
Transfer to General Reserves	0	0
Balance carried to Balance Sheet	1,63,337.22	1,81,084.76

2. DIVIDEND

Your Directors recommend for approval of the Members at the ensuing Annual General Meeting, dividend of ₹ 1.50/- per Equity Share (i.e. 15%) of face value of ₹ 10/- each, for the Financial Year ended 31st March, 2018 aggregating ₹ 34,437.73 (in Thousands) including ₹ 5,871.82 (in Thousands) dividend distribution tax as compared to previous year's dividend of ₹ 1.50/- per Equity Share (i.e. 15%) of face value of ₹ 10/- each, for the Financial Year ended 31st March, 2017 aggregating ₹ 34,381.27 (in Thousands), including ₹ 5,815.36 (in Thousands) dividend distribution tax.

The total outflow for current year is based on relevant share capital as on 31st March, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date /book closure.

The dividend will be paid in compliance with the applicable Rules and Regulations.

3. SHARE CAPITAL

There was no change in the Company's share capital during the year under review.

The Company's paid up equity share capital remained at ₹ 19,04,39,390 comprising of 1,90,43,939 equity shares of ₹ 10/- each.

4. OVERVIEW OF OPERATIONS

During the year under review, your Company recorded a total income of ₹ 4,10,105.71 (in Thousands) as compared to last year's income of ₹ 4,94,366.52 (in Thousands) and net profit of ₹ 16,633.72 (in Thousands) as compared to last year's Net profit of ₹36,736.01 (in Thousand). For further information, kindly refer to Management Discussion and Analysis Report, forming a part of this Annual Report.

5. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 ("the Act") and as prescribed in Form No. MGT-9 of the Companies (Management and Administration) Rules, 2014, is appended as Annexure I to this Report.

6. NUMBER OF MEETINGS OF THE BOARD

The Board met Five (5) times in Financial Year 2017-18 viz., on 15th May, 2017, 11th August, 2017, 12th September, 2017, 11th December, 2017 and 12th February, 2018. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

- i. In the preparation of the annual accounts for Financial Year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 at 31st March, 2018 and of the profit of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the 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 fraud and other irregularities.
- iv. The Directors have prepared the annual accounts for Financial Year ended 31st March, 2018 on a 'going concern' basis.
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.
- vi. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

8. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149(7) of the Act, confirming that they meet the criteria of independence under Section 149(6) of the Act and Regulation 16 (1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act and Regulation 19 of Listing Regulations is appended as Annexure II to this Report.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, read with Companies (Meetings of Board and Its Powers) Rules, 2014 are given in the notes to the Financial Statements forming part of this Annual Report.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the Financial Year 2017-18, your Company has entered into transactions with related parties as defined under section 2(76) of the Act and Rules made thereunder, Regulation 23 of the Listing Regulations. During the Financial Year 2017-18, transactions with related parties which qualify as material transactions as per Listing Regulations are given in Form AOC - 2 as per the Companies (Accounts) Rules, 2014 in Annexure III to this Report.

The details of related party transactions as required under IND AS-24 are set out in notes to accounts to the Standalone Financial Statements forming part of this Annual Report.

The Policy on Related Party Transactions may be accessed on the Company's website at the link: <http://www.arrowtextiles.com/Related-Party-Transaction-Policy.pdf>

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

13. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is appended as Annexure IV to this Report.

14. BUSINESS RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risks trend, exposure and potential impact analysis on a Company's business.

15. CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. Your Company's CSR initiatives or activities undertaken during the Financial Year ended 31st March, 2018 forms part of Annual Report on the CSR activities, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 which is appended as Annexure V to this Report.

16. VIGIL MECHANISM

The Company has adopted Vigil Mechanism and Whistle Blower Policy for Directors and Employees in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations, to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism. During the year no personnel of the Company was denied access to the Audit Committee. The said policy is also available on the Company's website www.arrowtextiles.com

17. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD

Pursuant to the provisions of the Act and Regulation 19 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination, Remuneration and Compensation Committee have defined the evaluation criteria for the Board, its Committees and Directors.

The Board's functioning was evaluated after taking inputs from the Directors on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were evaluated after taking inputs from the Committee members on the basis of criteria such as degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Board and the Nomination, Remuneration and Compensation Committee reviewed the performance of the individual directors on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

In a separate meeting of independent directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

18. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any subsidiary. However, the Company has formulated policy for determining material subsidiary and the same is available on Company's website and the same may be accessed at the link: <http://www.arrowtextiles.com/Policy-for-Determining-Material-Subsidiaries.pdf>

19. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT

The Company has neither accepted nor renewed any deposits during the Financial Year 2017-18 in terms of Chapter V of the Act.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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

21. INTERNAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial control with reference to financial statements.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 and other applicable provisions, if any, of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015.

The Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.

The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Section 152(6)(e) of the Act, Ms. Anjali Mody (DIN: 02784924), Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

23. AUDITORS

1. Statutory Auditor

M/s. M H S & Associates, Chartered Accountants (Firm Registration No: 141079W), were appointed as Statutory Auditors of the Company at the 10th Annual General Meeting till the conclusion of the 15th Annual General Meeting.

Your Company has received a confirmation from M/s. M H S & Associates, Chartered Accountants (Firm Registration No: 141079W) to the effect that that they are not disqualified within the meaning of Section 141 and other applicable provisions of the Act and rules made thereunder.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditor of the Company, in his audit report.

2. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company have appointed M/s. A. K. Jain & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report is appended as Annexure VI to this Report.

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

24. CORPORATE GOVERNANCE

Pursuant to Listing Regulations, the Management Discussion & Analysis Report and Corporate Governance Report together with Certificate from Practicing Company Secretary, on compliance with the conditions of Corporate Governance as laid down, forms a part of this Annual Report.

25. AUDIT COMMITTEE OF THE COMPANY:

The Company's Audit Committee comprises the following Directors:

1. Mr. Aditya Mangaldas (Chairman);
2. Mr. Chand Arora;
3. Mr. Aurobind Patel
4. Dr. Vrajesh Udani

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

26. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules and disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure VII to this Report.

27. COMPLIANCE OF THE SECRETARIAL STANDARDS

During the financial year, the Company has complied with the applicable Secretarial Standards i.e SS-1 and SS-2 as issued by the Institute of the Company Secretaries of India.

28. ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation for the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

By Order of the Board of Directors,

JAYDEV MODY
Chairman
DIN: 00234797

Place: Mumbai
Date: 10th August, 2018

Registered Office:

Plot No. 101-103, 19th Street, MIDC,
Satpur, Nasik - 422 007, Maharashtra.
CIN : L51494MH2008PLC178384
Email ID: secretarial@arrowtextiles.com
Website: www.arrowtextiles.com
Tel No : 91-253-6609893

ANNEXURE I

FORM NO. MGT-9

Extract of Annual Return as on the Financial Year ended on 31st March, 2018
[Pursuant to Section 92(3) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L51494MH2008PLC178384
ii.	Registration Date	30 th January, 2008
iii.	Name of the Company	Arrow Textiles Limited
iv.	Category / Sub-Category of the Company	Category: Company Limited by Shares Sub-category : Indian Non-Government Company
v.	Address of the Registered office and contact details	Plot No. 10-103, 19 th Street, MIDC, Satpur, Nasik - 422 007, Maharashtra. Email ID: secretarial@arrowtextiles.com Tel No : 91-253-3918200
vi.	Whether listed company (Yes / No)	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Freedom Registry Limited Plot No. 101/102, 19 th Street, MIDC, Satpur, Nasik - 422 007, Maharashtra. Email ID : support@freedomregistry.in Tel No : 91-253-2354032, 2363372 Fax : 91-253-2351126

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Woven Tape	2473	20.79
2.	Woven Label	2679	40.07
3.	Fabric Printed Label	2699	35.24

III. PARTICULARS OF HOLDING, SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	NA*				

* The Company does not have any subsidiary.

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

i) Category-wise Share Holding

Sr. Category of no. Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
1) Indian									
a) Individual/HUF	88,671	0	88,671	0.47	98,671	0	98,671	0.53	0.06
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	45,117	0	45,117	0.23	45,117	0	45,117	0.23	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
(f1) Trusts	1,29,36,114	0	1,29,36,114	67.93	1,29,26,114	0	1,29,26,114	67.87	(0.06)
Sub-total (A) (1):-	1,30,69,902	0	1,30,69,902	68.63	13069902	0	1,30,69,902	68.63	0
2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A) (1) + (A)(2)	1,30,69,902	0	1,30,69,902	68.63	1,30,69,902	0	1,30,69,902	68.63	0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	11,778	0	11,778	0.06	10,730	0	10,730	0.06	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	12	0	12	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	11,790	0	11,790	0.06	10,730	0	10,730	0.06	0
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	5,03,829	9,463	5,13,292	2.7	4,76,800	8,963	4,85,763	2.55	(0.15)
ii) Overseas	0	0	0	0	0	0	0	0	0

Sr. Category of no. Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
b) Individuals										
i) Individual Shareholders holding nominal share capital upto share capital upto ₹ 1 lakh	39,56,735	4,24,144	43,80,879	23	38,80,366	4,00,999	42,81,365	22.48	(0.52)	
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	7,34,098	0	7,34,098	3.85	8,04,124	0	8,04,124	4.22	0.37	
c) Others (specify)										
(c1) Clearing Member	35,857	0	35,857	0.2	26,095	0	26,095	0.14	(0.06)	
(c2) NRIs	2,96,635	1,486	2,98,121	1.57	3,64,474	1,486	3,65,960	1.92	0.35	
(c3) IEPF	0	0	0	0	0	0	0	0	0	
Sub-Total (B)(2):	55,27,154	4,35,093	59,62,247	31.32	55,51,859	4,11,448	59,63,307	31.31	(0.01)	
Total Public Shareholding (B)=(B)(1)+(B)(2)	55,38,944	4,35,093	59,74,037	31.38	55,62,589	4,11,448	59,74,037	31.37	(0.01)	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	1,86,08,846	4,35,093	1,90,43,939	100	1,86,32,491	4,11,448	1,90,43,939	100	(0.01)	

(ii) Shareholding of Promoters

Sr. Name of Shareholders no.	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change in shareholding during the year
	Number of shares held	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	Number of shares held	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1 Jaydev Mody	281	0.00	0.00	281	0.00	0.00	0.00
2 Ambika G. Singhania -Kothari	11,842	0.06	0.00	11,842	0.06	0.00	0.00
3 Gopika Singhania	10,966	0.06	0.00	10,966	0.06	0.00	0.00
4 Chand Vishnudatta Arora	24,877	0.13	0.00	24,877	0.13	0.00	0.00
5 Highland Resorts LLP	8,097	0.04	0.00	8,097	0.04	0.00	0.00
6 Aarti Management Consultancy Pvt.Ltd	2	0.00	0.00	2	0.00	0.00	0.00
7 Aditi Management Consultancy Pvt.Ltd	2	0.00	0.00	2	0.00	0.00	0.00
8 Anjoss Trading Pvt.Ltd	2	0.00	0.00	2	0.00	0.00	0.00
9 Delta Corp Ltd.	2	0.00	0.00	2	0.00	0.00	0.00
10 PMP Auto Components Private Limited	37,012	0.19	0.00	37,012	0.19	0.00	0.00
11 *Aryanish Finance & Investments Pvt.Ltd	43,13,254	22.65	0.00	43,08,254	22.62	0.00	(0.03)
12 *Bayside Property Developers Pvt.Ltd.	43,11,569	22.64	0.00	43,11,569	22.64	0.00	0.00
13 *Delta Real Estate Consultancy Pvt.Ltd	43,11,291	22.64	0.00	43,06,291	22.61	0.00	(0.03)
14 Kalpana Singhania	25,705	0.13	0.00	30,705	0.16	0.00	(0.03)
15 Urvi Piramal A	15,000	0.08	0.00	20,000	0.11	0.00	(0.03)
TOTAL	1,30,69,902	68.63	0.00	1,30,69,902	68.63	0.00	(0.12)

*Aryanish Finance and Investments Private Limited, Bayside Property Developers Private Limited and Delta Real Estate Consultancy Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J. Mody Trust respectively.

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

Sr. Name no.	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
	No. of Shares at the beginning (01.04.2017) / end of the year 31.03.2018)	% of total Share of the Company				No of Shares	% of total Shares of the Company
1 Jaydev Mody	281	0.00	01.04.2017	0	Nil movement during the year	281	0.00
	281	0.00	31.03.2018				
2 Ambika G.Singhania - Kothari	11,842	0.06	01.04.2017	0	Nil movement during the year	11,842	0.06
	11,842	0.06	31.03.2018				
3 Gopika Singhania	10,966	0.06	01.04.2017	0	Nil movement during the year	10,966	0.06
	10,966	0.06	31.03.2018				
4 Chand Vishnudatta Arora	24,877	0.13	01.04.2017	0	Nil movement during the year	24,877	0.13
	24,877	0.13	31.03.2018				
5 Highland Resorts LLP	8,097	0.04	01.04.2017	0	Nil movement during the year	8,097	0.04
	8,097	0.04	31.03.2018				
6 Aarti Management Consultancy Pvt. Ltd	2	0.00	01.04.2017	0	Nil movement during the year	2	0.00
	2	0.00	31.03.2018				
7 Aditi Management Consultancy Pvt. Ltd	2	0.00	01.04.2017	0	Nil movement during the year	2	0.00
	2	0.00	31.03.2018				
8 Anjoss Trading Pvt. Ltd	2	0.00	01.04.2017	0	Nil movement during the year	2	0.00
	2	0.00	31.03.2018				
9 Delta Corp Ltd.	2	0.00	01.04.2017	0	Nil movement during the year	2	0.00
	2	0.00	31.03.2018				
10 PMP Auto Components Pvt. Ltd	37,012	0.19	01.04.2017	0	Nil movement during the year	37,012	0.19
	37,012	0.19	31.03.2018				
11 *Aryanish Finance & Investments Pvt.Ltd	43,13,254	22.65	01.04.2017	(5,000)	Transfer	43,08,254	22.62
			11.09.2017				
	43,08,254	22.62	31.03.2018				
12 *Bayside Property Developers Pvt.Ltd.	43,11,569	22.64	01.04.2017	0	Nil movement during the year	43,11,569	22.64
	43,11,291	22.64	31.03.2018				
13 *Delta Real Estate Consultancy Pvt. Ltd	43,11,291	22.64	01.04.2017	(5,000)	Transfer	43,06,291	22.61
			11.09.2017				
	43,06,291	22.61	31.03.2018				
14 Urvi Piramal A	15,000	0.08	01.04.2017	5,000	Transfer	20,000	0.11
			11.09.2017				
	20,000	0.11	31.03.2018				
15 Kalpana Singhania	25,705	0.13	01.04.2017	5,000	Transfer	30,705	0.16
			11.09.2017				
	30,705	0.16	31.03.2018				

*Aryanish Finance and Investments Private Limited, Bayside Property Developers Private Limited and Delta Real Estate Consultancy Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J Mody Trust respectively.

