

# ***Kansal Fibres Limited***

**(CIN:L17116PB1994PLC014457)**

**ANNUAL**

**REPORT**

**2017-18**

# **KANSAL FIBRES LIMITED**

## **BOARD OF DIRECTORS**

<b>Karan Bairwa</b>	-	<b>Chairman &amp; Managing Director</b>
<b>Mayur Manubhai Shah</b>	-	<b>Director</b>
<b>Anjali Ajay Mehra</b>	-	<b>Director</b>
<b>Bipin Mangaldas Patel</b>	-	<b>Director</b>

### **AUDITORS**

**Vishves A. Shah & Co.**  
**Chartered Accountants**  
FRNo. 121356w  
316, Abhishek Plaza,  
B/h Navgujarat College,  
Income-Tax, Ahmedabad-380009.

### **REGISTRAR AND SHARE TRANSFER AGENT (RTA)**

**Purva Sharegistry (India) Pvt. Ltd.**  
Unit no. 9, Shiv Shakti Ind. Estt.  
J .R. Boricha marg  
Lower Parel (E)  
Mumbai - 400 011

### **Registered Office**

E-10/7586/A, Opp. Lane Pooja Intl,  
Bahadur Kay Road,  
Dana Mandi, Ludhiana,  
Punjab - 141008

### **Corporate Office**

1/4, Patrakar Colony Part-2,  
Nr. Adani Gas Pump,  
Naranpura Ahmedabad,  
Gujarat 380013

#### **Website**

[www.kansalfibres.co.in](http://www.kansalfibres.co.in)

#### **Email**

[kansalfiberltd@gmail.com](mailto:kansalfiberltd@gmail.com)

## **NOTICE**

Notice is hereby given that the Annual General Meeting of the members of KANSAL FIBRES LIMITED will be held on 28<sup>th</sup> September, 2018, Friday at 12.00 P.M. at the Registered Office of the Company i.e. E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana - 141008 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2018, balance sheet as on that date, Director's Report and the Auditor's report thereon.
2. To appoint Director in place of Mr. Karan Bairwa who retires by rotation and being eligible offers himself for reappointment.
3. To re-appoint M/s. Vishves A Shah & Co., Chartered Accountants, Ahmedabad, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of Annual General Meeting to be held in the year 2021 and to fix their remuneration for the financial year ending 31<sup>st</sup> March, 2019.

### **SPECIAL BUSINESS**

#### **4. Shifting of Registered Office from the State of Punjab to State of Gujarat.**

**To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of section 13(4) read with Rule 30 of the Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and subject to the confirmation of the Regional Director/Central Government the consent of the members of the Company be and are hereby accorded to shift the registered office of the Company from the State of Punjab to State of Gujarat.

RESOLVED FURTHER THAT the Clause No. II of the Memorandum of Association of the Company be and is hereby substituted by the following: “The Registered Office of the Company shall be situated in the State of Gujarat.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for and on behalf of the Company.

#### **5. To Appoint Mr. Karan Bairwa (DIN: 08026123) as Managing Director :**

**To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of

Association of the Company, Mr. Karan Bairwa [DIN 08026123], who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 1<sup>st</sup> January, 2018, and who holds office up to the date of this Annual General meeting, be and is hereby appointed as a Director and designated as a Managing Director of the Company for three years upon such terms and conditions set out in explanatory statement annexed, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Karan Bairwa.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

**6. To Appoint Mr. Mayur Shah as an Independent Director:**

**To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-**

“**RESOLVED THAT**, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under as read with Schedule IV to the Act, as amended from time to time, Mr. Mayur M. Shah, a non-executive Independent Director of the Company, who has submitted declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for the term of Five years.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

**Date : 03/09/2018  
Place : Ludhiana**

**By order of Board of Directors**

**Sd/-**

**Karan Bairwa  
Director  
DIN : 08026123**

## **NOTES**

1. The relevant Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, in respect of Special Business set out in item No. 4, 5 and 6 is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members/Proxy holders are requested to bring their copy of Attendance slip sent herewith duly filled-in for attending the Annual General Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday 22<sup>nd</sup> September, 2018 to Friday 28<sup>th</sup> September, 2018 (both days inclusive).
6. The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent **M/s. Purva Sharegistry (India) Private Limited**. The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
8. Members intending to seek explanation /clarification about the Accounts at the Annual General Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
9. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail.

### **10. PROCESS FOR MEMBERS OPTING FOR E-VOTING**

- i. In compliance with the provisions of Section 108 of the companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendments Rules, 2015, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of CDSL.

- ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut –off date i.e. 21<sup>st</sup> September,2018 shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- iii. The remote e-voting will commence on 25th September, 2018 at 10.00 am and will ends on 27<sup>th</sup> September, 2018 at 5.00 pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21<sup>st</sup> September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iv. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- v. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the company as on the Cut-off date i.e 21<sup>st</sup> September, 2018.
- vii. The Company has appointed **Mr. A. Santoki & Associate**, Practicing Company Secretary (Membership No 4189, COP No. 2539), Ahmedabad to act as the Scrutinizer for conducting the remote e-voting and voting at poll process in a fair and transparent manner.
- viii. The Procedure and instructions for remote e-voting are as follows:
  - (i)The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii)Click on Shareholders.
  - (iii)Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv)Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vi)If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company

Details <b>OR</b> Date of Birth (DOB)	records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (vii)** After entering these details appropriately, click on “SUBMIT” tab.
- (viii)** Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix)** For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x)** Click on EVSN of the Company.
- (xi)** On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii)** Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii)** After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv)** Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv)** You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi)** If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii)** Shareholders can also use Mobile app - “m - Voting” for e voting . m - Voting app is available on Apple , Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xviii)** Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

**X.** Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

**Date : 03/09/2018**  
**Place : Ludhiana**

**By order of Board of Directors**

**Sd/-**

**Karan Bairwa**  
**Director**  
**DIN : 08026123**



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF  
THE COMPANIES ACT, 2013 (“the Act”)**

As required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 4, 5 and 6 of the accompanying Notice dated 03<sup>rd</sup> September, 2018.