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

Sr. Name no.	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
	No. of Shares at the beginning (01.04.2017) / end of the year 31.03.2018)	% of total Share of the Company				No of Shares	% of total Shares of the Company
1 KISHOR GOPALJI SHETH	76,658	0.40	28-04-2017	(1,500)	Transfer	75,158	0.39
			12-05-2017	(1,000)	Transfer	74,158	0.39
			13-10-2017	(1,000)	Transfer	73,158	0.38
			15-12-2017	(5,000)	Transfer	68,158	0.36
2 NEW DEAL MULTITRADE PVT LTD	1,82,000	0.96			Nil movement during the year	1,82,000	0.96
3 DEBASHISH NEOGI	0	0.00	09-06-2017	8,501	Transfer	8,501	0.04
			16-06-2017	7,500	Transfer	16,001	0.08
			08-09-2017	7,000	Transfer	23,001	0.12
			01-12-2017	5,000	Transfer	28,001	0.15
			08-12-2017	15,000	Transfer	43,001	0.23
4 DEV C RAY	0	0.00	27-10-2017	5,000	Transfer	5,000	0.03
			15-12-2017	9,498	Transfer	14,498	0.08
			22-12-2017	6,002	Transfer	20,500	0.11
			05-01-2018	8,730	Transfer	29,230	0.15
			12-01-2018	6,571	Transfer	35,801	0.19
			19-01-2018	5,000	Transfer	40,801	0.21
5 NAREN DINKAR PANDYA	6,261	0.03	19-01-2018	13,657	Transfer	19,918	0.10
			23-03-2018	19,846	Transfer	39,764	0.21
6 MOSALAKANTI VENKATRAMA RAO	3,000	0.02	05-05-2017	500	Transfer	3,500	0.02
			12-05-2017	500	Transfer	4,000	0.02
			19-05-2017	5,000	Transfer	9,000	0.05
			26-05-2017	2,725	Transfer	11,725	0.06
			09-06-2017	425	Transfer	12,150	0.06
			16-06-2017	500	Transfer	12,650	0.07
			30-06-2017	850	Transfer	13,500	0.07
			07-07-2017	2,500	Transfer	16,000	0.08
			21-07-2017	5,600	Transfer	21,600	0.11
			04-08-2017	1,000	Transfer	22,600	0.12
			11-08-2017	1,400	Transfer	24,000	0.13
			18-08-2017	1,000	Transfer	25,000	0.13
			08-09-2017	377	Transfer	25,377	0.13
22-09-2017	633	Transfer	26,010	0.14			

Sr. Name no.	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)			
	No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018)	% of total Share of the Company				No of Shares	% of total Shares of the Company		
			29-09-2017	90	Transfer	26,100	0.14		
			06-10-2017	800	Transfer	26,900	0.14		
			13-10-2017	500	Transfer	27,400	0.14		
			27-10-2017	600	Transfer	28,000	0.15		
			29-12-2017	2,000	Transfer	30,000	0.16		
7 ANDREW GRACIAS	28958	0.15			Nil movement during the year	28,958	0.15		
						28,958	0.15		
						28,958	0.15		
8 HARSUKHBHAI G PATOLIA	28000	0.15			Nil movement during the year	28,000	0.15		
9 M NAGESWARA REDDY	16,000	0.08	16-06-2017	222	Transfer	16,222	0.09		
					15.09.2017	8,216	Transfer	24,438	0.13
					09.03.2018	2,562	Transfer	27,000	0.14
10 MOTILAL OSWAL SECURITIES LTD - Client Account	3,770	0.02	07-04-2017	1,311	Transfer	5,081	0.03		
					14-04-2017	299	Transfer	5,380	0.03
					21-04-2017	-26	Transfer	5,354	0.03
					28-04-2017	1,335	Transfer	6,689	0.04
					05-05-2017	(3,040)	Transfer	3,649	0.02
					12-05-2017	(340)	Transfer	3,309	0.02
					19-05-2017	518	Transfer	3,827	0.02
					26-05-2017	(152)	Transfer	3,675	0.02
					02-06-2017	201	Transfer	3,876	0.02
					09-06-2017	2,005	Transfer	5,881	0.03
					23-06-2017	874	Transfer	4,625	0.02
					30-06-2017	4,744	Transfer	9,369	0.05
					07-07-2017	(5,873)	Transfer	3,496	0.02
					14-07-2017	700	Transfer	4,196	0.02
					21-07-2017	750	Transfer	4,946	0.03
					28-07-2017	448	Transfer	5,394	0.03
		31-07-2017	2,545	Transfer	7,939	0.04			
		04-08-2017	2,027	Transfer	9,966	0.05			
		11-08-2017	(8,865)	Transfer	1,101	0.01			
		18-08-2017	324	Transfer	1,425	0.01			

Sr. Name no.	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
	No. of Shares at the beginning (01.04.2017) / end of the year 31.03.2018)	% of total Share of the Company				No of Shares	% of total Shares of the Company
			25-08-2017	(217)	Transfer	1,208	0.01
			01-09-2017	962	Transfer	2,170	0.01
			08-09-2017	7,889	Transfer	10,059	0.05
			15-09-2017	(4,864)	Transfer	5,195	0.03
			19-09-2017	(2,662)	Transfer	2,533	0.01
			22-09-2017	-644	Transfer	1,889	0.01
			29-09-2017	432	Transfer	2,321	0.01
			06-10-2017	743	Transfer	3,064	0.02
			13-10-2017	4,423	Transfer	7,487	0.04
			20-10-2017	448	Transfer	7,935	0.04
			25-08-2017	(217)	Transfer	1,208	0.01
			27-10-2017	17,778	Transfer	25,713	0.14
			31-10-2017	(8,343)	Transfer	17,370	0.09
			03-11-2017	816	Transfer	18,186	0.10
			10-11-2017	70	Transfer	18,256	0.10
			17-11-2017	(3,508)	Transfer	14,748	0.08
			24-11-2017	806	Transfer	15,554	0.08
			01-12-2017	1,618	Transfer	17,172	0.09
			08-12-2017	2,179	Transfer	19,351	0.10
			15-12-2017	(585)	Transfer	18,766	0.10
			22-12-2017	2,991	Transfer	21,757	0.11
			29-12-2017	(3,894)	Transfer	17,863	0.09
			05-01-2018	14,980	Transfer	32,843	0.17
			12-01-2018	(7,802)	Transfer	25,041	0.13
			19-01-2018	(858)	Transfer	24,183	0.13
			25-01-2018	1,190	Transfer	25,373	0.13
			26-01-2018	1,235	Transfer	26,608	0.14
			02-02-2018	(7,449)	Transfer	19,159	0.10
			09-02-2018	(1,668)	Transfer	17,491	0.09
			16-02-2018	(6,413)	Transfer	11,078	0.06
			23-02-2018	(3,941)	Transfer	7,137	0.04
			29-12-2017	(3,894)	Transfer	17,863	0.09
			02-03-2018	(2,096)	Transfer	5,041	0.03
			09-03-2018	265	Transfer	5,306	0.03
			16-03-2018	(268)	Transfer	5,038	0.03
			23-03-2018	50,489	Transfer	55,527	0.29
			31-03-2018	7,358	Transfer	62,885	0.33

(v) Shareholding of Directors and Key Managerial Personnel

Sr. Name no.	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
	No. of Shares at the beginning (01.04.2017) / end of the year (31.03.2018)	% of total Share of the Company				No of Shares	% of total Shares of the Company
1 Jaydev Mody	281	0.00	01.04.2017	0	Nil movement during the year	0	0.00
	281	0.00	31.03.2018				
2 Chand Vishnudatta Arora	24,877	0.13	01.04.2017	0	Nil movement during the year	0	0.00
	24,877	0.13	31.03.2018				
3 Aditya Mangaldas	0	0.00	01.04.2017	0	Nil movement during the year	0	0.00
	0	0.00	31.03.2018				
4 Aurobind Patel	0	0.00	01.04.2017	0	Nil movement during the year	0	0.00
	0	0.00	31.03.2018				
5 Anjali Mody	0	0.00	01.04.2017	0	Nil movement during the year	0	0.00
	0	0.00	31.03.2018				
6 Dr. Vrajesh Udani	0	0.00	01.04.2017	0	Nil movement during the year	0	0.00
	0	0.00	31.03.2018				
7 Ulhas Jagannath Kale	0	0.00	01.04.2017	0	Nil movement during the year	0	0.00
	0	0.00	31.03.2018				
8 Deepika Pandey	0	0.00	01.04.2017	0	Purchase	0	0.00
	50	0.00	31.03.2018				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in '000)

Sr. Particulars no.	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
Indebtedness at the beginning of the financial year 2017-18				
i) Principal Amount	42,000.00	350.34	Nil	42,350.34
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	373.92	Nil	Nil	373.92
Total (i+ii+iii)	42,373.92	350.34	Nil	42,724.26
Change in Indebtedness during the financial year 2017-18				
Addition	251.01	Nil	Nil	251.01
Reduction	12,373.92	177.12	Nil	12,551.04
Net Change	(12,122.92)	(177.12)	Nil	(12,300.03)
Indebtedness at the end of the financial year 2017-18				
i) Principal Amount	30,000.00	173.22	Nil	30,173.22
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	251.01	Nil	Nil	251.01
Total (i+ii+iii)	30,251.01	173.22	Nil	30,424.23

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in '000)

Sr. no.	Particulars of Remuneration	Mr. Chand Arora (Managing Director)	Total Amount
1.	Gross salary		
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,599.99	6,599.99
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961		
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify...	1,800.00	1,800.00
5.	Others, please specify	Nil	Nil
	Total (A)	8,399.99	8,399.99
	Ceiling as per the Act	5% of Net Profit as per Section 198	4,473.54

B. Remuneration to Other Directors

(₹ in '000)

Sr. no.	Particulars of Remuneration	Name of Director			Total Amount
1.	Independent Directors	Aditya Mangaldas	Aurobind Patel	Dr. Vrajesh Udani	
	Fee for attending board / committee meetings (₹)	37.50	22.50	30.00	90.00
	Commission (₹)	Nil	Nil	Nil	Nil
	Others, please specify (₹)	Nil	Nil	Nil	Nil
	Total (1) (₹)	37.50	22.50	30.00	90.00
2.	Other Non-Executive Directors/Non-Independent Directors	Jaydev Mody	Anjali Mody		
	Fee for attending board / committee meetings (₹)	15.00	20.00		35.00
	Commission (₹)	Nil	Nil	Nil	Nil
	Others, please specify (₹)	Nil	Nil	Nil	Nil
	Total (2) (₹)	15.00	20.00		35.00
	Total (B) = (1 + 2) (₹)	52.50	42.50	30.00	125.00
	Total Managerial Remuneration (A+B) (₹)				Nil
	Overall Ceiling as per the Act (%)	1% of the Net Profits equivalent to ₹ 3,538.78 with respect to the ceiling for the Company applicable for the financial year covered by this Report			

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

(₹ in '000)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer (Mr. Ulhas Jagannath Kale)	Company Secretary (Ms. Deepika Pandey)	
1.	Gross salary			
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,281.70	469.74	1,751.44
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961			
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	1,281.70	469.74	1,751.44

* Ms. Deepika Pandey, Company Secretary and Compliance officer has resigned from the Company with effect from 11.05.2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Sr. no.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY						
	Penalty	None	None	None	None	None
	Punishment	None	None	None	None	None
	Compounding	None	None	None	None	None
B. DIRECTORS						
	Penalty	None	None	None	None	None
	Punishment	None	None	None	None	None
	Compounding	None	None	None	None	None
C. OTHER OFFICERS IN DEFAULT						
	Penalty	None	None	None	None	None
	Punishment	None	None	None	None	None
	Compounding	None	None	None	None	None

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai
Date: 10th August, 2018

ANNEXURE II

NOMINATION AND REMUNERATION POLICY

The Board of Directors of Arrow Textiles Limited (“the Company”) re-constituted the “Nomination and Remuneration Committee” at its Meeting held on 4th August, 2014.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. (as amended from time to time) The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. Board means Board of Directors of the Company.
- 2.3. Directors mean Directors of the Company.
- 2.4. Key Managerial Personnel means
 - 2.4.1. Managing Director;
 - 2.4.2. Whole-time Director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. such other officer as may be prescribed.
- 2.5. Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

- 3.1 The Committee shall:
 - 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
 - 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial in accordance with the criteria laid down in this policy.in accordance with the criteria laid down in this policy.
 - 3.1.3. Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Managing Director or Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Managing Director or Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and in line with the Company's policy.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director or Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Managing Director or Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- a) Fixed pay:
The Managing Director or Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- b) Minimum Remuneration:
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- c) Provisions for excess remuneration:
If any Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non-Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and/or the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

4. MEMBERSHIP

4.1 The Committee shall consist of a minimum 3 non-executive Directors, majority of them being independent.

4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.9 Recommend any necessary changes to the Board; and
- 10.10 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minitised and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai
 Date: 10th August, 2018

ANNEXURE III

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

Name(s) of Related Party and nature of relationship	NIL
Nature of contracts/arrangements/transactions	
Duration of the contracts/arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any.	
Justification for entering into such contracts or arrangements or transaction	
date(s) of approval by the Board.	
Amount paid as advances, if any.	
Date on which the special resolution was passed in the general meeting as required under first proviso to section 188.	

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

Name(s) of Related Party and nature of relationship	NA
Nature of contracts/arrangements/transactions	
Duration of the contracts/arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any.	
date(s) of approval by the Board.	
Amount paid as advances, if any.	

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai
 Date: 10th August, 2018

ANNEXURE IV

Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY

- (i) Steps taken or impact on conservation of energy

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy. The following energy conservation methods were implemented during the year :

- a) Use of energy efficient equipments.
- b) Intensified Internal Audit aimed at detecting wastage of electricity.
- c) Campaign based synchronisation of utilities with plant operations.
- d) The Company has installed LED street light fitting in place of regular fluorescent fittings.

The impact of above energy conservation measures is that it has resulted in improvement of power factor, consequential tariff benefits.

- (ii) Steps taken by the Company for utilizing alternate sources of energy : Nil
- (iii) Capital investment on energy conservation equipments : Nil

(B) TECHNOLOGY ABSORPTION

- (i) Efforts made towards technology absorption

- (a) The Company is using latest technology machines since 4 to 5 years. The Company is using Airjet label weaving imported machines in place of earlier rapier technology.
- (b) The Company has developed B2B software through which our customers can see almost all the information they require online 24X7. Using our software, they can create an artwork for multilingual wash-care labels online by punching a few variable information. With help of ERP & B2B software, we have overhauled our entire service approach to exceed our customers growing expectations.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution

- (a) Quality and productivity improvement.
- (b) Cost reduction.
- (c) Energy consumption.
- (d) Lower wastages.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- (a) the details of technology imported : Nil
- (b) the year of import : Nil
- (c) whether the technology been fully absorbed : Nil
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Nil

- (iv) The expenditure incurred on Research and Development

Not identified separately.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the foreign exchange outgo was ₹ 23,769.42 Thousand (L.Y. ₹ 22,147.78 Thousands) the foreign exchange earned was ₹ 1,001.32 Thousand (L.Y. ₹ 462.64 Thousands)

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai

Date: 10th August, 2018

ANNEXURE V

Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

(₹ in '000)

1 A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The CSR Policy provides for carrying out CSR activities in respect of those areas as provided in Schedule VII of the Companies Act, 2013.
	The CSR policy is placed on the Company's website www.arrowtextiles.com
2 The composition of the CSR Committee	Mr. Jaydev Mody, Chairman (Non-Independent) Mr. Aditya Mangaldas, Independent Director Mr. Anjali Mody, Director Mr. Chand Arora, Managing Director
3 Average Net profit of the Company for the last three financial years	₹ 52438.33/-
4 Prescribed CSR Expenditure (two per cent of the amount as mentioned in item 3 above)	₹ 1,360/-
5 Details of the CSR spent during the financial year:	The amount which remained unutilized due to unavoidable circumstances shall be added to the CSR budget for the Financial Year 2018-19 and it will be the endeavor of the company to ensure full utilization of allocated CSR budget

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

Jaydev Mody
Chairman
DIN: 00234797

Chand Arora
Managing Director
DIN: 00016583

Place: Mumbai
Date: 10th August, 2018

ANNEXURE VI

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For The financial year ended on 31st March, 2018 [Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Arrow Textiles Limited
Plot No.101-103,
19th Street , MIDC, Satpur,
Nashik - 422007.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arrow Textiles Limited (CIN: L51494MH2008PLC178384) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the Audit Period);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period); and
 - i. The Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations, 2015.
- (vi) The management has confirmed that there is/ are no sector specific laws applicable to the Company during the Audit Period.

We have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. subject to observation that the Company has not spent towards the Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors were carried through on the basis of majority/ unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

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

**For A K Jain & Co.
Company Secretaries**

**Ashish Kumar Jain
Proprietor
FCS: 6058. CP: 6124**

Place: Mumbai
Date: 10th August, 2018

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

ANNEXURE A

To
The Members
Arrow Textiles Limited
Plot No.101-103,
19th Street , MIDC, Satpur,
Nashik - 422007.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A K Jain & Co.
Company Secretaries

Ashish Kumar Jain
Proprietor
FCS: 6058. CP: 6124

Place: Mumbai
Date: 10th August, 2018

ANNEXURE VII

Disclosures pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18

Sr. No.	Name of Director	Remuneration of Director for Financial Year 2017-18 (₹ in '000)	Ratio of remuneration of each Director to median remuneration of employees
Non-Executive Directors			
1	Mr. Jaydev Mody	15.00	0.04
2	Mr. Aditya Mangaldas	37.50	0.10
3	Mr. Aurobind Patel	22.50	0.06
4	Dr. Vrajesh Udani	30.00	0.08
5	Ms. Anjali Mody	20.00	0.05
Executive Directors			
6	Mr. Chand Arora	8,399.99	22.00

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2016-17

Sr. No.	Name of Director / KMP	Remuneration of Director / KMP for Financial Year 2017-18 (₹ in '000)	% of increase in Remuneration in the Financial Year 2017-18
1	Mr. Jaydev Mody	15.00	Nil
2	Mr. Aditya Mangaldas	37.50	Nil
3	Ms. Anjali Mody	20.00	Nil
4	Mr. Aurobind Patel	22.50	Nil
5	Dr. Vrajesh Udani	30.00	Nil
6	Mr. Chand Arora (Managing Director)	8,399.99	Nil
7	Mr. Ulhas Kale (Chief Financial Officer)	1,281.70	4.51%
8	Ms. Deepika Pandey (Company Secretary)	469.74	*N.A.

*Ms. Deepika Pandey was appointed as Company Secretary of the Company w.e.f 15.05.2017.

(iii) The percentage increase in median remuneration of employees for the financial year 2017-18

Median remuneration of each employee increased by 2.74% in financial year 2017-18.

(iv) The number of permanent employees on the rolls of the Company as on 31st March, 2018

309

(v) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentage increase made in the salaries of total employees (staff) other than the Key Managerial Personnel for FY-2018 is around 9% to 12%, while the average increase in the remuneration of the Key Managerial Personnel is 5.45%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

Particulars in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

There are no employees in the Company drawing remuneration in excess of ₹ 1,02,00,000/- in terms of provisions of Section 197 (12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014.

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai

Date: 10th August, 2018

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

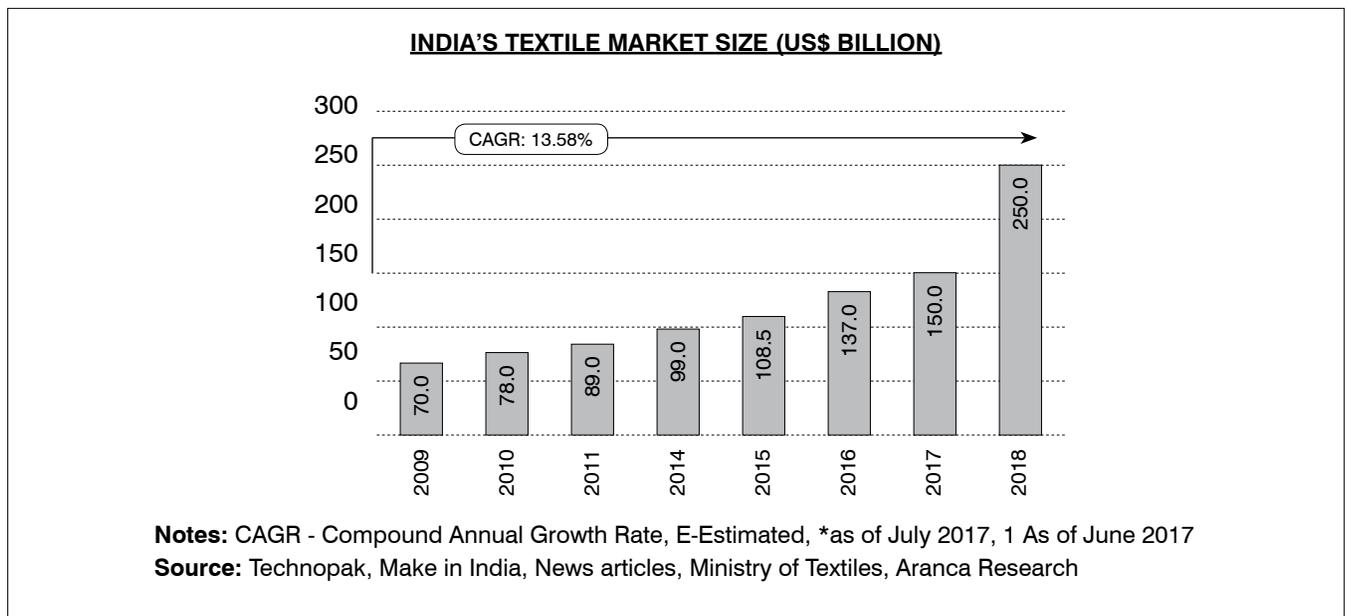
Indian Economy:

Textile plays a major role in the Indian Economy

- (i) It contributes 14 per cent to industrial production and 4 per cent to GDP
- (ii) With over 45 million people, the industry is one of the largest source of employment generation in the country

The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$ 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-2019

The central government is planning to finalise and launch a new textile policy in the near future. The policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.



The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion.

BUSINESS OVERVIEW

Arrow Textiles Limited ("Arrow Textiles/ The Company") has been in the business of manufacturing Elastic and Non-Elastic Tapes and Woven and Fabric Printed Labels. The Company employ's a modern and young plant at Plot No.101, 102 & 103, MIDC, Satpur in Nasik, Maharashtra. The Company has an installed capacity as on 31st March, 2018, of 22 Nos. woven label looms, 22 Nos. printed label machines and 61 Nos. woven tapes looms.

With the help of innovative and extensive technology and integrated manpower resources, the Company has acquired an edge over its competitors. The Company has the ability to process multiple deliveries daily and offer real-time information along with quick turnaround of samples and perfect color matching which has helped to provide a range of innovative products. The Company processes more than 125 to 150 orders a day for customers in and around India and produce more than 50,000 different items.

OPPORTUNITIES AND THREATS

Opportunities

- A shift towards the market of branded ready-made garment is being observed.
- Increased Disposable Income and Purchasing Power of Indian Customer opens New Market Development.
- More number of emerging malls and retail industries are providing opportunities to industry's segments like handicrafts and apparels.
- There is a provision of more FDI and investment opportunities.
- Withdrawal of quota restriction is contributing immensely in market development.
- Subsidy from the central government to give boost to the home textiles Industry.

Threats

- Continuous Quality Improvement is the need of hour as there are different demand pattern all over the world.
- Striking a balance between the quality and price of products.

PRODUCTWISE PERFORMANCE

Particulars	Unit	Sales for FY 2017-18	
		Quantity	Value (₹ in '000)
ELASTIC TAPE	Mtrs.	14,418	89.613
WOVEN LABELS	Nos.	2,43,464	1,59,443
PRINTED LABELS	Nos.	1,87,536	1,40,219
EXPORT SALES	Nos.	1,566	1,001
TAG & STOCKERS (TRADING)	Nos.	9,510	8,819
		TOTAL	3,99,095

OUTLOOK

The Company manufactures woven labels, fabric printed labels, elastic & non-elastic tapes (also known as garment trims). These products form a part of garment packaging products and are used for apparels and made-ups such as terry towels and home furnishings.

- The Company remains the preferred choice of many leading Indian brands, both for hosiery & outer wear. The Company has an excellent track record when it comes to 'intensity of innovation', with around fifty per cent of our business being based on products developed in the past 4 years. The manufacturing and other core processes are digital. The Company has also launched the website www.easylabsonline.in so as to reach the customers easily.

RISKS AND CONCERNS

Risk is an inherent part of any business. There are various types of risks that threaten the existence of a company like Strategic Risk, Business Risk, Finance Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk,

Regulatory Risk, Technology Risk, Political Risk, etc. Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company is committed to maintaining adequate internal control systems as a part of efficient corporate governance. The system ensures that all transactions are authorised, recorded and reported correctly to safeguard assets and protect them from any loss due to unauthorized use or disposition. The operating managers make sure that all operations within their area are compliant and safeguarded against all risks whereas on the other, auditors carry out random audits to detect flaws in the system, which makes it effective and efficient. Internal audit reports are prepared to create awareness and to take corrective actions on the respective units or areas, which need rectification. These reports are then reviewed by the management team and the Audit Committee for follow-up action.

FINANCIAL AND OPERATIONAL PERFORMANCE

(₹ In '000)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Income for the year	4,10,105.71	4,94,366.52
Profit before Interest, Depreciation and Tax	74,001.71	1,03,842.88
Finance Charges	4,113.13	6,880.46
Depreciation	44,553.76	39,465.31
Provisions for Taxation/ Deferred Tax	9,267.61	18,715.61
Net Profit/(Loss) for the Current Year	16,067.21	38,781.50

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The man machine combination is balanced optimally as the Company believes that Human Resource is one of the most vital resources and a key pillar in providing the Organization a competitive edge in current business environment. A motivated and efficient workforce can help it attain its target in a realistic manner. Taking cognizance of that fact, the Company provides extensive training to its employees in order to develop their skill sets and keep them motivated. The Company appreciates the productive co-operation extended by its employees in the efforts of the management to carry the Company to greater heights.

As on 31st March, 2018, the Company had employee strength of 309 on its payroll.

CAUTIONARY STATEMENT

The statements made above may be construed as Forward Looking Statements within the meaning of the applicable laws and regulations. Actual performance of the Company may vary substantially depending upon the business structure and model from time to time. Important external and internal factors may force a downtrend in the operations of the Company.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is about maximizing shareholder's value legally, ethically and on sustainable basis, while ensuring fairness to every stakeholders, customers, employees, investors, vendors/partners and Governmental Authorities. Therefore, Corporate Governance is a reflection of a Company's culture, policies, and its relationship with the shareholders, and its commitment to values.

The Company strongly believes that establishing good Corporate Governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it absolutely essential to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country.

A report on compliance with the principles of the Corporate Governance as on 31st March, 2018 as prescribed by Regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time with the stock exchanges is given below:

BOARD OF DIRECTORS

A. Composition of the Board

As on 31st March, 2018, in compliance with Regulation 17 of the Listing Regulations, the Board comprised of Six (6) Directors with an optimum combination of Executive, Non-Executive and Independent Directors including one Women Director which is as follows:

Sr. No.	Category	No. of Directors
1	Independent Directors	3
2	Non-Executive Directors	2
3	Executive Director	1

The Company has non-executive Chairman who is the promoter of the Company. This appropriate composition of the Board of Directors enables in maintaining the independence of the Board and separates its functions of governance and management. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 ("Act"), rules made therein and Listing Regulations. The terms and conditions of their appointment are disclosed on the Company's website.

The Board has constituted various Committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the provisions of the Act and the Listing Regulations. These Committees meet at such frequency as is deemed necessary to effectively undertake and deliver upon the responsibilities and tasks assigned to them. The Company currently has Eight (8) Committees of the Board viz., (i) Audit Committee (ii) Stakeholders' Relationship Committee (iii) Nomination and Remuneration Committee (iv) General Purpose Committee (v) Risk Management Committee (vi) Investment Committee (vii) Borrowing Committee (viii) Corporate Social Responsibility Committee.

None of the Directors on the Board is a member of more than Ten (10) Committees and Chairman of more than Five (5) Committees (Committees includes Audit Committee and Stakeholders Relationship Committee as per

Regulation 26 of the Listing Regulations), across all the Companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been disclosed by all the Directors. None of the Independent Directors serve as an Independent Director in more than Seven (7) listed entities and also the Managing Director of the Company does not serve as Independent Director in more than Three (3) listed entities.

None of the Directors hold office in more than Twenty (20) companies and in more than Ten (10) public companies as prescribed under Section 165 of the Act. The Company has received declaration of independence as prescribed under Section 149(6) and (7) of the Act from the Independent Directors. All requisite declarations have been placed before the Board.

The Board reviews and approves strategy and oversees the results of management to ensure that the long term objectives of enhancing stakeholder's value are met. The day-to-day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors.

The brief profile of your Company's Board of Directors is as under:



Mr. Jaydev Mody, has been creating, developing and managing business for more than 40 years, spending over 25 of them in real estate development. He played a leading role in building and developing India's first global mall 'Crossroads' in South Mumbai. A Humanities Graduate from Mumbai University. Mr. Mody has been instrumental in the development of several large residential and commercial complexes and retail destinations in and around Mumbai. Some of them are Peninsula IT Park, Ashok Towers, Ashok Gardens and Peninsula IT Park, which are all established Mumbai landmarks today. He is an entrepreneur and has interest in various businesses, including gaming and hospitality, textiles and magnet manufacturing. His keen eye has helped him to identify lucrative business opportunities and he has pioneered several first-of-its-kind ventures.



Mr. Aditya Mangaldas, is the Managing Director of Victoria Mills Limited. He has been the Managing Director of The Victoria Mills Limited since October, 1999. He has wide experience and has spent approximately 20 years in the textile industry. Mr. Aditya is a Mechanical Engineer from L.D.College of Engineering, Ahmedabad and has an MBA from Babson College, U.S.A. Mr. Aditya is currently involved in building luxury homes in Alibaug and also actively involved an organization involved in housing and caring for children with serious chronic diseases.



Mr. Aurobind Patel, holds a bachelor's degree in commerce from Mumbai University and an MFA in design from Southeasten Massachusetts University. He began his career as a designer in New York before moving to India in 1982 to design and act as design consultant with India today, a position he occupied till 1987. In 1987 he was appointed Design Director of The Economist, London. He also served as design consultant to leading UK newspapers, The Daily Telegraph and The Times. He is an acknowledged expert in publication design and publishing systems.



Mr. Chand Arora, holds a bachelor's degree in science. He is the Managing Director of our Company. Mr. Chand Arora looks after the overall operations of our Company. He has enriched experience of 30 years in Textiles Industry. He has knowledge of latest technology and advancement in manufacturing operations as well as a great vision for future of Textiles Industry.



Ms. Anjali Mody, graduated from the Rhode Island School of Design in 2009 with a Bachelor of Fine Arts in Industrial Design. After returning to India, with a strong creative passion burning within, Ms. Mody engaged in two creative ventures. In 2010, Ms. Mody founded Josmo Studio, a boutique furniture design studio, creating individualist, bespoke furniture that caters to the specific needs of the buyer. Despite being a young studio, Josmo has managed to take leaps and bounds in the furniture industry, having collected a reputable clientele base extending throughout the country. She is simultaneously engaged in founding and running Skarma; a Creative Agency where she is one of two partners. Skarma, also founded in 2010, is on its' way to defining the highest standard of design during India's much needed design revolution. Ms. Mody's philosophy is to blend "necessity" with "artistry". Through these creative ventures, Ms. Mody seeks to transform the arena of design in India, by opening India up to the world, exposing it to new ideas and innovations, and more importantly, by opening the rest of the world up to India and its innate, creative ingenuity.



Dr. Vrajesh Udani, is a Pediatric Neurologist. Dr. Udani is a consultant at the Hinduja National Hospital, Medical Research Centre and Saifee Hospital. Dr. Udani is also an Assistant Professor of Pediatrics at the Grant Medical College and JJ Group of Hospitals, Mumbai. Dr. Udani is also a Member of the Indian Academy of Pediatrics, Neurological Society of India and Indian Academy of Neurology.

B. Board Procedure

The notice of the Board / Committee meeting is sent to all the Directors along with detailed Agenda folder in advance of the matters to be considered in the Board and Committee meetings. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.

All major agenda items are backed by comprehensive background notes and other material information to enable the Board to take informed decisions. Agenda papers (except documents containing unpublished price sensitive information) are circulated to the Board as prescribed in the Act and Secretarial Standards.

C. Information placed before the Board

Apart from the items that are required under the statutes, to be placed before the Board for its approval, the following information is placed before the Board periodically for its review/information in compliance with the Listing Regulations.

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.

3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of Audit and other Committees of the board.
5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of investments, subsidiaries, assets, which are material in nature and not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
16. Any other information which is relevant for decision making by the Board.

D. Post - meeting follow - up systems

The Governance system in the Company includes an effective post – meeting follow-up, review and reporting process for action taken / pending on decisions of the Board. Action taken Report forms part of the Agenda item of the Board meetings.

E. Board Support

The Company Secretary of the Company attends all the meetings of the Board and its Committees and advises / assures the Board and Committees on compliance and governance principles.

F. Code of Conduct

The Board has laid down Code of Conduct for the Board members and for Senior Management and Employees of the Company. The same has been posted on the website of the Company. All Board members and Senior Management Personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with this Code. A declaration to this effect, signed by the Managing Director forms part of this Report.

Apart from sitting fees that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in discharge of their duties, none of the Non-Executive Directors have any other material pecuniary relationship or transactions with Company, its promoters, its Directors, its senior management and associates. None of the Directors are inter-se related to each.

G. CEO / CFO Certification

Pursuant to Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer (CFO) of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2018. The Managing Director and the CFO have also given quarterly certification on financial results to the Board in terms of Regulation 33 (2) of the Listing Regulations.

H. Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 12th September, 2017 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

I. Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company and their roles, rights, responsibilities in the Company, nature of the industry its operation and business model and environment in which the Company operates, etc.

The familiarization programme for Independent Directors is disclosed on the Company's website and the same may be accessed at the link: <http://www.arrowtextiles.com/Familisation-Programme-for-Independent-Directors-of-Arrow.pdf>

J. Performance Evaluation and criteria for evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Individual Directors (including Independent Directors), as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Independent Directors.

K. Details of the Board Meetings held during the financial year

During the financial year 2017-18, Five (5) meetings of the Board were held as follows:

No.	Date	Board Strength	No. of Directors present
1	15 th May, 2017	6	5
2	11 th August, 2017	6	4
3	12 th September, 2017	6	6
4	11 th December, 2017	6	4
	12 th February, 2018	6	5

The maximum gap between two Board Meetings was not more than one hundred and twenty (120) days.

L. Attendance at the Board Meetings and at Annual General Meeting (AGM), no. of Directorship in other companies, no. of Committee positions held in other public companies

As on 31st March, 2018, composition of the Board of Directors and attendance of the Directors at the Board Meetings as well as their Directorship in companies and membership in Committees of public companies is as follows:

Chairmanships/Memberships of Board Committees include only Audit and Stakeholders Relationship Committees of other public companies excluding private limited companies, foreign companies and companies under section 8 of the Act.

Name of the Director	Category	Number of Board Meetings during the year 2017-2018		Whether attended the last AGM held on 26.09.17	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies	
		Held	Attended			Chairman	*Member
Mr. Jaydev Mody (Chairman)	Non-Executive, Promoter	5	3	No	13	2	2
Mr. Chand Arora (Managing Director)	Executive, Non- Independent	4	4	Yes	3	0	0
Mr. Aditya Mangaldas	Non-Executive, Independent	5	5	Yes	4	0	2
Ms. Anjali Mody	Non-Executive, Independent	5	3	No	0	0	0
Mr. Aurobind Patel	Non-Executive, Non-Independent	5	4	No	2	0	0
Dr. Vrajesh Udani	Non-Executive, Independent	5	4	No	5	0	5

Note:

*This is total Number of Membership including the Committee in which he/she is a Chairperson.

None of the directors are related to each other except Ms. Anjali Mody who is the daughter of Mr. Jaydev Mody.

COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee acts as a link between Statutory Auditors and Internal Auditors and the Board of Directors.

The Audit Committee provides reassurance to the Board regarding the existence of an effective internal control environment that ensures:-

- Efficiency and effectiveness of operation;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures; And
- Compliance with all relevant statutes.

Powers

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference
- Seek any information it requires from any employee
- Obtain legal or other independent professional advice and
- Secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

Terms of Reference

The terms of reference of Audit Committee are in accordance with Section 177 of the Act and the guidelines set out in Regulation 18 of the Listing Regulations. The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter-alia perform the following functions:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.

- And, generally, all items listed in Part C of Schedule II of the (Regulation 18(3)) of Listing Regulations and in Section 177 of the Act.

Review of Information

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor; And
- Statement of deviations as prescribed in Listing Regulations, whenever applicable.

Composition

The constitution of the Committee is in compliance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2017-18 is detailed below:

Sr. No	Name of Members	Category	Chairman/Member
1	Mr. Aditya Mangaldas	Independent Director	Chairman
2.	Mr. Chand Arora	Managing Director	Member
3.	Mr. Aurobind Patel	Independent Director	Member
4.	Dr. Vrajesh Udani	Independent Director	Member

The Chief Financial Officer, Internal Auditors and the Statutory Auditors are invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee. All the members of the Committee are financially literate and have accounting and financial management expertise.