**ITEM NO. 4**

Presently the Company’s Registered Office is situated in the State of Punjab. Further, the Company has seen more potential in the Gujarat. Moreover majority of the directors are also based at Gujarat. Therefore, it is very difficult to co-ordinate the matters from the State of Punjab to the State of Gujarat discharge the statutory obligations related to the registered office.

And since the state of Gujarat is a very advance state in the industrialization of business and has a potential market, therefore if the registered office of the Company is shifted to Gujarat, it shall help to carry on the business activities more economically and efficiently and also help to enlarge the area of its business operations.

The Board considered that in terms of the provisions of section 13(4) of the Companies Act, 2013, the registered office of the Company may be shifted from one state to another by way of approval of the members with special resolution and confirmation of the Company Law Board/Central Government.

None of Director and KMPL is interested in above resolution.

**ITEM NO. 5**

**To appoint Mr. Karan Bairwa as Managing Director of the Company**

Mr. Karan Bairwa was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> January 2018 by the Board of Directors under Section 161 of the Act and Article 132 of the Company’s Articles of Association. In terms of Section 161(1) of the Act, Mr. Karan Bairwa holds office only up to the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Karan Bairwa’s appointment as a Director. The Board also appointed Mr. Karan as the Managing Director of the Company for the period of Three Years, subject to approval of the Members.

The principal terms and conditions of Mr. Karan’s appointment as Managing Director are as follows:

1. Tenure: 3 Years (Subject to approval of members in the ensuing Annual General Meeting)
2. Nature of duties:
  - a) The Executive Director shall devote his whole time and attention to the business of the Company and carry out such duties, as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards 6 of such associated companies and/or subsidiaries or any other executive body or any committee of such a Company.
  - b) The Executive Director shall not exceed the powers so delegated by the Board pursuant to clause 2(a) above.

c) The Executive Director undertakes to employ the best of the skill and ability to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

4. The Executive Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

5. The terms and conditions of the appointment of the Executive Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.

6. In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

7. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Karan Bairwa will cease to be the Executive Director, and also cease to be a Director. If at any time, the Executive Director ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Executive Director, and this Agreement shall forthwith terminate. If at any time, the Executive Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company.

#### **ITEM NO. 6**

#### **To appoint Mr. Mayur Shah as an Independent Director of the Company**

Mr. Mayur Shah, Director of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act, In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management. Mr. Mayur Shah is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act and have given their consent to act as Directors. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the members for their approval. The terms and conditions of appointment of the above Directors shall be open for inspection by the members at the registered office of the company during normal business hours on any working day, excluding Saturday. Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory statement attached herewith.

**Date : 03/09/2018**  
**Place : Ludhiana**

**By order of Board of Directors**

**Sd/-**

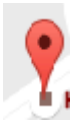
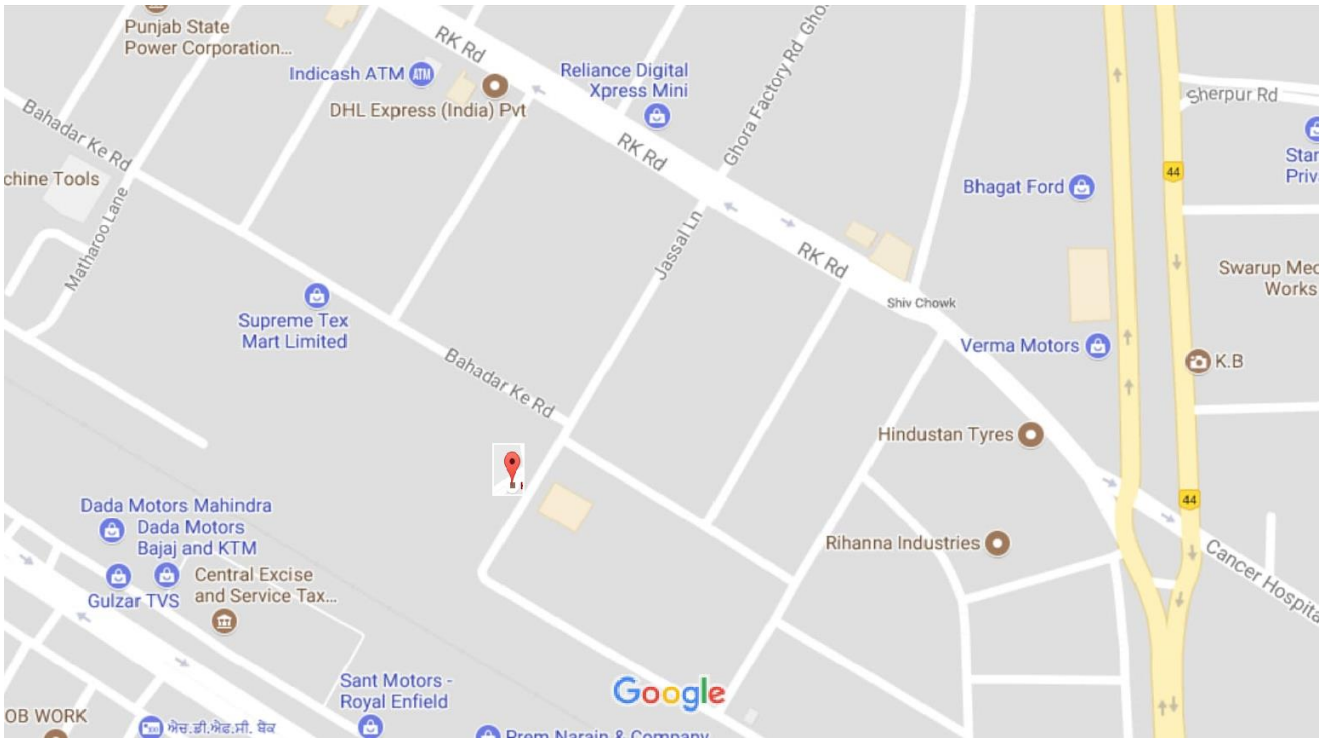
**Karan Bairwa**  
**Director**  
**DIN:08026123**