Meeting and attendance

During the financial year 2017-18, four (4) meetings of the Audit Committee were held as follows:

No.	Date	Committee Strength	No. of members present
1.	15 th May, 2017	4	3
2.	12 th September, 2017	4	4
3.	11 th December, 2017	4	3
4.	12 th February, 2018	4	3

The maximum gap between two Audit Committee Meetings was not more than one hundred and twenty (120) days.

Mr. Aditya Mangaldas, Chairman of the Audit Committee, was present at the last Annual General Meeting held on Tuesday, 26th September, 2017.

B. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference

- Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Devise a policy on Board Diversity.
- Evaluate and approve the appointment and remuneration of senior executives, including the Key Managerial Personnel, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.
- Establish key performance metrics to measure the performance of the Managing Director, Key Managerial Personnel and the executive team.
- Review and recommend to the Board the remuneration and commission to the Managing and Executive Directors and define the principles, guidelines and process for determining the payment of commission to Non-Executive Directors of the Company.

Composition

The role of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Act, Regulation 19 and Part D of Schedule II of the Listing Regulations. The Nomination and Remuneration Committee as on 31st March, 2018, comprised of three (3) members:

Sr. No	Name of Director	Category	Chairman/Member
1	Mr. Aditya Mangaldas	Independent Director	Chairman
2.	Mr. Jaydev Mody	Non - Executive Director	Member
3.	Mr. Aurobind Patel	Independent Director	Member

The Company Secretary acts as the Secretary to the Committee.

Meeting and attendance

During the financial year 2017-2018, Two (2) meetings of the Nomination and Remuneration Committee were held as follows:

No.	Date	Committee Strength	No. of Members present
1.	15 th May, 2017	3	3
2.	11 th August, 2017	3	2

Nomination and Remuneration Policy

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Key Managerial Personnel to give quality efforts to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors and Non-independent Non-executive Directors may be paid sitting fees for attending the Meetings of the Board and of Committees of which they may be members.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the Nomination and Remuneration Committee is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration for Managing Director/ Executive Directors / Key Managerial Personnel/ rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides to employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company also provides to employees with a social security net through Group Personal Accidental Insurance policy, ESIC Scheme and Workmen Compensation Insurance Policy, as may be applicable. The Company provides retirement benefits as applicable.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides Managing Director/ Executive Directors such remuneration by way of commission, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the Managing Director/ Executive Directors would be based on performance as evaluated by the Nomination and Remuneration Committee and approved by the Board.

Service Contract, Severance Fee and Notice Period

The Company has appointed Mr. Chand Arora as Managing Director of the Company by way of appointment letter. As per the appointment letter, Mr. Chand Arora is required to give notice of 90 days for cessation of service.

Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme.

Details of remuneration paid to Executive and Non-Executive Directors for the year ended 31st March, 2018 and their relationship with other Directors of the Company**Executive Director**

(₹ in '000)

Name	Relationship with other Directors	Salary (₹)	Benefits, perks and allowances (₹)	Commission (₹)	Contribution to Provident Fund (₹)	Stock Option granted upto 31 st March, 2017
Mr. Chand Arora	None	6,128	40	1,800	432	0

Non-Executive Director

(₹ in '000)

Name	Relationship with other Directors	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Jaydev Mody	Father of Ms. Anjali Mody	15.00	0	15.00
Mr. Aditya Mangaldas	None	37.50	0	37.50
Mr. Aurobind Patel	None	22.50	0	22.50
Ms. Anjali Mody	Daughter of Mr. Jaydev Mody	20.00	0	20.00
Dr. Vrajesh Udani	None	30.00	0	30.00

During the financial year 2017-18, except payment of sitting fees and dividend on ordinary shares held, if any, by the Non – Executive Directors, the Company do not have any pecuniary relationship or transactions with the Non - Executive Directors.

Shareholding of Non-Executive Directors

The Individual shareholding of Non-Executive Directors (including shareholding as joint holder) as on 31st March, 2018 is given below:

Names	No. of shares held
Mr. Jaydev Mody	281
Mr. Aditya Mangaldas	Nil
Mr. Aurobind Patel	Nil
Ms. Anjali Mody	Nil
Dr. Vrajesh Udani	Nil

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference

The constitution and terms of reference of Stakeholders Relationship Committee are in compliance with provisions of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations.

The Committee specifically looks into redressing of investors' complaints including non-receipt of annual reports, non-receipt of declared dividends and complaints related to transfer of shares. The Share Transfer Agent provide quarterly confirmation to the Committee on compliance of the requirements in respect of dealing with the transfers, transmissions, complaints and other shareholder related matters. The Committee also monitors and reviews the performance and service standards of the Share Transfer Agent and provides continuous guidance to improve the service levels for investors.

Details of Shareholders' / Investors' Complaints

During the financial year 2017-2018, there were no complaints received from shareholders of the Company and hence no complaints were pending as on that date.

In addition, the Company has also received certain requests / general intimations regarding change of address, revalidation of dividend warrants, issuance of duplicate share certificates, transfer/ transmission of shares, dematerialization of shares, Physical copy of Annual Report etc which are duly attended within the period prescribed under the Act and Listing Regulations

Composition

The Stakeholders Relationship Committee as on 31st March, 2018 comprised of four (4) members:

Sr. No	Name of Members	Category	Chairman/Member
1	Mr. Jaydev Mody	Non - Executive Director	Chairman
2.	Mr. Aditya Mangaldas	Independent Director	Member
3.	Mr. Aurobind Patel	Independent Director	Member
4.	Ms. Anjali Mody	Non - Executive Director	Member

The Company Secretary acts as a compliance officer to the Committee.

Meeting and attendance

During the financial year 2017-18, Six (6) meetings of the Stakeholders Relationship Committee were held, as follows:

No.	Date	Committee Strength	No. of Members present
1.	17 th June, 2017	4	3
2.	3 rd July, 2017	4	3
3.	11 th September, 2017	4	4
4.	11 th December, 2017	4	3
5.	22 nd January, 2018	4	4
6.	8 th March, 2018	4	2

DETAILS OF ANNUAL GENERAL MEETINGS

Location, date and time of Annual General Meetings held during the last 3 years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2014-15	Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra	7 th September, 2015	Monday	1.00 p.m.	1
2015-16	Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra	26 th September, 2016	Monday	1.00 p.m.	1
2016-17	Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra	26 th September, 2017	Tuesday	1.00 p.m.	1

During the financial year 2017-18, no resolution was passed by Postal Ballot. At present there is no proposal to pass any resolution by Postal Ballot.

Disclosures

- a) During the financial year 2017-2018 there were no materially significant transactions entered into between the Company and its promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large.

The Register of Contracts detailing the transactions as required under the Act is placed before the Board. Transactions with related parties are disclosed by way of Notes to the Accounts, which forms part of this Annual Report.

- b) The Company has complied with the requirements of Stock Exchanges, SEBI and all other statutory authorities on all matters related to the capital markets during the last three years. There were no penalty imposed nor did any strictures passed on the Company by Stock Exchanges, SEBI and all other statutory authorities relating to above. The Company has not received any material Demand, Show Cause, Prosecution, Penalty Notice etc.
- c) The Company has a well-defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- d) The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- e) The Policy for determining 'material' subsidiaries is disclosed on website of the Company and the same may be accessed at the weblink: <http://www.arrowtextiles.com/Policy-for-Determining-Material-Subsidiaries.pdf>.
- f) The Policy on dealing with related party transactions is disclosed on website of the Company and the same may be accessed at the weblink: <http://www.arrowtextiles.com/Related-Party-Transaction-Policy.pdf>.

- g) Disclosure of commodity price risks and commodity hedging activities: N.A.
- h) The Company is in compliance with the requirements of corporate governance report as specified in sub para (2) to (10) of schedule V (C) of Listing Regulations.
- i) Extent of compliance with the non-mandatory requirements:
The Company complies with the following non-mandatory requirements:
- The financial statements of the Company are with unmodified audit opinion.
 - The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
 - Reporting of the Internal Auditor to the Audit Committee.
- j) The Company has complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 of Listing Regulations details of which are as below:-

Particulars	Regulation Number	Compliance status (Yes/ No/ NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party Transactions	23(2), (3)	Yes

Particulars	Regulation Number	Compliance status (Yes/ No/ NA)
Approval for material related party Transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

Details of compliances under Clauses (b) to (i) of Sub- Regulation (2) of Regulation 46 of Listing Regulations.

Particulars	Regulation Number	Compliance status with regard to the disclosure on the Company's website (Yes/No/NA)
Terms and conditions of appointment of independent directors	46(2)(b)	Yes
Composition of various committees of Board Of Directors	46(2)(c)	Yes
Code of Conduct of Board of Directors and Senior Management Personnel	46(2)(d)	Yes
Details of establishment of vigil mechanism/Whistle Blower Policy	46(2)(e)	Yes
Criteria for making payment to non executive directors, if the same has not been disclosed in the Annual Report	46(2)(f)	Yes
Policy on dealing with Related Party Transactions	46(2)(g)	Yes
Policy for determining material subsidiaries	46(2)(h)	Yes
Details of Familiarisation programmes imparted to Independent Directors	46(2)(i)	Yes

MEANS OF COMMUNICATION

Financial Results

- a) Quarterly/half yearly and annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and published in following leading newspapers:
- Free Press Journal (English)
 - Navshakti (Marathi)
- b) The financial results are displayed on Company's website at www.arrowtextiles.com The Management Discussion & Analysis Report forms part of this Annual Report.
- c) During the year no press releases or presentations were made to the institutional investors or to the analysts.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

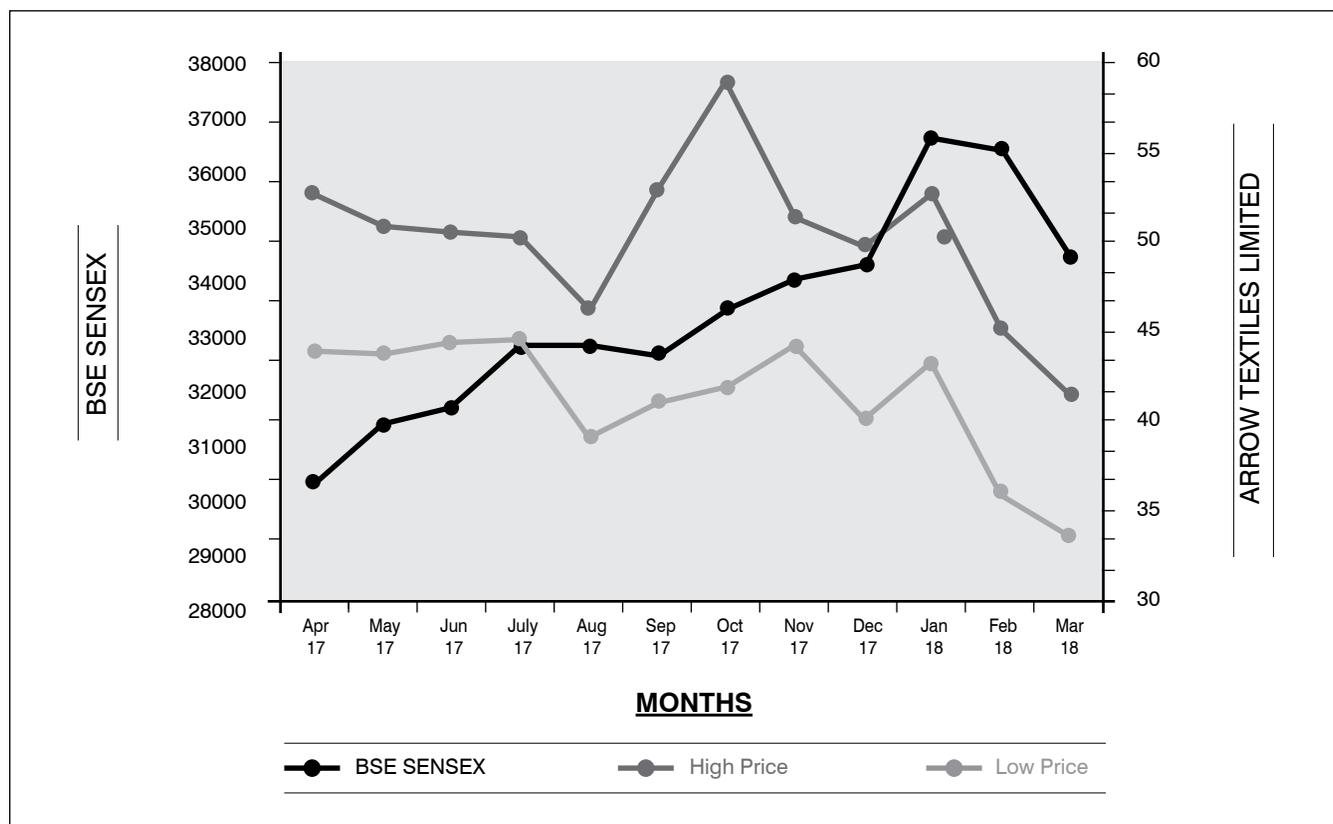
Date and Time	Thursday, the 27 th day of September, 2018, at 02.00 P.M.
Venue	Hotel Express Inn, Nashik Pathardi Patha, Ambad, Mumbai-Agra Road, Nashik - 422 010, Maharashtra.

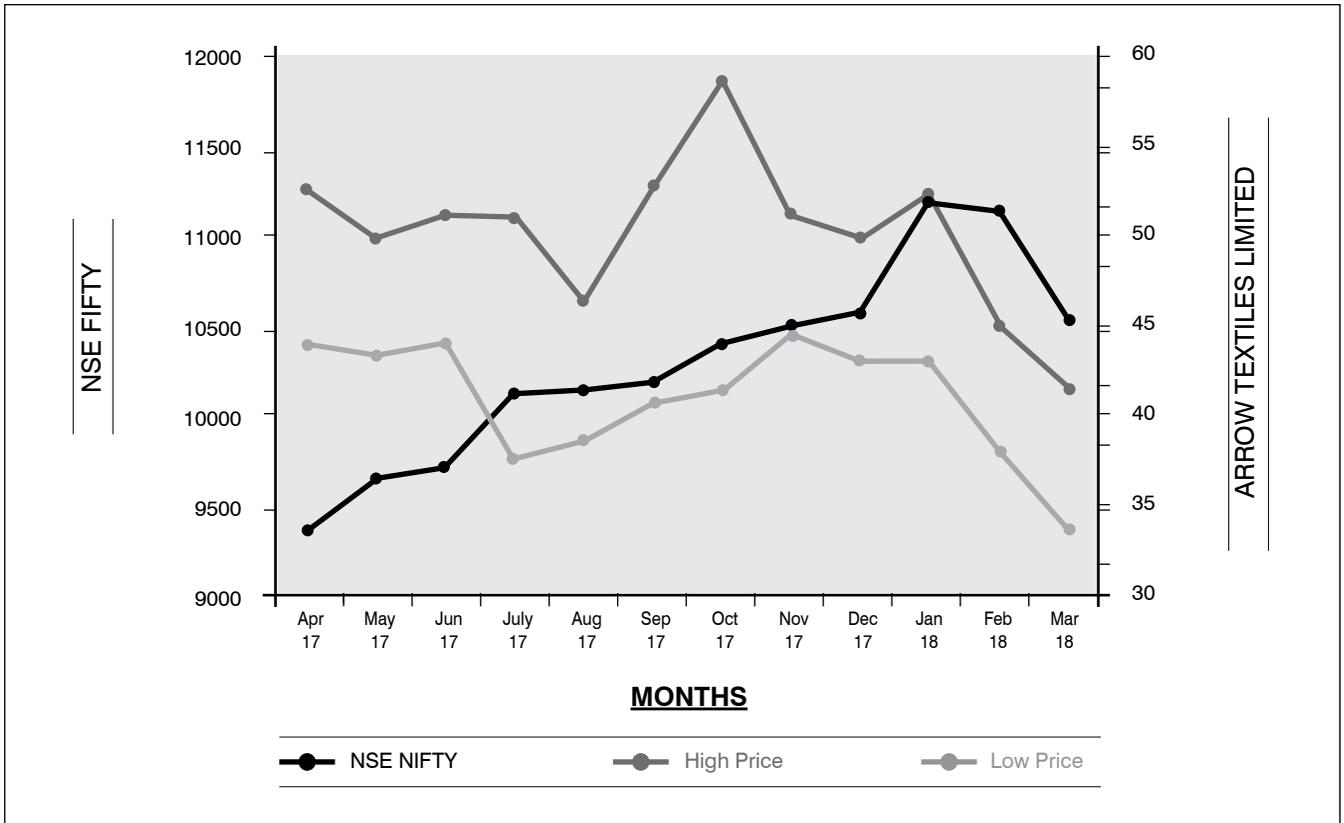
As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on Thursday, 27th September, 2018

Financial Year	:	1 st April to 31 st March												
Dates of Book Closure	:	From Thursday, 20 th September, 2018 To Thursday, 27 th September, 2018 (Both days inclusive)												
Dividend Payment Date	:	The final Dividend, if declared by the Shareholders at the AGM shall be paid / credited on or before Friday, 26 th October, 2018 i.e. within 30 days from the date of declaration.												
Dividend History	:	<table> <thead> <tr> <th>Sr. no.</th> <th>Financial Year</th> <th>Dividend Per Equity Share</th> <th>Date of Declaration</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2015-16</td> <td>Rs. 1</td> <td>26th September, 2016</td> </tr> <tr> <td>2.</td> <td>2016-17</td> <td>Rs. 1.5</td> <td>26th September, 2017</td> </tr> </tbody> </table>	Sr. no.	Financial Year	Dividend Per Equity Share	Date of Declaration	1.	2015-16	Rs. 1	26 th September, 2016	2.	2016-17	Rs. 1.5	26 th September, 2017
Sr. no.	Financial Year	Dividend Per Equity Share	Date of Declaration											
1.	2015-16	Rs. 1	26 th September, 2016											
2.	2016-17	Rs. 1.5	26 th September, 2017											
Stock Exchange where Company's shares are listed	:	<p>BSE Limited Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400 001, Maharashtra.</p> <p>Scrip Code: 533068</p> <p>National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra. Scrip Symbol: ARROWTEX</p>												
Listing fees	:	The Company has paid the listing fees to all the Stock Exchanges, where its securities are listed till 31 st March, 2018												

Stock Market Price data: High /Low during each month for the financial year ended 31st March, 2018

Months	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2017	52.40	43.75	52.40	43.75
May 2017	50.50	43.50	49.75	43.30
June 2017	50.20	44.20	51.00	44.05
July 2017	49.95	44.35	50.90	37.60
August 2017	46.00	39.05	46.20	38.55
September 2017	52.50	41.00	52.50	40.70
October 2017	58.40	41.70	58.40	41.40
November 2017	51.00	44.10	51.00	44.40
December 2017	49.50	40.00	49.70	43.00
January 2018	52.35	43.00	52.15	43.00
February 2018	44.90	36.00	44.90	38.00
March 2018	41.25	33.60	41.40	33.60





Share Transfer Agents

Freedom Registry Limited

Plot No. 101 / 102, 19th Street,

MIDC, Satpur,

Nasik - 422 007, Maharashtra.

Tel: (0253) 2354032, 2363372

Fax: (0253) 2351126

Email: support@freedomregistry.in

Share Transfer Process

Shares in physical form are processed by the Share Transfer Agent within 15 days from the date of receipt, if the documents are complete in all respects. Chairman, Managing Director and Company Secretary have been severally empowered to approve transfers. The same shall be ratified by the Stakeholders Relationship Committee.

Distribution of Equity Shareholding according to Numbers as at 31st March, 2018

Category	No. of Shareholders	% to total number of shareholders	No. of shares held in that slab	% to total number of shares
1 to 5000	12384	98.68	4020398	21.11
5001 to 10000	98	0.78	711975	3.74
10001 to 20000	49	0.39	687587	3.61
20001 to 30000	8	0.06	208835	1.1
30001 to 40000	3	0.02	107481	0.56
40001 to 50000	3	0.02	131391	0.69
50001 to 100000	1	0.01	68158	0.36
100001 & above	4	0.03	13108114	68.83
TOTAL	12550	100	19043939	100

Distribution of Equity Shareholding according to categories of Shareholders as at 31st March, 2018

Sr. No.	Category of Shareholder	Number of Share holders	Number of shares	%
(A)	Shareholding of Promoter and Promoter Group	15	1,30,69,902	68.63
(B)	Public shareholding			
1	Institutions			
	(a) Mutual Funds / UTI	0	0	0.00
	(b) Financial Institutions / Banks	2	10,730	0.06
	(c) Insurance Companies	0	0	0.00
	(d) Foreign Institutional Investors	0	0	0.00
2	Non-Institutions			
	(a) Bodies Corporate	195	4,85,763	2.55
	(b) Individuals			
	(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	12,105	42,81,365	22.48
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	45	8,04,124	4.22
	(c) Any Other (specify)			
	(i) NRI	166	3,65,960	1.92
	(ii) Clearing Member	22	26,095	0.14
	Total (B)	12,535	59,74,037	31.37
	TOTAL (A) + (B)	12,550	1,90,43,939	100.00

Dematerialisation of shares and liquidity

As on 31st March, 2018, 1,86,32,491 Equity Shares (97.84% of the total number of shares) are in demat form as compared to 1,86,08,846 Equity Shares (97.72 % of the total number of shares) as on 31st March, 2017.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

The Company has not issued any GDR's/ADR's, Warrants or any convertible instruments during the financial year 2017-18.

Plant location

Arrow Textiles Limited
 Plot No. 101-103,
 19th Street, Satpur, MIDC,
 Nasik - 422 007, Maharashtra.

Investor Correspondence

Shareholders can contact the following official for secretarial matters of the Company.

Name	Address	Telephone No. / Fax No.	Email id
Mr. Saurabh Gangadhare Company Secretary & Compliance Officer	Bayside Mall, 2 nd Floor, Tardeo Road, Haji Ali, Mumbai-400034, Maharashtra.	(022) 4079 4700 (022) 4079 4777	secretarial@ arrowtextiles.com

DECLARATION

I, Chand Arora, Managing Director of Arrow Textiles Limited hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2018.

For Arrow Textiles Limited

CHAND ARORA
Managing Director
DIN: 00016583

Mumbai, 10th August, 2018

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
 The Members of
 Arrow Textiles Limited
 Plot No 101-103, 19th Street
 MIDC. Satpur, Nashik 422077

We have examined the compliance of conditions of corporate governance by Arrow Textiles Limited ('the Company') for the year ended March 31, 2018, as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). We state that the compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For A K Jain & Co
Company Secretaries

Ashish Kumar Jain
Proprietor
FCS: 6058. COP: 6124

Mumbai, 10th August, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of Arrow Textiles Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter(s)

The comparative financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS included in these financial statements, are based on the

previously issued financial statements for the year ended March 31, 2017 and March 31, 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 which were audited by the predecessor auditor whose reports dated May 15, 2017 and May 12, 2016 respectively expressed an unmodified opinion on the financial statements for the year ended March 31, 2017 and March 31, 2016, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (2) Further to our comments in Annexure A, 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 financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e. on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 18, 2018 as per "Annexure B" expressed an unmodified opinion;
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company, as detailed in Note No. 33 has disclosed the impact of pending litigations on its financial position;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M H S & Associates
Chartered Accountants
ICAI Firm Reg. No.: 141079W

(Mayur H. Shah)
Proprietor
Membership No. 147928

Mumbai: May 18, 2018

ANNEXURE A

To The Independent Auditor's Report of even date to the members of Arrow Textiles Limited on the financial statements for the year ended March 31, 2018]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Hence, the provisions of Paragraph 3 (iii) of the order are not applicable to the Company.
- (iv) In our opinion, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Hence, the provisions of Paragraph 3(iv) of the order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Paragraph 3(v) of the order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to rules prescribed by the Central Government for the maintenance of the cost records under Sub-Section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, gst, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (b) In our opinion, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute, except for the dues in relation to income tax as disclosed hereunder:

Name of the Statute	Nature of Dues	Amount (₹ in '000)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	172.71	F.Y. 2011-12	Rectification application made u/s 154 of the Act and pending before Assessing Officer.
Income Tax Act, 1961	Income Tax	1040.40	F.Y. 2014-15	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding dues to any financial institutions or debenture holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, no term loans were raised during the year under audit.
- (x) 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 fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) As informed, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M H S & Associates
Chartered Accountants
ICAI Firm Reg. No.: 141079W

(Mayur H. Shah)
Proprietor
Membership No. 147928

Mumbai: May 18, 2018

ANNEXURE B

Independent Auditor's 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 financial statements of Arrow Textiles Limited ("the Company") as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For M H S & Associates
Chartered Accountants
ICAI Firm Reg. No.: 141079W

(Mayur H. Shah)
Proprietor
Membership No. 147928

Mumbai: May 18, 2018



BALANCE SHEET

AS AT 31ST MARCH, 2018

(₹ in '000')

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
1 Non-Current Assets				
a) Property, Plant and Equipments	3	160,568.72	181,510.76	209,465.72
b) Capital Work-in-Progress		3,487.18	-	-
c) Intangible Assets	4	1,121.37	916.05	736.55
d) Financial Assets				
Other Financial Assets	5	2,735.56	2,519.56	2,363.16
e) Non-Current Tax Assets (Net)	6	3,760.83	8,723.51	8,723.51
f) Other Non-Current Assets	7	4,702.82	230.83	-
Total Non-Current Assets		176,376.50	193,900.70	221,288.94
2 Current Assets				
a) Inventories	8	68,229.58	56,307.20	54,657.84
b) Financial Assets				
(i) Investments	9	66,192.82	101,226.65	61,920.23
(ii) Trade Receivables	10	120,196.68	114,808.25	124,722.93
(iii) Cash and Cash Equivalents	11	3,007.18	6,642.61	657.24
(iv) Bank Balances Other Than (iii) Above	12	855.49	357.15	-
(v) Other Financial Assets	13	1,170.16	228.48	218.76
c) Other Current Assets	14	4,406.80	2,401.50	4,509.30
Total Current Assets		264,058.72	281,971.83	246,686.30
TOTAL ASSETS		440,435.21	475,872.53	467,975.24
EQUITY AND LIABILITIES				
1 Equity				
a) Equity Share Capital	15	190,439.39	190,439.39	190,439.39
b) Other Equity	16	163,438.56	181,186.10	166,458.90
Total Equity		353,877.95	371,625.49	356,898.29
2 Non-Current Liabilities				
a) Financial Liabilities				
Borrowings	17	17,933.20	30,040.20	42,068.00
b) Provisions	18	-	899.25	-
c) Deferred Tax Liabilities (Net)	47	3,893.65	7,370.64	10,724.09
d) Other Non-Current Liabilities	19	3,886.22	4,719.52	-
Total Non-Current Liabilities		25,713.07	43,029.60	52,792.09
3 Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	20	-	-	1,867.16
(ii) Trade Payables	21	17,719.41	16,674.14	13,825.14
(iii) Other Financial Liabilities	22	24,906.60	24,501.81	25,822.98
b) Other Current Liabilities	23	8,814.11	7,057.23	6,068.61
c) Provisions	24	7,115.56	6,331.53	3,089.34
d) Current Tax Liabilities (Net)	25	2,288.50	6,652.75	7,611.63
Total Current Liabilities		60,844.19	61,217.45	58,284.87
TOTAL EQUITY AND LIABILITIES		440,435.21	475,872.53	467,975.24

The accompanying significant accounting policies and notes are an integral part of these financial statements.

As per Our Report of Even Date

For and on behalf of Board of Directors

For M H S & Associates
Chartered Accountants
ICAI Firm Registration No. 141079W

Jaydev Mody
Chairman
DIN:00234797

Chand Arora
Managing Director
DIN:00016583

Aditya Mangaldas
Director
DIN:00032233

Anjali Mody
Director
DIN:02784924

Mayur H. Shah
Proprietor
Membership No. 147928

Aurobind Patel
Director
DIN:00016628

Dr.Vrajesh Udani
Director
DIN:00021311

Ulhas Kale
Chief Financial Officer

Saurabh Gangadhare
Company Secretary
ACS 49743

Mumbai: 18th May, 2018

Mumbai: 18th May, 2018

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	Note No.	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
REVENUE:			
Revenue from Operations	26	397,945.86	480,240.48
Other Income	27	12,159.85	14,126.04
TOTAL REVENUE		410,105.71	494,366.52
EXPENSES:			
Cost of Materials Consumed	28	134,859.13	161,749.04
Purchases of Stock in Trade		11,828.56	14,003.63
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	29	(5,676.27)	1,549.49
Excise Duty	26	1,417.16	6,943.42
Employee Benefit Expenses	30	107,011.39	104,099.47
Finance Costs	31	4,113.13	6,880.46
Depreciation and Amortisation Expense	3 & 4	44,553.76	39,465.31
Other Expenses	32	86,664.04	102,178.59
Total Expenses		384,770.88	436,869.43
Profit Before Exceptional Items and Tax		25,334.83	57,497.09
Less: Exceptional Items		-	-
Profit Before Tax		25,334.83	57,497.09
Tax Expenses	47		
- Current Tax		12,772.57	21,058.71
- Prior Year Tax Adjustments		190.38	-
- Deferred Tax		(3,695.34)	(2,343.10)
Total Tax Expenses		9,267.61	18,715.61
Profit After Tax		16,067.22	38,781.48
Other Comprehensive Income			
a) Items that will not be reclassified into profit or loss		784.86	(3,055.84)
- Remeasurements of the defined benefit obligations		-	-
b) Income tax relating to items that will not be reclassified into profit or loss		(218.35)	1,010.35
Total Other Comprehensive Income		566.51	(2,045.49)
Total Comprehensive Income for the Year		16,633.73	36,736.00
Earnings Per Equity share			
Basic and Diluted (₹)	37	0.84	2.04
(Face Value ₹ 10/- each)			

The accompanying significant accounting policies and notes are an integral part of these financial statements.

As per Our Report of Even Date

For and on behalf of Board of Directors

For M H S & Associates
Chartered Accountants
ICAI Firm Registration No. 141079W

Jaydev Mody
Chairman
DIN:00234797

Chand Arora
Managing Director
DIN:00016583

Aditya Mangaldas
Director
DIN:00032233

Anjali Mody
Director
DIN:02784924

Mayur H. Shah
Proprietor
Membership No. 147928

Aurobind Patel
Director
DIN:00016628

Dr.Vrajesh Udani
Director
DIN:00021311

Ulhas Kale
Chief Financial Officer

Saurabh Gangadhare
Company Secretary
ACS 49743

Mumbai: 18th May, 2018Mumbai: 18th May, 2018



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

(₹ in '000')

Particulars	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	25,901.34	55,451.61
Adjustments For:		
Provision for CSR Expense	1,342.00	1,360.00
Depreciation	44,553.76	39,465.31
Loss / (Gain) on Disposal of Property, Plant and Equipment	(483.17)	28.31
Gratuity & Leave Provision	1,578.18	3,071.64
Finance Costs	4,113.13	6,880.46
Interest Income	(3,430.07)	(4,184.89)
Gain on Sale of Investments / Gain on Changes in Fair Value of Financial Assets at Fair Value Through Profit or Loss	(6,466.17)	(5,806.42)
Provision for Doubtful Trade Receivables Reversed	(909.37)	(3,558.51)
Operating Profit Before Working Capital Changes	66,199.62	92,707.51
ADJUSTMENTS FOR: CHANGE IN OPERATING ASSETS AND LIABILITIES		
Other Financial Assets	(216.00)	(156.40)
Inventories	(11,922.39)	(1,649.36)
Trade Receivables	(4,479.05)	13,473.19
Other Financial Assets	(941.69)	(9.72)
Other Current Assets	(2,005.31)	2,107.81
Other Non-Current Liabilities	(833.29)	4,719.52
Trade Payables	1,045.27	2,849.00
Gratuity & Leave Provision	(3,035.39)	(290.21)
Other Financial Liabilities	63.26	(1,384.84)
Other Current Liabilities	1,756.88	988.62
CASH GENERATED FROM OPERATIONS	45,631.92	113,355.11
Less: Income Taxes Paid (Net)	(12,146.17)	(23,027.95)
NET CASH INFLOW FROM OPERATING ACTIVITIES	33,485.74	90,327.16

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Proceeds from Sale of Investments / (Purchase of Investments)	41,500.00	(33,500.00)
Interest Income	3,430.07	4,184.89
Payments for Property, Plant and Equipment, Intangible Assets (including Capital Work in Progress and Advances)	(31,854.64)	(11,040.15)
Proceeds from Sale of Property, Plant and Equipment	561.58	3.21
Movement in Cash & Bank Balances which are not Considered as Cash and Cash Equivalents	(36.00)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	13,601.01	(40,352.05)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment of) Borrowings	(12,110.90)	(14,007.42)
Dividends Paid (including DDT)	(34,381.27)	(22,920.82)
Finance Costs	(4,230.03)	(7,061.49)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(50,722.20)	(43,989.73)
Net Increase / (Decrease) in Cash and Cash Equivalents	(3,635.44)	5,985.37
Cash and Cash Equivalents at the Beginning of the Year	6,642.61	657.24
Cash and Cash Equivalents at the End of the Year	3,007.17	6,642.61
Components of Cash and Cash Equivalents (Refer Note 11)		

Notes :

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flow.
- 2) Figures in bracket indicate cash outflow.

As per Our Report of Even Date	For and on behalf of Board of Directors			
For M H S & Associates Chartered Accountants ICAI Firm Registration No. 141079W	Jaydev Mody Chairman DIN:00234797	Chand Arora Managing Director DIN:00016583	Aditya Mangaldas Director DIN:00032233	Anjali Mody Director DIN:02784924
Mayur H. Shah Proprietor Membership No. 147928 Mumbai: 18 th May, 2018	Aurobind Patel Director DIN:00016628 Mumbai: 18 th May, 2018	Dr.Vrajesh Udani Director DIN:00021311	Ulhas Kale Chief Financial Officer	Saurabh Gangadhare Company Secretary ACS 49743

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2018

A) Equity Share Capital

	(₹ in '000')
As at April 1, 2016	190,439.39
Changes in Equity Share Capital	-
As at March 31, 2017	190,439.39
Changes in Equity Share Capital	-
As at March 31, 2018	190,439.39

B) Other equity

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as at April 1, 2016	101.34	166,357.56	166,458.90
Changes in Other Equity During the Year			
- Net Profit for the Year	-	38,781.48	38,781.48
- Other Comprehensive Income for the Year	-	(2,045.49)	(2,045.49)
- Depreciation Reversal on Capital Subsidy Received	-	912.03	912.03
- Dividend Declared	-	(19,043.94)	(19,043.94)
- Dividend Distribution Tax	-	(3,876.88)	(3,876.88)
Balance as at March 31, 2017	101.34	181,084.76	181,186.10
Balance as at April 1, 2017	101.34	181,084.76	181,186.10
Changes in Other Equity During the Year			
- Net Profit for the Year	-	16,067.22	16,067.22
- Other Comprehensive Income for the Year	-	566.51	566.51
- Dividend Declared	-	(28,565.91)	(28,565.91)
- Dividend Distribution Tax	-	(5,815.36)	(5,815.36)
Balance as at March 31, 2018	101.34	163,337.22	163,438.56

The accompanying significant accounting policies and notes are an integral part of these financial statements.