**ANNEXURE TO NOTICE**  
**(Details of Directors seeking Appointment/Re-appointment)**

Name of Director	Mr. Karan Bairwa	Mayur M. Shah
Director Identification number (DIN)	08026123	03313341
Date of Birth	23.05.1995	18.12.1962
Nationality	Indian	Indian
Date of appointment on board	01.01.2018	01.01.2018
Qualification	Graduate	Graduate
Brief Profile	2 years Experience in Marketing	10 Years of Experience in Accounting.
Shareholding in the company	NIL	Nil
Directorship held in public limited company	NIL	Yes
Memberships / Chairmanships of Audit and Stakeholders' Relationship committees across public companies	NIL	Yes

There are no inter-se relationships between the Board Members.

**ROUTE MAP TO AGM VENUE**



**Address :-**

**KANSAL FIBRES LTD  
E-10/7586/A, Opp. Lane Pooja Intl.,  
Bahadur Kay Road,  
Dana Mandi , Ludhiana ,  
Punjab ,141008**

## **DIRECTORS' REPORT**

To,  
The Members  
**KANSAL FIBRES LIMITED**

The Directors' present the Annual report on the business and operations of your Company for the year 2017-2018.

### **FINANCIAL PERFORMANCE OF THE COMPANY:**

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Revenue from Operations	44,25,000	---
Other Income	---	---
Total Revenue	44,25,000	---
Less: Total Expenditure ( including Change in Inventories)	69,38,316	1,03,442
Profit Before Tax	(25,13,316)	(1,03,442)
Less: Tax expense/ Deferred tax liability	---	---
Profit after Tax	(25,13,316)	(1,03,442)
Earnings Per Share	(0.44)	(0.02)

During the year under review Company has not earned any profit. After making all necessary provisions for current year and after taking into account the current year net profit and total provisions for taxation, the surplus carried to Balance Sheet is (25,13,316)

### **NATURE OF BUSINESS :**

The Company is engaged in the trading of textile material on retail basis. There was no change in the nature of the business of the Company during the year under review.

### **REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES :**

The Company does not have Subsidiaries, Associate and Joint Venture Companies. Hence, details for the same are not required to mention here.

### **TRANSFER TO RESERVES :**

Company has not earned any Profit in F.Y. 2017-18, So no amount has been transferred to the General Reserve.

### **DIVIDEND :**

In view of losses, your Directors do not recommend any dividend during the year.

### **SHARE CAPITAL :**

The paid up Equity Share Capital as on March 31, 2018 was Rs. 56,729,000.

**A) Issue of equity shares with differential rights:**

During the year under review, the Company has not issued any shares with differential voting rights.

**B) Issue of sweat equity shares**

During the year under review, the Company has not issued any sweat equity shares.

**C) Issue of employee stock options**

During the year under review, the Company has not issued any sweat equity shares.

**D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees**

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

**FINANCE :**

Company has not borrowed any Loan from Bank or Financial Institution during the year under review.

**FIXED DEPOSITS :**

The Company has not accepted or renewed any deposits during the year. There are no outstanding and overdue deposits as at 31<sup>st</sup> March, 2018.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 :**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**EMPLOYEE RELATIONS :**

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver good performance.

**RISK MANAGEMENT POLICY :**

Risk management is embedded in your company's operating framework. Your company believes that managing risk helps in maximizing returns. The company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

**Commodity Price Risks:**

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking. Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact the impact of price risk on finished goods.

### **Regulatory Risks**

The company is exposed to risks attached to various statutes and regulations including the company Act. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

### **Human Resources Risks**

Retaining the existing talent pool and attracting new talent are major risks. The company has initiated various measures including rolling out strategic talent management system, training and integration of learning and development activities.

### **Strategic Risks**

Emerging businesses, capital expenditure for capacity expansion, etc., are normal strategic risk faced by the company. However, the company has well-defined processes and procedures for obtaining approvals for investments in new business and capacity expansion etc.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY :**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

### **DIRECTORS :**

#### **a) Changes in Directors and Key Managerial Personnel:**

During the year following Changes made in the Directors and Key Managerial Personnel:

Mr. Karan Bairwa was appointed as a Executive Director w.e.f. 01/01/2018, who has been appointed as a Managing Director of the Company by the Board w.e.f. 07/06/2018.

Whereas, Mr. Mayur Manubhai Shah was appointed as an Independent Director of the Company w.e.f. 01/01/2018.

Mr. Piyushbhai Maheshbhai Doshi was resigned from the Post of Directorship of the Company w.e.f 01.01.2018

Mr. Loharuka Suryaprakash Vinodkumar also resigned from the Post of Managing Director w.e.f 07.06.2018.

#### **b) Declaration by an Independent Director(s) and reappointment, if any**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### **c) Formal Annual Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the

evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**d) Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**e) Number of Meetings of the Board of Directors and Audit Committee**

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming financial year is being circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings.

During the year the Company has held 08 (Eight) Board Meetings as against the minimum requirement of 4 meeting. The meetings were held on 30/05/2017, 14/08/2017, 01/09/2017, 14/11/2017, 01/01/2018, 14/02/2018, 27/02/2018 and 07/03/2018.