As per Our Report of Even Date

For M H S & Associates
Chartered Accountants
ICAI Firm Registration No. 141079W

Mayur H. Shah
Proprietor
Membership No. 147928

Mumbai: 18th May, 2018

For and on behalf of Board of Directors

Jaydev Mody
Chairman
DIN:00234797

Aurobind Patel
Director
DIN:00016628

Mumbai: 18th May, 2018

Chand Arora
Managing Director
DIN:00016583

Dr.Vrajesh Udani
Director
DIN:00021311

Aditya Mangaldas
Director
DIN:00032233

Ulhas Kale
Chief Financial Officer

Anjali Mody
Director
DIN:02784924

Saurabh Gangadhare
Company Secretary
ACS 49743

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

1 COMPANY OVERVIEW

Arrow Textiles Limited (“the Company”) is a Company incorporated on 30th January, 2008 under the provision of the Companies Act applicable in India. The Company is incorporated and domiciled and having principal place of business in India. The registered office is at Plot No.101 - 103, MIDC, Satpur, Nashik – 422 007, Maharashtra, India. The principal business of the company is manufacturing of textile woven labels, fabric printed labels and elastic / woven tape. The shares of the company is listed on the National Stock Exchange of India Limited (NSE) and on the BSE Limited (BSE).

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(i) Statement of Compliance with Indian Accounting Standards (IND AS)

The financial statements have been prepared in accordance with Indian Accounting Standards (hereafter referred to as the “Ind AS”) as notified under Section 133 of the Companies Act, 2013 (“the Act”), read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (‘Previous GAAP’). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company’s Balance Sheet, financial performance and cash flows is given under Note 49.

The date transition to Ind AS is April 01, 2016. The financial statements as at and for the year ended 31st March 2018 (including Comparatives) were approved and authorised by the Company’s Board of Directors as on 18th May 2018.

These financial statements for the year ended 31st March 2018 are the first financial year with comparatives, prepared under Ind AS. The adoption was carried out in accordance with Ind AS 101, First Time adoption of Indian Accounting Standards.

(ii) Historical Cost Convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April 2016 being the date of transition.

(iii) Rounding of Amounts

All the amounts disclosed in the financial statements and notes are presented in Indian Rupees have rounded off to the nearest thousands as per requirement of Schedule III, unless otherwise states. The amount ‘0’ denotes amount less than ₹ Ten.

(iv) Current and Non-Current Classification

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out in the Division II of Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

statements and reported amount of revenue and expenses for the year. Actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the year in which results are known /materialised. Any revision to an accounting estimate is recognised prospectively in the year of revision.

(c) REVENUE RECOGNITION

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company. Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue.

Sale of products:

Revenue from sale of products is recognised when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

Rendering of services:

Revenue from services is recognised when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income:

Interest income is recognised using effective interest method. Interest refund on loan under 'TUF' scheme is accounted on accrual basis.

Dividend income:

Dividend income is recognised when the right to receive payment is established.

(d) PROPERTY, PLANT AND EQUIPMENT

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any.

Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

NOTES TO THE FINANCIAL STATEMENTS

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Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of items of property, plant and equipment is mentioned below:

Category of Asset	Years
Factory Building	30
Carpeted Roads - Other Than RCC	5
Plant and Machinery	15 - on Single Shift
Furniture and Fixtures	10
Electrical Installations and Equipment	10
Computers and Data Processing Units	3
Office Equipments	3 - 5
Motor Cars	8
Motor Cycles	10

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Mobile Phones are depreciated over the estimated useful life of 3 years, which is lower than the life prescribed in Schedule II.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

(e) INTANGIBLE ASSETS

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

The estimated useful life of intangible assets is mentioned below:

Category of Asset	: Years
Computer Software	: 5

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

(f) IMPAIRMENT

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

(g) INVENTORY

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

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, FIFO method is used.

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

NOTES TO THE FINANCIAL STATEMENTS

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Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

Fixed production overheads are allocated on the basis of normal capacity of production facilities.

(h) FOREIGN CURRENCY TRANSLATION

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.”

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

(i) INCOME TAXES

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

NOTES TO THE FINANCIAL STATEMENTS

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

(j) PROVISIONS AND CONTINGENCIES

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(k) LEASE ACCOUNTING

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

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

- (i) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or
- (ii) the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(l) BORROWING COST

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

(m) EVENTS AFTER REPORTING DATE

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

(n) FINANCIAL INSTRUMENTS

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

Financial Assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- (i) Financial assets measured at amortized cost
- (ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- (iii) Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

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- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer Note 48 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies, if any (Refer Note 48 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

NOTES TO THE FINANCIAL STATEMENTS

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- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

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Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method (Refer Note 48 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

(o) FAIR VALUE

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability

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For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(p) EMPLOYEE BENEFITS

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined Contribution Plans:

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund etc.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

II. Defined Benefit Plans:

The Company also provides for retirement/post-retirement benefits in the form of gratuity.

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

Entitlements to annual leave are recognized when they accrue to employees. The Company determines the liability for such accumulated leaves using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

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(q) EARNINGS PER SHARE

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period.

Diluted Earnings per Share

For the purpose of calculating 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 period is adjusted for the effects of all dilutive potential equity shares.

(r) GOVERNMENT GRANTS AND SUBSIDIES

Recognition and Measurement:

The Company is entitled to subsidies from government in respect of manufacturing units located in specified regions. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them. Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

(s) Recent Accounting Pronouncements

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from Contract with Customers, Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

a. Ind AS 115, Revenue from Contract with Customers:

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

b. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The appendix clarifies that the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment of receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

NOTES TO THE FINANCIAL STATEMENTS

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3 PROPERTY, PLANT AND EQUIPMENTS

Particulars	(₹ in '000')							Total	
	Assets under Lease - Land	Freehold Building	Plant and Equipment	Furniture and Fixtures	Electrical Installations	Computer Hardware	Office Equipment		Vehicles
GROSS CARRYING AMOUNT (COST/ DEEMED COST)									
Deemed Cost as at 1st April, 2016	558.86	32,659.70	165,190.48	1,565.03	4,206.43	495.86	648.99	4,140.38	209,465.72
Additions	-	257.80	9,580.09	20.69	10.06	355.10	159.19	-	10,382.93
Disposals / Adjustments	-	-	-	-	-	(1.15)	(42.42)	-	(43.57)
As at 31st March, 2017	558.86	32,917.50	174,770.57	1,585.72	4,216.48	849.80	765.76	4,140.38	219,805.08
As at 1st April, 2017	558.86	32,917.50	174,770.57	1,585.72	4,216.48	849.80	765.76	4,140.38	219,805.08
Additions	-	-	22,664.44	-	225.94	273.65	178.17	-	23,342.20
Disposals / Adjustments	-	-	(248.16)	-	-	(13.92)	(47.72)	-	(309.80)
As at 31st March, 2018	558.86	32,917.50	197,186.85	1,585.72	4,442.43	1,109.53	896.22	4,140.38	242,837.48
ACCUMULATED DEPRECIATION									
As at 1st April, 2016	-	-	-	-	-	-	-	-	-
Charges for the Year	7.50	2,156.39	34,635.30	245.63	895.64	325.76	285.08	667.10	39,218.40
Reverse Charge on Disposal	-	-	(912.03)	-	-	-	(12.06)	-	(924.09)
As at 31st March, 2017	7.50	2,156.39	33,723.27	245.63	895.64	325.76	273.02	667.10	38,294.31
As at 1st April, 2017	7.50	2,156.39	33,723.27	245.63	895.64	325.76	273.02	667.10	38,294.31
Charge for the Year	7.50	1,878.05	40,100.27	243.43	758.44	316.72	234.33	667.10	44,205.85
Reverse Charge on Disposal	-	-	(197.46)	-	-	-	(33.93)	-	(231.40)
As at 31st March, 2018	15.01	4,034.45	73,626.09	489.06	1,654.08	642.47	473.41	1,334.19	82,268.76
NET BLOCK									
As at 1st April, 2016	558.86	32,659.70	165,190.48	1,565.03	4,206.43	495.86	648.99	4,140.38	209,465.72
As at 31st March, 2017	551.35	30,761.11	141,047.30	1,340.09	3,320.84	524.04	492.74	3,473.28	181,510.76
As at 31st March, 2018	543.85	28,883.06	123,560.76	1,096.66	2,788.34	467.06	422.80	2,806.19	160,568.72

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	Computer Software	Total
4 INTANGIBLE ASSETS		
GROSS CARRYING AMOUNT (COST/ DEEMED COST)		
Deemed Cost as at 1st April, 2016	736.55	736.55
Additions	426.42	426.42
Disposals / Adjustments	-	-
As at 31st March, 2017	1,162.97	1,162.97
As at 1st April, 2017	1,162.97	1,162.97
Additions	553.23	553.23
Disposals / Adjustments	-	-
As at 31st March, 2018	1,716.20	1,716.20
ACCUMULATED DEPRECIATION		
As at 1st April, 2016	-	-
Charges for the Year	246.91	246.91
Reverse Charge on Disposal	-	-
As at 31st March, 2017	246.91	246.91
As at 1st April, 2017	246.91	246.91
Charge for the Year	347.92	347.92
Reverse Charge on Disposal	-	-
As at 31st March, 2018	594.83	594.83
NET BLOCK		
As at 1st April, 2016	736.55	736.55
As at 31st March, 2017	916.05	916.05
As at 31st March, 2018	1,121.37	1,121.37

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5. OTHER FINANCIAL ASSETS - NON CURRENT			
(Unsecured, Considered Good)			
Security Deposits	2,735.56	2,519.56	2,363.16
TOTAL	2,735.56	2,519.56	2,363.16
6. NON-CURRENT TAX ASSETS (NET)			
(Unsecured, Considered Good)			
Advances with Income Tax Authorities (Net)	3,760.83	8,723.51	8,723.51
TOTAL	3,760.83	8,723.51	8,723.51
7. OTHER NON-CURRENT ASSETS			
Capital Advances	4,702.82	230.83	-
TOTAL	4,702.82	230.83	-
8. INVENTORIES			
Raw Materials	33,081.02	27,625.72	23,876.05
Work-in-Progress	3,204.99	3,065.00	3,222.67
Finished Goods	19,549.06	13,018.15	15,253.54
Stock-in-Trade	1,802.59	2,797.22	1,953.65
Stores and Spares	10,326.26	9,584.70	9,980.05
Packing Materials	265.66	216.41	371.88
TOTAL	68,229.58	56,307.20	54,657.84

(₹ in '000')

Particulars	Nos. March 31, 2018	Nos. March 31, 2017	Nos. April 1, 2016	Face Value per unit (₹ unless stated otherwise)	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
9. INVESTMENTS-CURRENT							
Investments measured at fair value through profit or loss							
Reliance Money Manager Fund	27,142.784	44,465.489	29,490.087	1,000	66,192.82	101,226.65	61,920.23
TOTAL					66,192.82	101,226.65	61,920.23

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
10. TRADE RECEIVABLES			
Unsecured, Considered Good	120,196.68	114,808.25	124,722.93
Unsecured, Considered Doubtful	-	3,937.25	7,495.75
Less: Provision for doubtful debts	-	(3,937.25)	(7,495.75)
TOTAL	120,196.68	114,808.25	124,722.93
11. CASH & CASH EQUIVALENTS			
Cash on Hand	119.74	180.81	173.84
Balances with Banks in Current Accounts	2,887.44	6,461.80	483.40
TOTAL	3,007.18	6,642.61	657.24
12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
Margin Money with Bank	36.00	-	-
Unpaid Dividend Accounts	819.49	357.15	-
TOTAL	855.49	357.15	-
13. OTHER FINANCIAL ASSETS - CURRENT			
Interest Receivables	1,170.16	228.48	218.76
TOTAL	1,170.16	228.48	218.76
14. OTHER CURRENT ASSETS			
Balances with Statutory / Government Authorities	421.67	12.44	878.74
Prepaid Expenses	612.57	1,069.73	999.49
Advance to Suppliers	754.51	947.03	1,409.84
Advance to Employees	418.49	372.30	141.23
Other Advances	2,199.57	-	1,080.01
TOTAL	4,406.80	2,401.50	4,509.30

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	₹ In '000	No. of Shares	₹ In '000	No. of Shares	₹ In '000
15. EQUITY SHARE CAPITAL						
Authorised:						
Equity Shares of ₹10/- each	21,000,000	210,000.00	21,000,000	210,000.00	21,000,000	210,000.00
Issued, Subscribed and Fully Paid-up:						
Equity Shares of ₹10/- each, fully paid-up	19,043,939	190,439.39	19,043,939	190,439.39	19,043,939	190,439.39
TOTAL	19,043,939	190,439.39	19,043,939	190,439.39	19,043,939	190,439.39

Terms & Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. The Directors have recommended, subject to approval of shareholders at the ensuing Annual General Meeting, a Dividend for the Year Ended on 2018: 15% (2017: 15%). 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 amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the Equity Shares at the beginning and end of the reporting period

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	₹ In '000	No. of Shares	₹ In '000	No. of Shares	₹ In '000
Balance at the Beginning of the Year	19,043,939	190,439.39	19,043,939	190,439.39	19,043,939	190,439.39
Issued During the Year	-	-	-	-	-	-
Brought Back During the Year	-	-	-	-	-	-
Balance at the End of the Year	19,043,939	190,439.39	19,043,939	190,439.39	19,043,939	190,439.39

Details of Equity Shareholders Holding More Than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Aryanish Finance and Investments Private Limited *	4,308,254	22.62	4,313,254	22.65	4,313,082	22.65
Bayside Property Developers Private Limited *	4,311,569	22.64	4,311,569	22.64	4,310,855	22.64
Delta Real Estate Consultancy Private Limited *	4,306,291	22.61	4,311,291	22.64	4,311,291	22.64

Note: *Aryanish Finance and Investments Private Limited, Bayside Property Developers Private Limited, Delta Real Estate Consultancy Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J Mody Trust respectively.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
16. OTHER EQUITY			
Securities Premium Reserve			
Opening Balance	101.34	101.34	
(+) During the Year	-	-	
(-) During the Year	-	-	
Closing Balance	101.34	101.34	101.34
Retained Earnings			
Opening Balance	181,084.76	166,357.56	
(+) Net Profit During the Year	16,067.22	38,781.48	
(+) / (-) Other Comprehensive Income or Loss During the Year	566.51	(2,045.49)	
(+) Depreciation Reversal on Capital Subsidy Received	-	912.03	
(-) Dividend Declared	(28,565.91)	(19,043.94)	
(-) Dividend Distribution Tax	(5,815.36)	(3,876.88)	
Closing Balance	163,337.22	181,084.76	166,357.56
TOTAL	163,438.56	181,186.10	166,458.90
17. BORROWINGS - NON-CURRENT			
Secured			
From Banks	17,933.20	29,866.98	41,779.18
[Primarily secured by first charge on existing and proposed Factory Building, Plant & Machineries and other fixed assets (except vehicles), both present and future of the Company. Further Collateral security being extension of first hypothecation charge on entire stock and book debts of the company, present and future.]			
[Outstanding Term Loan is repayable in quarterly installment of ₹3,000 ('000) each and carrying interest @ 10.00% p.a. as on balance sheet date]			
Unsecured			
Deferred Payment Liabilities			
From a Financial Institution	-	173.22	288.82
Installment are payable annually and last installment is due on 30.04.2019			
TOTAL	17,933.20	30,040.20	42,068.00

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
18. PROVISIONS - NON-CURRENT			
Provision for Employee Benefits:			
Gratuity	-	899.25	-
TOTAL	-	899.25	-
19. OTHER NON-CURRENT LIABILITIES			
Deferred Government Grant	3,886.22	4,719.52	-
TOTAL	3,886.22	4,719.52	-
20. BORROWINGS - CURRENT			
Secured			
From Banks	-	-	1,867.16
[Loan was repayable on demand and was primarily secured by the first hypothecation charge on entire Book Debts and Stocks of the Company, both present and future and carries interest @ 10% p.a. and further collateral security was given being extension of first charge on entire fixed assets of the Company, both present and future (except Vehicles) by way of hypothecation of Plant & Machinery / Equitable Mortgage of Land and Building]			
TOTAL	-	-	1,867.16



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
21. TRADE PAYABLES			
- Due to Micro, Small and Medium Enterprises	-	114.94	-
- Dues to Others	17,719.41	16,559.20	13,825.14
TOTAL	17,719.41	16,674.14	13,825.14
Details of Dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. The Company has sent letters to suppliers to confirm whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 as well as whether they have filed required memorandum with the prescribed authorities. Out of the letters sent to the parties, some confirmations have been received till the date of finalisation of Balance Sheet. Based on the confirmations received, the details of outstandings are as under:			
The principal amount remaining unpaid at the end of the year	-	114.94	-
The Interest amount remaining unpaid at the end of the year	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
22. OTHER FINANCIAL LIABILITIES - CURRENT			
Current Maturities of Long-Term Borrowings	12,173.22	12,177.12	12,289.58
Interest Accrued But Not Due on Borrowings	257.01	373.92	554.94
Other Current Liabilities Payable to Employees	11,656.88	11,545.97	12,978.46
Unclaimed Dividends(*)	819.49	357.15	-
Other Payables	-	47.64	-
TOTAL	24,906.60	24,501.81	25,822.98
*There are no amounts due for payment to the Investor Education and Protection Fund u/s 125 of the Companies Act, 2013 as at year end.			
23. OTHER CURRENT LIABILITIES			
Advances Received from Customers	408.30	626.60	247.09
Duties & Taxes Payable	7,572.52	5,597.34	5,821.52
Deferred Government Grant	833.29	833.29	-
TOTAL	8,814.11	7,057.23	6,068.61
24. PROVISIONS			
Provision for Employee Benefits			
- Leave Encashment	4,413.56	4,971.53	3,089.34
Provision for CSR	2,702.00	1,360.00	-
TOTAL	7,115.56	6,331.53	3,089.34
25. CURRENT TAX LIABILITIES (NET)			
Provision for Taxation [Net of Advance Taxes]	2,288.50	6,652.75	7,611.63
TOTAL	2,288.50	6,652.75	7,611.63

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
26. REVENUE FROM OPERATIONS		
Sale of Products (including Excise Duty)	397,945.86	480,240.48
TOTAL	397,945.86	480,240.48
Goods and Service Tax (GST) has been effected from July 1, 2017. Consequently excise duty, value added tax, service tax etc. have been replaced with GST. Until June 30, 2017 "Sale of products" included the amount of excise duty recovered on sale. With effect from July 1, 2017 sale of products excludes the amount of GST recovered. Accordingly, revenue from sale of products for the year ended March 31, 2018 is not comparable with that of the previous year. The following additional information is being provided to facilitate such understanding:		
Revenue from Operations (Sale of Products)	397,945.86	480,240.48
Less: Excise Duty	(1,417.16)	(6,943.42)
Revenue from Operations (Sale of Products) Excluding Excise Duty	396,528.70	473,297.07
27. OTHER INCOME		
Interest Income	3,430.07	4,184.89
Profit on Sale of Mutual Funds	6,466.17	5,806.42
Provision for Doubtful Debts Reversed	909.37	3,558.51
Octroi/LBT Refund Received	-	172.51
Net Foreign Exchange Gain	-	92.69
Net Gain on Disposal of Property, Plant and Equipment	483.17	-
Amortisation of Government Grant	833.29	208.32
Other Miscellaneous Income	37.77	102.69
TOTAL	12,159.85	14,126.04
28. COST OF MATERIALS CONSUMED		
Inventory at the Beginning of the Year	27,625.72	23,876.05
Add: Material Purchases	137,659.76	162,341.87
Add: Other Direct Costs	2,654.67	3,156.84
Less: Inventory at the End of the Year	(33,081.02)	(27,625.72)
TOTAL	134,859.13	161,749.04

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
29. CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Opening Inventories		
Work in Progress	3,065.00	3,222.67
Finished Goods	13,018.15	15,253.54
Stock in Trade	2,797.22	1,953.65
	18,880.37	20,429.86
Closing Inventories		
Work in Progress	3,204.99	3,065.00
Finished Goods	19,549.06	13,018.15
Stock in Trade	1,802.59	2,797.22
	24,556.64	18,880.37
TOTAL	(5,676.27)	1,549.49
30. EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages and Incentives	96,400.89	92,599.88
Contribution to Provident Fund and Other Funds	7,603.48	6,922.46
Gratuity & Leave Expenses	1,578.18	3,071.64
Staff Welfare Expenses	1,428.84	1,505.50
TOTAL	107,011.39	104,099.47
31. FINANCE COSTS		
Interest Expenses	3,890.71	6,572.88
Bank Charges	222.42	307.58
TOTAL	4,113.13	6,880.46

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
32. OTHER EXPENSES		
Consumption of Packing Material	3,693.54	4,153.21
Consumption of Stores and Spare Parts	12,870.78	15,130.60
Labour Charges	11,329.81	10,708.14
Power and Fuel	23,373.58	27,449.35
Processing Charges	2,325.37	3,408.77
Advertisements	2,967.54	824.99
Payment to Auditors (Refer Note 36)	345.35	380.04
Commission on Sales	7,711.88	10,757.47
Conveyance	904.41	908.03
Directors Sitting Fees	125.00	75.00
Freight & Forwarding	8,880.07	11,653.21
Net Gain/ (Loss) on Sale of Fixed Assets	-	0.39
Loss on Discard of Fixed Assets	-	27.92
Professional & Legal Fees	1,830.35	2,983.45
Rates and Taxes, Excluding Taxes on Income	665.12	3,250.91
Rent	277.80	304.60
Insurance	713.72	854.89
Repairs to Buildings	1,509.31	1,414.85
Repairs to Other Assets	618.48	489.34
Travelling Expenses	1,258.85	1,967.68
CSR Expenses	1,342.00	1,360.00
Vehicle Expenses	902.77	837.12
Miscellaneous Expenses	3,018.31	3,238.66
TOTAL	86,664.04	102,178.59

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
33. CONTINGENT LIABILITIES AND COMMITMENTS			
A Contingent Liabilities			
Claims against the Company not acknowledged as debts			
1. Sales Tax Liabilities			
- on account of non receipt of "C" & "H" Forms	6,460.24	7,179.80	4,030.01
2. TDS as per TRACES	506.14	505.00	581.00
3. Income Tax - Assessment Year 2015-16 Dispute under CIT(A)	1,300.50	-	-
4. Arrears of Wages for January 2016 to March 2016	-	-	*
TOTAL	8,266.88	7,684.80	4,611.01
* amount not ascertainable			
B Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for			
- Towards Property, Plant and Equipment	692.55	-	1,976.38

34. EMPLOYEE BENEFITS

Brief Description of the Plans:

The Company has various schemes for employee benefits such as Provident Fund, ESIC, Gratuity and Leave Encashment. The Company's defined contribution plans are Provident Fund (in case of certain employees) and Employees State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

A. Define Benefit Plans:

The Company's defined benefit plans include Gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	Funded 2017-18	Funded 2016-17	Funded 2016-17
I Principal Actuarial Assumptions Used:			
Discount Rate (per annum)	7.78%	7.29%	8.04%
Salary Escalation Rate	5.00%	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Expected Rate of Return on Plan Assets (per annum)	7.78%	7.29%	8.04%

Particulars	Funded 2017-18	Funded 2016-17
II Expenses Recognised in Statement of Profit and Loss		
Current Service Cost	1,334.42	1,027.60
Net Interest Cost	65.56	(86.83)
Past Service Cost	426.06	-
Total Expenses / (Income) Recognised in the Statement of Profit and Loss	1,826.03	940.77
The total expenses for the year are included in the 'Employee Benefits Expense' line item in the Statement of Profit & Loss.		
III Expenses Recognized in the other Comprehensive Income (OCI)		
Actuarial (Gains)/Losses on Obligation - Due to Changes in Financial Assumptions	(836.14)	1,181.03
Actuarial (Gains)/Losses on Obligation - Due to Experience Adjustment	285.66	2,009.17
Return on Plan Assets, Excluding Interest Income	(234.38)	(134.37)
Net (Income)/Expense For the Year Recognized in OCI	(784.86)	3,055.84
The remeasurement of the net defined benefit liability is included in other comprehensive income.		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	2017-18	2016-17
IV Movements in the Present Value of Defined Benefit Obligation are as Follows:		
Present Value of Defined Benefit Obligation at the Beginning of the Year	23,856.14	18,446.33
Interest Cost	1,739.11	1,483.09
Current Service Cost	1,334.42	1,027.60
Past Service Cost	426.06	-
Benefit Paid Directly by the Employer	-	-
Benefit Paid Directly From the Fund	(2,136.02)	(291.08)
Actuarial (Gains)/Losses on Obligation For the Period - Due to Changes in Financial Assumptions	(836.14)	1,181.03
Actuarial (Gains)/Losses on Obligation For the Period - Due to Experience Adjustment	285.66	2,009.17
Defined Benefit Obligation at the End of the Year	24,669.22	23,856.14
V Amount Recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation as at the End of the Year	(24,669.22)	(23,856.14)
Fair Value of Plan Assets at the end of the Year	26,868.79	22,956.89
Funded Status [Surplus/ (Deficit)]	2,199.57	(899.25)
Net Liability/(Asset) Recognised in the Balance Sheet	2,199.57	(899.25)
	2017-18	2016-17
	From Fund	From Fund
VI Maturity Analysis of the Benefit Payments: From the Fund		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 st Following Year	1,727.00	2,443.69
2 nd Following Year	1,590.16	1,089.52
3 rd Following Year	2,635.77	1,982.63
4 th Following Year	2,143.33	2,477.02
5 th Following Year	2,043.07	1,992.32
Sum of Years 6 To 10	16,816.34	15,353.53
Sum of Years 11 and above	22,633.81	21,090.41

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

The Plan typically to expose the Company to actuarial risk such as Interest Risk, Longevity Risk and Salary Risk;

- Interest Risk:- A decrease in the bond interest rate will increase the plan liability.
- Longevity Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary Risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan's participants will increase the plan's liability.

(₹ in '000')

Particulars	2017-18	2016-17
VII Sensitivity Analysis		
Projected Benefits Payable in Future Years From the Date of Reporting	24,669.22	23,856.14
Impact of +1% Change in Rate of Discounting	(1,550.00)	(1,549.74)
Impact of -1% Change in Rate of Discounting	1,767.10	1,773.28
Impact of +1% Change in Rate of Salary Increase	1,782.92	1,796.41
Impact of -1% Change in Rate of Salary Increase	(1,602.74)	(1,595.57)
Impact of +1% Change in Rate of Employee Turnover	363.47	293.78
Impact of -1% Change in Rate of Employee Turnover	(409.63)	(331.98)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B. Defined Contribution Plans

The Company also has certain defined contribution plans. The contributions are made to registered provident fund, Employee State Insurance Corporation and Labour Welfare Fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plans are as follows:

Charge to the Statement of Profit and Loss based on contributions:

(₹ in '000')

Particulars	2017-18	2016-17
Employer's contribution to Regional Provident Fund Office	5,634.29	5,193.52
Employer's contribution to Employees' State Insurance	1,444.76	1,150.78
Employer's contribution to Labour Welfare Fund	22.34	22.30

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

C. Leave Obligations

The leave obligations cover the Company's liability for earned leave. The amount of the provision of ₹ 4413.56 ('000) [31st March, 2017 ₹ 4971.53('000)] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(₹ in '000')

Particulars	2017-18	2016-17
Total Expenses / (Income) Recognised in the Statement of Profit and Loss	(247.85)	2,130.88

35 INFORMATION IN ACCORDANCE WITH THE REQUIREMENTS OF IND AS 24 ON RELATED PARTY DISCLOSURES

A LIST OF RELATED PARTIES

(i) Key Management Personnel's (KMP):

Mr. Jaydev Mody (JM) - Chairman

Mr. Chand Arora (CA) - Managing Director

Mr. Ulhas Kale (UK) - CFO

Mr. Aurobind Patel (AP) - Director

Dr. Vrajesh Udani (VU) - Director

Mr. Aditya Mangaldas (AM) - Director

Ms. Anjali Mody (ANJ) – Director

Ms. Sushma Vesvikar (SV) – Company Secretary upto 27.03.2017

Ms. Deepika Pandey (DP) – Company Secretary from 15.05.2017 to 11.05.2018

Mr. Saurabh Gangadhare (SG) – Company Secretary from 18.05.2018

(ii) Relatives of KMP:

Mrs. Zia Mody (ZM) - Wife of the Chairman

(iii) Enterprises over which persons mentioned in (i) and (ii) above exercise significant influence with whom company has transactions:

AZB & Partners (AZB)

Freedom Registry Limited (FRL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

B DETAILS OF TRANSACTIONS CARRIED OUT WITH RELATED PARTIES IN THE ORDINARY COURSE OF BUSINESS

(₹ in '000')

Sr. No.	Particulars	KMP		Enterprises over which KMP or Relatives of KMP exercise significant influence		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Professional Fees:						
	AZB	-	-	-	1.56	-	1.56
	TOTAL	-	-	-	1.56	-	1.56
2	Postage & Folio Charges Paid:						
	FRL	-	-	25.08	23.04	25.08	23.04
	TOTAL	-	-	25.08	23.04	25.08	23.04
3	Remuneration / Salary:						
	CA	6,600.00	6,600.00	-	-	6,600.00	6,600.00
	UK	1,281.70	1,226.40	-	-	1,281.70	1,226.40
	SV	-	505.68	-	-	-	505.68
	DP	469.74	-	-	-	469.74	-
	TOTAL	8,351.44	8,332.08	-	-	8,351.44	8,332.08
4	Commission						
	CA	1,800.00	1,800.00	-	-	1,800.00	1,800.00
	TOTAL	1,800.00	1,800.00	-	-	1,800.00	1,800.00
5	Director Sitting Fees						
	AM	37.50	22.50	-	-	37.50	22.50
	AP	22.50	22.50	-	-	22.50	22.50
	JM	15.00	5.00	-	-	15.00	5.00
	ANJ	20.00	10.00	-	-	20.00	10.00
	VU	30.00	30.00	-	-	30.00	30.00
	TOTAL	125.00	90.00	-	-	125.00	90.00

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Outstanding Balance as on 31st March

(₹ in '000')

Sr. No.	Particulars	KMP			Enterprises over which KMP or Relatives of KMP exercise significant influence			Total		
		31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
1	Trade Payables									
	FRL	-	-	-	7.03	5.79	6.18	7.03	5.79	6.18
	TOTAL	-	-	-	7.03	5.79	6.18	7.03	5.79	6.18
2	Remuneration / Salary Payable									
	CA	314.67	274.67	369.67	-	-	-	314.67	274.67	369.67
	UK	88.11	132.46	77.92	-	-	-	88.11	132.46	77.92
	DP	26.77	-	-	-	-	-	26.77	-	-
	SV	-	28.85	18.48	-	-	-	-	28.85	18.48
	TOTAL	429.54	435.98	466.06	-	-	-	429.54	435.98	466.06

(₹ in '000')

Particulars	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
36. PAYMENT TO AUDITORS		
Other Expenses in Note No. 32 includes Auditors' Remuneration in respect of:		
- as Audit Fees	248.00	257.06
- for Taxation Matters	-	121.13
- for Reimbursement of Out of Pocket Expenses	2.00	1.85
TOTAL	250.00	380.04

Particulars	2017-18	2016-17
37. EARNINGS PER SHARES (EPS)		
Earnings Per Share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:		
Profit After Tax [Rs. in '000]	16,067.22	38,781.48
Weighted Average Number of Equity Shares used as Denominator for Calculating Basic Earnings per share (nos.)	19,043,939	19,043,939
Earnings Per Share - Basic (₹)	0.84	2.04

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

38. SEGMENT REPORTING

The Company is engaged in the business of manufacturing of textile woven labels, fabric printed labels and elastic/non elastic woven tape primarily in India. As the Company primarily operates in a single segment, the reporting requirement of primary and secondary segment disclosures prescribed by Ind AS – 108 “Segment Reporting” have not been provided in these financial statements as it is not applicable.

39. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

- a) Gross amount required to be spent by the Company during the year 2017-18 - ₹ 1342 ('000) [Previous Year 2016-17 - ₹ 1360 ('000)]
- b) Amount spent during the year on:

(₹ in '000')

Particulars	2017-18		
	In Cash*	Yet to be paid in Cash	Total
i) Construction / Acquisition of any assets	-	-	-
ii) Purposes other than (i) above	-	1,360.00	1,360.00
	-	1,360.00	1,360.00

Particulars	2016-17		
	In Cash*	Yet to be paid in Cash	Total
i) Construction / Acquisition of any assets	-	-	-
ii) Purposes other than (i) above	-	1,342.00	1,342.00
	-	1,342.00	1,342.00

- c) Related party transactions in relation to Corporate Social Responsibility : NIL

- d) Provision movement during the year

(₹ in '000')

Particulars	2017-18	2016-17
Opening Provision	1,360.00	-
Addition during the year	1,342.00	1,360.00
Utilised during the year	-	-
Closing provision	2,702.00	1,360.00

*Represents actual outflow during the year.