**PARTICULARS OF EMPLOYEES :**

None of the employees of the Company drew remuneration of ` 60,00,000/- or more per annum / ` 5,00,000/- or more per month during the year. Hence, no information is required to be furnished as required under Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors' Responsibility Statement referred to in clause © of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

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



**RELATED PARTY TRANSACTIONS:**

There is no related party transactions made during the year under review.

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

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.

**AUDITORS :**

**A. Statutory Auditors**

The Company's Auditors, M/s. Vishves A Shah & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM.

**B. Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s A. Santoki & Associates Company Secretaries, to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for financial year 2017-18 issued by **M/s. A. Santoki & Associates, (Mr. Ajit M. Santoki)** Practicing Company Secretaries has been attached with this Report.

Comments of Auditor and Explanation of Board are as under:-

A. The Company has not appointed company secretary during the financial year under review.  
Explanation: Company was in process of appointment of Company secretary.

**INTERNAL AUDIT & CONTROLS :**

Though the Company has not appointed any chartered accountant as internal auditor, the accounting and other system have been designed in such a manner that review of entire process for safeguarding the assets of the company, its operational efficiency, effectiveness of the systems are taken care of properly.

Moreover, it is to be noted that the quantum of the day to day transactions as well as turnover are of small size and hence, internal auditor have not been appointed.

**CORPORATE GOVERNANCE CERTIFICATE AND MANAGEMENT DISCUSSION & ANALYSIS :**

The Compliance certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be annexed with the report.

The Management Discussion and Analysis and Report on Corporate Governance forms part of this Annual Report for the year ended 31st March, 2018.

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

The Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, pursuant to Section 134 of the Companies act 2013 read with the Companies (Account) Rules, 2014 are as follow.

1.	Conservation of Energy	Nil
2.	Technology Absorption	Nil
3.	Foreign Exchange Earnings and Outgo	Nil

**CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

Corporate Social Responsibility is Not Applicable to the Company.

**HUMAN RESOURCES :**

Your Company treats its “human resources” as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

**EXTRACT OF THE ANNUAL RETURN :**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT- 9.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :**

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, 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 :**

There is no any Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS :**

The Company has adequate of internal financial controls with reference to the Financial Statements during the year under review.

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

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

**LISTING WITH STOCK EXCHANGES :**

Companies Shares are Listed on BSE Limited.

**ACKNOWLEDGMENT :**

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

**Date : 03/09/2018**  
**Place : Ludhiana**

**By order of Board of Directors**

**Sd/-**

**Karan Bairwa**  
**Managing Director**  
**DIN:08026123**

**Form MGT- 9 EXTRACT OF ANNUAL RETURN  
As on period year ended on 31.03.2018**

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

CIN:-	<b>L17116PB1994PLC014457</b>
Name of the Company	<b>KANSAL FIBRES LTD.</b>
Registration Date	<b>20/04/1994</b>
Category of the Company	<b>Company Limited by Shares</b>
Sub-Category of the Company	<b>India Non-Government Company</b>
Register office Address :	<b>E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi Ludhiana -141008</b>
Corporate Office	<b>1/4, Patrakar Colony Part-2, Nr. Adani Gas Pump, Naranpura, Ahmedabad - 380013</b>
Contact Detail	<b>09824055589</b>
Listed Stock Exchange	<b>Yes Bombay Stock Exchange (BSE)</b>
Registrar and Transfer Agent :	<b>PURVA SHAREGISTRY (INDIA) PRIVATE LTD. Add: 9,Shiv Shakti Industrial Estate, J.R. BorichaMarg ,Opp. Kasturba Hospital Lane,Lower Parel(E) Mumbai- 400011 Tel: (022) 23016761/8261 Email: <a href="mailto:purvashr@mtnl.net.in">purvashr@mtnl.net.in</a></b>

**Principal Business Activities of the Company:**

Short description of the principal product.

Sr	Name and Description of main product/services	NIC Code of the Product / Service	% to total turnover of the Company
<b>1</b>	<b>Trading of textile material on retail basis</b>	<b>46695</b>	<b>100%</b>

**Particulars of Holding, Subsidiary and Associate Company :**

Sr. No	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
<b>1</b>	<b>NONE</b>	<b>N.A.</b>	<b>NONE</b>	<b>N.A.</b>	<b>N.A.</b>

**Shareholding Pattern**

**i. Category wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31- March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
b) Central Govt	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
c) State Govt(s)	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
d) Bodies Corp.	NIL	1543100	1543100	27.20	NIL	1543100	1543100	27.20	NIL
e) Banks /FI	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
f) Any other	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
<b>Total shareholding of Promoter (A)</b>	<b>NIL</b>	<b>1543100</b>	<b>1543100</b>	<b>27.20</b>	<b>NIL</b>	<b>1543100</b>	<b>1543100</b>	<b>27.20</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	200000	NIL	200000	3.53	200000	Nil	200000	3.53	NIL
b) Banks / FI	NIL	290000	290000	5.11	NIL	290000	290000	5.11	NIL
c) Central Govt.	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
d) State Govt(s)	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
e) Venture Capital Funds	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
f) Insurance Companies	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
g) FIIs	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
h) Foreign Venture Capital Funds	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
i) Others (specify)	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
<b>Sub-total (B)(1)</b>	<b>200000</b>	<b>290000</b>	<b>490000</b>	<b>8.64</b>	<b>200000</b>	<b>290000</b>	<b>490000</b>	<b>8.64</b>	<b>NIL</b>