40. EVENT OCCURRING AFTER BALANCE SHEET DATE:

The Board of Directors has recommended Equity dividend of ₹1.50/- per share (Previous year ₹ 1.50/- per

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

41. CREDIT RISK

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Trade Receivables:

- a) The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

(₹ in '000')			
Particulars	0 - 180 Days	More than 180 Days	Total
As at 31 March 2018	114,660.35	5,536.33	120,196.68
As at 31 March 2017	111,342.85	3,465.41	114,808.25
As at 1 April 2016	119,420.09	5,302.84	124,722.93

- b) Movement in provisions of doubtful debts

(₹ in '000')		
Particulars	2017-18	2016-17
Opening provision	3,937.25	7,495.75
Add:- Additional provision made	-	-
Less:- Amount written off	(3,027.88)	-
Less:- Provision reversed	(909.37)	(3,558.51)
Closing provision	-	3,937.25

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

42. CAPITAL RISK MANAGEMENT

- a) The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 18, 22 and 24 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term and short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

(₹ in '000')			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Total Equity	353,877.95	371,625.49	356,898.29
Current Borrowings	-	-	1,867.16
Non Current Borrowings	17,933.20	30,040.20	42,068.00
Current Maturities of Non Current Borrowings	12,173.22	12,177.12	12,289.58
Total Debt	30,106.42	42,217.32	56,224.74
Current Investments	66,192.82	101,226.65	61,920.23
Cash and Cash Equivalents	3,007.18	6,642.61	657.24
Net Debt	(39,093.59)	(65,651.94)	(6,352.73)
Debt Equity Ratio	(0.11)	(0.18)	(0.02)

- b) Dividend on Equity Shares

(₹ in '000')		
Particulars	March 31, 2018	March 31, 2017
Dividends not recognised at the end of the reporting period [Since year end the directors have recommended the payment of a final dividend of ₹ 1.50 per fully paid equity share (31st March, 2017 ₹ 1.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.]	28,565.91	28,565.91

43. LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Maturities of Financial Liabilities

(₹ in '000')

Particulars	March 31, 2018			
	Carrying Value	Upto 1 year	1 to 5 years	5 years & above
Borrowings	30,106.42	14,566.89	19,231.33	-
Trade Payables	17,719.41	17,719.41	-	-
Other Financial Liabilities	12,733.38	12,733.38	-	-
	60,559.21	45,019.68	19,231.33	-

(₹ in '000')

Particulars	March 31, 2017			
	Carrying Value	Upto 1 year	1 to 5 years	5 years & above
Borrowings	42,217.32	15,759.81	33,732.00	-
Trade Payables	16,674.14	16,674.14	-	-
Other Financial Liabilities	12,324.69	12,324.69	-	-
	71,216.14	44,758.63	33,732.00	-

(₹ in '000')

Particulars	March 31, 2016			
	Carrying Value	Upto 1 year	1 to 5 years	5 years & above
	56,224.74	19,606.90	49,342.49	-
Borrowings	13,825.14	13,825.14	-	-
Trade Payables	13,533.40	13,533.40	-	-
Other Financial Liabilities	83,583.28	46,965.44	49,342.49	-
	41,515.28	42,068.00	-	-

44. INTEREST RATE RISK & SENSITIVITY ANALYSIS

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

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's Profit for the year would decrease/increase by amount as stated below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in '000')

Particulars	Financial Liabilities	Change in Interest rate	Impact on Profit or Loss before tax for the year	
			Increase by 1%	decrease by 1%
As at 31 March 2018	30,106.42	1%	(301.06)	301.06
As at 31 March 2017	42,217.32	1%	(422.17)	422.17
As at 1 April 2016	56,224.74	1%	(562.25)	562.25

45. OTHER PRICE RISKS

The Company is not significantly exposed to equity price risks / other price risks.

46. UNHEDGED FOREIGN CURRENCY (FC) EXPOSURE

The Foreign currency exposures that are not hedged by a derivative instrument or otherwise as at year end are given below:

(₹ in '000')

Particulars	Currency Name	March 31, 2018		March 31, 2017		April 1, 2016	
		In Foreign Currency	(₹ in '000)	In Foreign Currency	(₹ in '000)	In Foreign Currency	(₹ in '000)
Trade Receivables							
- Hedged by derivative or otherwise		-	-	-	-	-	-
- Not Hedged	USD	5,996.20	381.82	4,667.41	313.32	42,253.00	2,819.13
Total Assets		5,996.20	381.82	4,667.41	313.32	42,253.00	2,819.13
Trade Payables							
- Hedged by derivative or otherwise		-	-	-	-	-	-
- Not Hedged	USD	28,000.00	1,821.23	57,400.00	3,721.74	3,093.64	205.21
Total Liabilities		28,000.00	1,821.23	57,400.00	3,721.74	3,093.64	205.21

Of the above, the Company is mainly exposed to USD. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of this currency against INR.

(₹ in '000')

Currencies	Increase/Decrease	Total Assets	Total Liabilities	Impact on Profit for the Year Before Tax
USD	Increase by 5%	381.82	1,821.23	(71.97)
USD	Decrease by 5%	381.82	1,821.23	71.97

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

47. TAX EXPENSES

a) Amount recognised in profit or loss

(₹ in '000')

Particulars	March 31, 2018	March 31, 2017
Income tax		
In respect of the current year	12,772.57	21,058.71
In respect of prior years	190.38	-
	12,962.95	21,058.71
Deferred tax		
In respect of Current year	(3,695.34)	(2,343.10)
Total income tax expense for the year	9,267.61	18,715.61

b) Amount recognised in other comprehensive income

(₹ in '000')

Particulars	March 31, 2018	March 31, 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(218.35)	1,010.35
Total income tax recognised in other comprehensive income	(218.35)	1,010.36

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

c) The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in '000')

Particulars	March 31, 2018	March 31, 2017
Profit before tax after Exceptional Items	25,334.83	57,497.09
Income Tax Expense Calculated at 33.06% (2016-17 : 33.06%)	8,376.45	19,010.26
Effect of expenses that are not deductible in determining taxable profit	15,960.09	16,644.52
Other Allowable Expenditure	(12,157.63)	(12,529.95)
Others	593.66	(2,066.13)
Current Tax Provision (A)	12,772.58	21,058.71
Incremental Deferred Tax Asset on Account of Tangible and Intangible Assets	(5,355.09)	(4,389.37)
Incremental Deferred Tax Liability on Account of Fair Value of Investments	(18.42)	(29.03)
Incremental Deferred Tax Liability on Account Financial Assets and Other Items	1,678.17	2,075.30
Deferred Tax Provision (B)	(3,695.34)	(2,343.10)
Tax Expenses Recognised in Statement of Profit and Loss (A+B)	9,077.23	18,715.61
Effective Tax Rate	35.83	32.55

d) Deferred tax balances

(₹ in '000')

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred Tax Assets (net)	2,092.01	4,246.40	4,219.87
Deferred Tax Liabilities (net)	5,985.66	11,617.04	14,943.96
	(3,893.65)	(7,370.64)	(10,724.09)

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

e. Movement of tax expense during the year 2017-18

(₹ in '000')

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Fair Valuation of Investments through Profit and Loss	(1,556.69)	257.87	-	(1,298.82)
Measurement of Financial Liabilities at Amortised Cost	(43.98)	18.42	-	(25.56)
Disallowances under the Income Tax Act	4,246.40	(1,936.04)	(218.35)	2,092.01
Property, Plant and Equipments	(10,016.37)	5,355.09	-	(4,661.28)
TOTAL	(7,370.64)	3,695.34	(218.35)	(3,893.65)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

f. Movement of tax expense during the year 2016-17

(₹ in '000')

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Fair Valuation of Investments through Profit and Loss	(465.21)	(1,091.47)	-	(1,556.69)
Measurement of Financial Liabilities at Amortised Cost	(73.01)	29.03	-	(43.98)
Disallowances under the Income Tax Act	4,219.87	(983.82)	1,010.35	4,246.40
Property, Plant and Equipments	(14,405.74)	4,389.37	-	(10,016.37)
TOTAL	(10,724.09)	2,343.10	1,010.35	(7,370.64)

48. FAIR VALUE DISCLOSURES

a) Categories of Financial Instruments:

(₹ in '000')

Particulars	March 31, 2018			March 31, 2017			April 01, 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Other Non-Current Financial Assets	-	-	2,735.56	-	-	2,519.56	-	-	2,363.16
Investments	66,192.82	-	-	101,226.65	-	-	61,920.23	-	-
Trade Receivables	-	-	120,196.68	-	-	114,808.25	-	-	124,722.93
Cash and Cash Equivalents	-	-	3,007.18	-	-	6,642.61	-	-	657.24
Other Bank Balances	-	-	855.49	-	-	357.15	-	-	-
Other Current Financial Assets	-	-	1,170.16	-	-	228.48	-	-	218.76
	66,192.82	-	127,965.08	101,226.65	-	124,556.05	61,920.23	-	127,962.10
Financial Liabilities									
Borrowings - Non Current	-	-	17,933.20	-	-	30,040.20	-	-	42,068.00
Borrowings - Current	-	-	-	-	-	-	-	-	1,867.16
Trade Payables	-	-	17,719.41	-	-	16,674.14	-	-	13,825.14
Other Financial Liabilities	-	-	24,906.60	-	-	24,501.81	-	-	25,822.98
	-	-	60,559.21	-	-	71,216.14	-	-	83,583.28

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value of assets and liabilities measured at fair value on recurring basis as of March 31, 2018; March 31, 2017 and April 1, 2016.

(₹ in '000')

Financial Assets	March 31, 2018				
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
- Investment in Mutual Funds	66,192.82	66,192.82	-	-	66,192.82

(₹ in '000')

Financial Assets	March 31, 2017				
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
- Investment in Mutual Funds	101,226.65	101,226.65	-	-	101,226.65

(₹ in '000')

Financial Assets	April 1, 2016				
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
- Investment in Mutual Funds	61,920.23	61,920.23	-	-	61,920.23

The fair value of other financials assets and financial liabilities are approximate to their carrying values.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

49 FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared the its opening balance sheet as per Ind AS as at April 01, 2016 ("transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

In preparing these financial statements, the Company has availed optional exemptions and mandatory exceptions in accordance with Ind AS 101 as explained below:

(a) Past Business Combinations

The Company has elected not to apply Ind AS 103 'Business Combinations' retrospectively to past business combinations that occurred before the transition date.

(b) Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.

(c) Estimates

The Company's estimates in accordance with Ind ASs at the transition date are in consistent with estimates made for the same date in accordance with previous GAAP after adjustments to reflect any difference in accounting policies.

Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017.
- II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017.
- III. Adjustments to Statement of Cash Flows for the Year Ended 31st March, 2017.

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Reconciliation of the Balance Sheet as at 31st March, 2017 and 1st April, 2016:

(Rs. in '000')

Particulars	As at March 31, 2017			As at April 1, 2016		
	Previous GAAP*	Effect of Transition to Ind AS	Ind AS	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
ASSETS						
1. Non-Current Assets						
a) Property, Plant and Equipments	175,957.95	5,552.81	181,510.76	209,465.72	-	209,465.72
b) Intangible Assets	916.05	-	916.05	736.55	-	736.55
c) Financial Assets						
Other Financial Assets	2,519.56	-	2,519.56	2,363.16	-	2,363.16
d) Non-Current Tax Assets (Net)	8,723.51	-	8,723.51	8,723.51	-	8,723.51
e) Other Non-Current Assets	230.83	-	230.83	-	-	-
Total Non-Current Assets	188,347.89	5,552.81	193,900.70	221,288.94	-	221,288.94
2. Current Assets						
a) Inventories	56,307.20	-	56,307.20	54,657.84	-	54,657.84
b) Financial Assets						
(i) Investments	96,518.40	4,708.25	101,226.65	60,513.18	1,407.05	61,920.23
(ii) Trade Receivables	114,808.25	-	114,808.25	124,722.93	-	124,722.93
(iii) Cash and Cash Equivalents	6,642.61	-	6,642.61	657.24	-	657.24
(iv) Bank Balances Other Than (iii) Above	357.15	-	357.15	-	-	-
(v) Other Financial Assets	228.48	-	228.48	218.76	-	218.76
c) Other Current Assets	2,383.85	17.65	2,401.50	4,566.29	(57.00)	4,509.30
Total Current Assets	277,245.94	4,725.89	281,971.83	245,336.24	1,350.06	246,686.30
Total Assets	465,593.83	10,278.70	475,872.53	466,625.18	1,350.06	467,975.24

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in '000')

Particulars	As at March 31, 2017			As at April 1, 2016		
	Previous GAAP*	Effect of Transition to Ind AS	Ind AS	Previous GAAP*	Effect of Transition to Ind AS	Ind AS
EQUITY AND LIABILITIES						
1. Equity						
a) Equity Share Capital	190,439.39	-	190,439.39	190,439.39	-	190,439.39
b) Other Equity	177,927.85	3,258.25	181,186.10	142,678.63	23,780.26	166,458.90
Total Equity	368,367.24	3,258.25	371,625.49	333,118.02	23,780.26	356,898.29
2. Non-Current Liabilities						
a) Financial Liabilities						
Borrowings	30,173.22	(133.02)	30,040.20	42,288.82	(220.82)	42,068.00
b) Provisions	899.25	-	899.25	-	-	-
c) Deferred Tax Liabilities (Net)	5,769.97	1,600.67	7,370.64	10,185.87	538.22	10,724.09
d) Other Non-Current Liabilities	-	4,719.52	4,719.52	-	-	-
Total Non-Current Liabilities	36,842.44	6,187.16	43,029.60	52,474.68	317.40	52,792.09
3. Current liabilities						
a) Financial liabilities						
(i) Borrowings	-	-	-	1,867.16	-	1,867.16
(ii) Trade Payables	16,674.14	-	16,674.14	13,825.14	-	13,825.14
(iii) Other Financial Liabilities	24,501.81	-	24,501.81	25,822.98	-	25,822.98
b) Other Current Liabilities	6,223.94	833.29	7,057.23	6,068.61	-	6,068.61
c) Provisions	6,331.53	-	6,331.53	25,836.95	(22,747.60)	3,089.34
d) Current Tax Liabilities (Net)	6,652.75	-	6,652.75	7,611.63	-	7,611.63
Total Current Liabilities	60,384.15	833.29	61,217.45	81,032.47	(22,747.60)	58,284.87
TOTAL EQUITY AND LIABILITIES	465,593.83	10,278.70	475,872.53	466,625.18	1,350.06	467,975.24

*The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Effect of Ind AS Adoption on the Statement of Profit and Loss for the Year Ended 31 March, 2017:

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
REVENUE:			
Revenue from Operations	481,745.83	(1,505.35)	480,240.48
Other Income	10,541.88	3,584.16	14,126.04
TOTAL REVENUE	492,287.71	2,078.80	494,366.52
EXPENSES:			
Cost of Materials Consumed	161,749.04	-	161,749.04
Purchases of Stock in Trade	14,003.63	-	14,003.63
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	1,549.49	-	1,549.49
Excise Duty	6,943.42	-	6,943.42
Employee Benefit Expenses	107,155.31	(3,055.84)	104,099.47
Finance Costs	6,792.66	87.80	6,880.46
Depreciation and Amortisation Expense	39,256.99	208.32	39,465.31
Other Expenses	103,683.94	(1,505.35)	102,178.59
TOTAL EXPENSES	441,134.48	(4,265.07)	436,869.42
Profit / (Loss) Before Tax	51,153.23	6,343.87	57,497.10
Tax Expenses			
- Current Tax	21,058.71	-	21,058.71
- Deferred Tax	(4,415.89)	2,072.80	(2,343.10)
Total Tax Expenses	16,642.81	2,072.80	18,715.61
Profit / (Loss) After Tax	34,510.42	4,271.08	38,781.49
Other Comprehensive Income**			
a) Items that will not be reclassified into profit or loss			
- Remeasurements of the defined benefit obligations	-	(3,055.84)	(3,055.84)
b) Income tax relating to items that will not be reclassified into profit or loss	-	1,010.35	1,010.35
Total Other Comprehensive Income	-	(2,045.49)	(2,045.49)
Total Comprehensive Income / (Loss) for the Year	34,510.42	2,225.59	36,736.01

** Under the Previous GAAP, there was no concept of Other Comprehensive Income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

I. Reconciliation of equity as at March 31, 2017 and April 1, 2016

(₹ in '000)

	Notes	31-Mar-17	01-Apr-16
Equity as per Previous GAAP	(A)	368,367.24	333,118.02
Nature of Adjustments:			
Adjustment for Proposed Dividend	A	-	22,747.60
Effect of measuring Current Investments at fair value	B	4,708.25	1,407.05
Other Ind AS Adjustments	D	150.67	163.83
Tax Impact of the Above Adjustments		(1,600.67)	(538.22)
Total effect of transition to Ind AS	(B)	3,258.25	23,780.26
Equity as per Ind AS	(A + B)	371,625.49	356,898.29

II. Reconciliation of Total Comprehensive Income for the Year Ended March 31, 2017

(₹ in '000)

	Notes	Year ended March 31, 2017
Net Profit as per Previous GAAP		34,510.42
Nature of Adjustments:		
Effect of measuring Current Investments at fair value	B	3,301.19
Remeasurement benefit of net defined benefit plans recognised in other comprehensive income	C	3,055.84
Other Ind AS Adjustments	D	(13.16)
Tax effects of Above Adjustments		(2,072.80)
Total effect of transition to Ind AS		4,271.08
Net Profit as per Ind AS		38,781.50
Other comprehensive Income (Net of Tax)	C	(2,045.49)
Total Comprehensive Income as per Ind AS		36,736.01

Footnotes:

- A Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were recognised as liability in financial statements as at 01 April 2016. Under Ind AS, such dividends are recognised when it is approved by the shareholders in the general meeting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

- B Current investments in mutual funds was measured at lower of cost or net realisable value under previous GAAP. Under Ind AS, investments in mutual funds are measured at fair value with fair value gain or loss being recognises in the statement of profit and loss.
- C Under Ind AS, actuarial gains or losses on remeasurement of defined benefit obligation is recognised in other comprehensive income (including its tax effect) which was recognised in statement of profit and loss under previous GAAP.
- D Other adjustments includes measurement of borrowings and reversal of foreign exchange fluctuation on foreign currency advances considered as non monetary items.
- E In addition to the above adjustments, under Ind AS, the Company has recognised a deferred liability of government grant received earlier for acquisition of property, plant and equipment with corresponding debit to property, plant and equipment. Company recognises government grant income and depreciation on property, plant and equipment straight line basis over the useful lives of underlying assets. This does not have impact on equity or profit.

III. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2017

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the Previous GAAP.

For and on behalf of Board of Directors

Jaydev Mody
Chairman
DIN:00234797

Chand Arora
Managing Director
DIN:00016583

Aditya Mangaldas
Director
DIN:00032233

Anjali Mody
Director
DIN:02784924

Aurobind Patel
Director
DIN:00016628

Dr.Vrajesh Udani
Director
DIN:00021311

Ulhas Kale
Chief Financial Officer

Saurabh Gangadhare
Company Secretary
ACS 49743

Mumbai : May 18, 2018

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