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
ii) Overseas	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
b) Individuals									
i) Individual shareholders holding nominal Share capital upto Rs. 2 lakh	106200	2621600	2727800	48.08	106200	2619900	2726100	48.05	(0.03)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	252200	327700	579900	10.22	252200	327700	579900	10.22	NIL
c) Others (specify)									
Non Resident Indians	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Overseas Corporate Bodies	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Foreign Nationals	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Bodies Corporate	2400	307600	310000	5.46	2400	307600	310000	5.46	NIL
Clearing Members	1700	NIL	1700	0.03	2400	NIL	2400	0.04	0.01
Trusts	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
Foreign Bodies - DR	NIL	NIL	NA	NA	NIL	NIL	NA	NA	NA
HUF	NIL	20400	20400	0.36	1000	20400	21400	0.38	0.02
<b>Sub-total (B)(2):-</b>	<b>362500</b>	<b>3277300</b>	<b>3639800</b>	<b>64.16</b>	<b>364200</b>	<b>3275600</b>	<b>3639800</b>	<b>64.15</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>562500</b>	<b>3567300</b>	<b>4129800</b>	<b>72.80</b>	<b>564200</b>	<b>3565600</b>	<b>4129800</b>	<b>72.80</b>	<b>NIL</b>

<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NA</b>	<b>NA</b>	<b>NIL</b>	<b>NIL</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Grand Total (A+B+C)</b>	<b>562500</b>	<b>5110400</b>	<b>5672900</b>	<b>100</b>	<b>564200</b>	<b>5108700</b>	<b>5672900</b>	<b>100</b>	<b>Nil</b>

**Shareholding of Promoters**

S N	Shareholder's Name	Shareholding at the beginning of the year [01-04-2017]			Share holding at the end of the year [31-03-2018]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	<b>Laxmi Edifice Private Limited</b>	<b>1543100</b>	<b>27.20</b>	---	<b>1543100</b>	<b>27.20</b>	---	<b>NIL</b>
	<b>TOTAL</b>	<b>1543100</b>	<b>27.20</b>	---	<b>1543100</b>	<b>27.20</b>	---	<b>NIL</b>

**I. Change in Promoters' Shareholding** (please specify if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>1543100</b>	<b>27.20</b>	<b>1543100</b>	<b>27.20</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>At the end of the year</b>	<b>1543100</b>	<b>26.76</b>	<b>1543100</b>	<b>26.76</b>

Note : Here there is no change in shareholding of the Promoter during the year.

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Punjab state industrial Devl. Corp.				
	At the beginning of the year	290000	5.11	290000	5.11
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	290000	5.03	290000	5.11

2.	Baroda Pioneer Growth Fund				
	At the beginning of the year	200000	3.53	200000	3.53
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	200000	3.53	200000	3.53
3.	Sunil Lamba				
	At the beginning of the year	65800	1.14	65800	1.14
	Increase / Decrease in Share holding during the year	65800	1.14	65800	1.14
	At the end of the year	131600	2.32	131600	2.32
4.	V A Mehta				
	At the beginning of the year	65800	1.16	65800	1.16
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	65800	1.16	65800	1.16
5.	SSG Fincom (P) Ltd				
	At the beginning of the year	65800	1.16	65800	1.16
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	65800	1.16	65800	1.16
6.	Money Growth Investment Consultant				
	At the beginning of the year	65800	1.16	65800	1.16
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	65800	1.16	65800	1.16
7.	Shashi Gupta				
	At the beginning of the year	63400	1.10	63400	1.10
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	63400	1.10	63400	1.10
8.	M/s Hi-Tech Foam Pvt. Ltd.				
	At the beginning of the year	56000	0.99	56000	0.99
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	56000	0.99	56000	0.99
9.	Uma Jain				
	At the beginning of the year	50000	0.88	50000	0.88
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	50000	0.88	50000	0.88



10.	M/s Yelena Exports Pvt. Ltd.				
	At the beginning of the year	50000	0.88	50000	0.88
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	50000	0.88	50000	0.88
11.	Suneila Aggarwal.				
	At the beginning of the year	50000	0.88	50000	0.88
	Increase / Decrease in Share holding during the year	Nil	N.A.	Nil	N.A.
	At the end of the year	50000	0.88	50000	0.88

**V. Shareholding of Directors and Key Managerial Personal:**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	Doshi Piyushbhai				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	Promoters shareholding				
	At the End of the year	Nil	N.A.	Nil	N.A.
2	Loharuka Suryaparkash Vinod Kumar				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	At the End of the year	Nil	N.A.	Nil	N.A.
3	Bipin Mangaldas Patel				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	At the End of the year	Nil	N.A.	Nil	N.A.
4	Anjali Ajay Mehra				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	At the End of the year	Nil	N.A.	Nil	N.A.
5	Mayur M. Shah				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	At the End of the year	Nil	N.A.	Nil	N.A.
6	Karan Bairwa				
	At the beginning of the year	Nil	N.A.	Nil	N.A.
	Date wise Increase	Nil	N.A.	Nil	N.A.
	At the End of the year	Nil	N.A.	Nil	N.A.

**Indebtedness**

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loan</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
i. Principal Amount	NIL	6123597	NIL	6123597
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>6123597</b>	<b>NIL</b>	<b>6123597</b>
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Indebtedness at the end of the financial year				
Principal Amount	NIL	6123597	NIL	6123597
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>6123597</b>	<b>NIL</b>	<b>6123597</b>

**iv. Remuneration to Managing Director, Whole-time Directors and/or Manager/Executive Director: -**

SN.	Particulars of Remuneration	Name of MD/ WTD / Manager/ Executive Director		Total Amount
		Loharuka Suryaparkash Vinod Kumar	Karan Bairwa	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	N.A.	N.A.	N.A.
2	Stock Option	NIL	NIL	N.A.
3	Sweat Equity	NIL	NIL	N.A.
4	Commission as % of profit others,specify...	NIL	NIL	N.A.
5	Others, please specify	NONE	NONE	N.A.
	Total (A)	NIL	NIL	N.A.
	Ceiling as per the Act	NONE	NONE	N.A.

**A. Remuneration to the directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Anjali Ajay Mehra	Mayur M. Shah	Doshi Piyushbhai Mahendrabhai	Bipin Mangaldas Patel	
1	Independent Directors					
	Fee for attending board committee	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL	NIL
2	Other Non-Executive Directors					
	Fee for attending board committee	....	....	....	....	....
	Commission	....	....	....	....	....
	Others, please specify	....	....	....	....	....
	Total (2)	....	....	....	....	....
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

**B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD -NIL**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.	N.A.

**C. Penalties/ Punishment/ Compounding of Offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty	Nil				
Punishment					
Compounding					

Date : 03/09/2018  
Place : Ludhiana

By order of Board of Directors

Sd/-

**Karan Bairwa**  
Managing Director  
DIN:08026123

**Form No. MR-3 SECRETARIAL AUDIT REPORT**

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

**To,**

**The Members,**

**Kansal Fibres Limited**

**E-10 / 7586 / A, Opp. Lane Pooja Intl., Bahadur Kay Road,**

**Dana Mandi , Ludhiana - 141008.**

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Kansal Fibres Limited** ("the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**We report that –**

- a. 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.
- b. 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.
- c. We have not verified the correctness and appropriateness of the financial statement of the company.
- d. The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- e. 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.

Based on my/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.

I/We hereby report that in my/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:

I/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 there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is as under.

1. Income-Tax Act, 1961;
2. Finance Act, 1944;
3. Labor Laws & other incidental laws related to labor and employees appointed by the Company.

As informed to us by the Management, no any other Law is applicable to the company as company has not carried out any business activities during the period under review

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

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I/We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
3. I/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.

**I/we further report that :**

- A. The Company has not appointed company secretary during the financial year under review but the management is in process to appoint the same.

**I/we further report that** during the audit period, there were no instances of:

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

**Date : 30.05.2018  
Place: AHMEDABAD**

**For, A. Santoki & Associates  
Company Secretaries**

**Sd/-  
Ajit M. Santoki  
M. No. : 4189  
COP : 2539**

## **COMMITTEE OF BOARD:**

### **AUDIT COMMITTEE**

#### **a) Brief description of terms of reference:**

Terms of Reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the listing agreements with the Stock Exchanges that inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditor on any significant findings.

#### **b) Composition:**

The Audit Committee has been constituted in conformity with the requirements of Section - 177 of the Companies Act, 2013.

As on the end of Financial Year 2017-18, Audit Committee comprises of three Directors as under :

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1	Mr. Karan Bairwa	Chairman
2	Mr. Bipin Mangaldas Patel	Member
3	Mr. Mayur M. Shah	Member

During the year under review, the 4 Audit Committee was held during Financial Year 2017-18. The dates on which the said meetings were held are 30/05/2017, 14/08/2017, 14/11/2017 and 14/02/2018.

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

### **NOMINATION/REMUNERATION COMMITTEE**

The Nomination/Remuneration committee consists of the following three Directors:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1	Mr. Bipin Mangaldas Patel	Chairman
2	Mr. Karan Bairwa	Member
3	Mr. Mayur M. Shah	Member

The Nomination/Remuneration committee recommends to the Board the attributes and qualification for becoming a member of the Board. It also recommends the remuneration payable to the Directors, Key managerial personnel and other senior personnel and such other matters as are necessary under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## **SHAREHOLDERS COMMITTEE :**

The Board of Directors have constituted a “Share Transfer and Shareholders / Investor Grievance Committee and stakeholders relationship committee” in line with the Listing Agreement, which is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievance of the shareholders.

The present composition of the Committee is as under: Shareholder’s Committee consists of following Directors

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1	Mr. Mayur M. Shah	Chairman
2	Mr. Bipin Mangaldas Patel	Member
3	Mr. Karan Bairwa	Member

During the year under review, Shareholders committee met for following Dates.

The meetings were held on 29th April, 2017, 28th July, 2017, 28th September, 2017, 30th November, 2017, 30th January, 2018 and 31st March, 2018.

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints. During the year complaints were received from SEBI or shareholders were resolved satisfactory. No requests for share transfers are pending except those that are disputed or Sub-judice.

## **Evaluation**

Committee has adopted a formal system of evaluating Board performance as a whole and the contribution of each individual director. An evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice. Each member of the Committee shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as Director. The results of the evaluation exercise were considered by Committee which then makes recommendations to the Board aimed at helping the Board to discharge its duties more effectively.

## **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholder Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the

Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**General Body Meeting (Last Three):**

<b>Date</b>	<b>Type</b>	<b>Time</b>	<b>Venue</b>
<b>28/09/2017</b>	<b>AGM</b>	<b>02:00 P.M</b>	<b>E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana -141008</b>
<b>30/09/2016</b>	<b>AGM</b>	<b>02:00 P.M</b>	<b>E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana -141008</b>
<b>30/09/2015</b>	<b>AGM</b>	<b>11.00 A.M</b>	<b>E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana -141008</b>

**Distribution of Shareholding as on March 31, 2018.**

No. of Equity shares held	No of share holders	% of shareholders	No of shares held	% of holding
1-5000	2487	66.30	8074000	14.23
5001-10000	726	19.35	5254000	9.26
10001-20000	275	7.33	4055000	7.15
20001-30000	126	3.36	3178000	5.60
30001-40000	52	1.39	1836000	3.24
40001-50000	5	0.13	248000	0.44
50001-100000	42	1.12	3046000	5.37
100001and above	38	1.01	31038000	54.71
<b>Total</b>	<b>3751</b>	<b>100.00</b>	<b>56729000</b>	<b>100.00</b>

**Categories of Shareholders as on March 31, 2018**

	<b>Category</b>	<b>No. of Shares</b>	<b>% of Shares</b>
A	Promoter's Holding		
1	Indian Promoters	1543100	27.20
2	Foreign Promoters	--	--
	Sub total	1543100	27.20
B	Non-Promoters		
3	Institutional Investors		
	A Mutual Funds and UTI	2000000	3.53
	B Banks, Financial Inst., Insurance Com.	2900000	5.11

	(Central State Gov. Inst. /Non- Gov Inst.)		
	C FIIS	--	--
	Sub total	490000	8.64
4	Others		
	A. Private corporate Bodies	310000	5.46
	B. Indian Public	3306000	58.27
	C. NRIs / Clearing Member/ OCBs/ Trust/ HUF	23800	0.42
	Sub total	3639800	64.16
	<b>GRAND TOTAL</b>	<b>5672900</b>	<b>100</b>

**Date : 03/09/2018**  
**Place : Ludhiana**

**By order of Board of Directors**

**Sd/-**

**Karan Bairwa**  
**Managing Director**  
**DIN:08026123**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Textile Industry contributes nearly 14% of the total Industrial Production of the country and also contributes 3% to the GDP of the country. The country earns about 27% of its foreign exchange through textile export. Considering the slow global economic recovery so far, there is a need to improve competitiveness of the sector in the global market.

Within textile, 'Home Textile' market is estimated at over 10,000 crores. Of this, the organized sector accounts for under 10%. The Home Textile category is expected to grow at 8% p.a. and the share of organized sector is expected to improve.

The emergence of strong modern trade and rapidly growing large format stores is expected to help up gradation of the market and also aid growth of organized sector players.

### **OPPORTUNITIES AND THREATS:**

#### **Opportunities**

- ✓ Abundant availability of Raw Materials.
- ✓ India has significantly lower raw material costs, wastage costs and labor costs when compared to other countries.
- ✓ Greater Investment and Foreign Direct Investment opportunities are available.
- ✓ Increased Disposable Income and Purchasing Power of Indian Customer opens New Market Development.
- ✓ Strong presence of related and supporting industries.
- ✓ Textile machinery Indian textile machinery manufacturers are able to produce at competitive prices sophisticated machines of higher speed and production capability.
- ✓ The textile industry also gets significant support from the well developed IT capabilities of Indian firms.

#### **Threats**

- × Fragmented structure with the dominance of the small scale sector High power costs.
- × Rising interest rates and transaction costs.
- × Unfriendly labor laws.
- × Logistical disadvantages in terms of shipping costs and time pose serious threats to its growth Foreign investments are not coming in as the overall factors influencing the industry are not investment friendly.
- × Geographical Disadvantages.
- × International labor and Environmental Laws.

### **SEGMENT WISE PERFORMANCE:**

The Company has identified its activities as single segment. Hence, the Company's performance is to be viewed as a single segment company operating in textile industry.

### **RECENT TREND AND FUTURE OUTLOOK:**

The textile industry is undergoing a major reorientation towards non-clothing applications of textiles, known as technical textiles, which are growing roughly at twice rate of textiles for clothing applications and now account for more than half of total textile production. Technical

textiles have many applications including bed sheets; filtration and abrasive materials; furniture and healthcare upholstery; thermal protection and blood-absorbing materials; seatbelts; adhesive tape, and multiple other specialized products and applications.

While the year 2017-18 was not a rewarding period from business perspective, few positives could be derived out of the operation such as efforts toward energy conservation, maintaining a reasonably healthy capacity utilisation compared to the industry average, an improved gross realisation and stable top line compared to previous year. With our sustained efforts in these fronts coupled with anticipated improved demand and higher capacity utilization, we expect the business to improve and become profitable. This will further be aided by your Company's focus on specialty fibers, innovative product mix and long term measures for cost reduction by converting fuel from RLNG to coal.

#### **RISKS AND CONCERNS:**

High inflation could adversely impact the domestic demand, especially since the 'Home Category' is considered as 'non-essential' in the family's consumption basket. Aggressive competition by new players, who wish to enter the category pose a risk of the Company losing its market share. The conversion cost could sharply escalate with severe energy price rise as well as increased labor cost due to hike in minimum wages.

The Company will focus on contemporary designs, better value proposition in the product basket through continuous innovation and on cost management to mitigate the risks. We will also strive to widen the customer base in the exports business to address the challenges in the market.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company maintains adequate internal control systems, which provide among other things reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

The Internal Auditors have introduced several objective tools to assess strengths of our internal controls as also, identify areas where it need to be further strengthened. The scope and authority of the Internal Audit are well defined in the internal audit charter, approved by the Audit Committee. Internal audit plays a key role in providing an assurance to the Board of Directors of adequate internal control system. The audit committee at its meetings reviewed the reports of the internal auditors as well as the Risk Management process of the Company.

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The financial performance of the Company for the year 2017-18 is described in the Directors' Report under the head 'Financial Performance of the Company'.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT:**

Your Company has undertaken certain employees' development initiatives which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc. Functional training and employee engagement was given adequate weightage during the year to enhance employee productivity and morale. Re-training on occupational, health, safety and environment were carried out in both the manufacturing facilities to improve awareness.

**CAUTIONARY STATEMENT:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

**Date : 03/09/2018  
Place : Ludhiana**

**By order of Board of Directors**

**Sd/-**

**Karan Bairwa  
Managing Director  
DIN:08026123**

**CERTIFICATE ON FINANCIAL STATEMENTS**

**To,  
The Members,  
Kansal Fibres Limited**

**We, have hereby certify that:**

1. We have reviewed the financial statements and the cash flow statements of Kansal Fibres Limited for the financial year 2017-18 and to the best of our knowledge and belief, we state that:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company 's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes in internal control over financing reporting during the year;
  - b. significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - c. that there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**Date : 03/09/2018  
Place : Ludhiana**

**By order of Board of Directors**

**Sd/-**

**Karan Bairwa  
Managing Director  
DIN:08026123**

*Kansal Fibres Limited*  
*(Annual Report 2017-18)*

**ANNUAL CERTIFICATE UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

I, Karan Bairwa, Managing Director of the Kansal Fibres Limited declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended **31<sup>st</sup> March 2018**.

**Date : 03/09/2018**  
**Place : Ludhiana**

**By order of Board of Directors**

**Sd/-**

**Karan Bairwa**  
**Managing Director**  
**DIN:08026123**



## **Independent Auditor's Report**

To,  
The Members,  
**KANSAL FIBRES LTD.**

### **Report on the Ind AS Financial Statement**

We have audited the accompanying Ind As financial statements of "**KANSAL FIBRES LTD.**" which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018 the Statement of Profit and Loss for the year then ended, the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

### **Managements' 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 Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the India Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

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

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

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

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

### **Opinion**

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of written representations received from the directors of the company as on March 31, 2018 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 sub-section (2) of section 164 of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 29/05/2018  
Place : Ahmedabad

**For, Vishves A. Shah & Co.**  
Chartered Accountants  
Firm No.121356w

Sd/-

(Vishves A. Shah)  
Proprietor  
M. No. 109944

**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1 under the heading ‘Report on other Legal & Regulatory Requirement’ of our report of even date)

- (i) In Respect of the Company’s Fixed Assets:
  - a) The Company has no any fixed assets during year.
- (ii) In respect of Inventories:  
The Company has no Inventories during year.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act for the business activities carried on by the company.
- (vii) In Respect of Statutory Dues:
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.
  - b) According to the information and explanation given to us, there are no dues of Provident Fund, Employees’ State Insurance, Income Tax, Sales tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable Except mention in table below:

Financial Year	Interest payment default u/s 201	Interest on payment default u/s 201	Late Filing Fees u/s 234E	Total Default
2015-16	198.50	NIL	6400	6598.50
Total	198.50	NIL	6400	6598.50

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders. The Company has had no dues to financial institutions and government.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments or term Loans during the year under audit. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Date :29/05/2018  
Place : Ahmedabad

**For, Vishves A. Shah & Co.**  
Chartered Accountants  
Firm No.121356w

Sd/-

(Vishves A. Shah)  
Proprietor  
M. No. 1099447

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of KANSAL FIBRES LTD.**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **KANSAL FIBRES LTD.** (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

## **Meaning of Internal Financial Controls Over Financial Reporting**

*Kansal Fibres Limited  
(Annual Report 2017-18)*

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

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

Date :29/05/2018  
Place : Ahmedabad

**For, Vishves A. Shah & Co.**  
Chartered Accountants  
Firm No.121356w

(Vishves A. Shah)  
Proprietor  
M. No. 109944

**KANSAL FIBRES LIMITED**  
**Balance Sheet as at March 31, 2018**

(Amount in INR)

	Particulars	Note No.	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
<b>I</b>	<b>ASSETS</b>							
	<b>Non-current assets</b>							
	(a) Property, Plant and Equipment		-	-	-	-	-	-
	(b) Capital work-in-progress		-	-	-	-	-	-
	(c) Investment Property		-	-	-	-	-	-
	(d) Goodwill		-	-	-	-	-	-
	(e) Other Intangible assets		-	-	-	-	-	-
	(f) Intangible assets under development		-	-	-	-	-	-
	(g) Biological Assets other than bearer plants		-	-	-	-	-	-
	(h) Financial Assets							
	(i) Investments	14	-	-	-	-	-	-
	(ii) Trade receivables	15	-	-	-	-	-	-
	(iii) Loans	16	1,002,945	1,002,945	1,002,945	1,002,945	1,002,945	1,002,945
	(iv) Others (to be specified)		-	-	-	-	-	-
	(i) Deferred tax assets (net)		-	-	-	-	-	-
	(j) Other non-current assets	17	-	-	-	-	-	-
			<b>1,002,945</b>	<b>1,002,945</b>	<b>1,002,945</b>	<b>1,002,945</b>	<b>1,002,945</b>	<b>1,002,945</b>
<b>II</b>	<b>Current assets</b>							
	(a) Inventories		-	-	-	-	-	-
	(b) Financial Assets							
	(i) Investments	18	-	-	-	-	-	-
	(ii) Trade receivables	15	445,000	445,000	445,000	509,384	509,384	509,384
	(iii) Cash and cash equivalents	19	100,543	22,969	22,969	16,027	16,027	16,027
	(iv) Bank balances other than (iii) above	19	-	-	-	-	-	-
	(v) Loans	20	-	-	-	-	-	-
	(vi) Others (to be specified)		-	-	-	-	-	-
	(c) Current Tax Assets (Net)		-	-	-	-	-	-
	(d) Other current assets	21	-	-	-	-	-	-
			<b>545,543</b>	<b>467,969</b>	<b>467,969</b>	<b>525,411</b>	<b>525,411</b>	<b>525,411</b>
	<b>Total Assets</b>		<b>1,548,488</b>	<b>1,470,914</b>	<b>1,470,914</b>	<b>1,528,356</b>	<b>1,528,356</b>	<b>1,528,356</b>
<b>I</b>	<b>EQUITY AND LIABILITIES</b>							
	<b>EQUITY</b>							
	(a) Equity Share capital	2	56,729,000	56,729,000	56,729,000	56,729,000	56,729,000	56,729,000
	(b) Instruments entirely equity in nature		-	-	-	-	-	-
	(c) Other Equity	3	(64,667,280)	(62,153,964)	(62,153,964)	(62,050,522)	(62,050,522)	(62,050,522)
			<b>(7,938,280)</b>	<b>(5,424,964)</b>	<b>(5,424,964)</b>	<b>(5,321,522)</b>	<b>(5,321,522)</b>	<b>(5,321,522)</b>
	<b>LIABILITIES</b>							
	<b>Non-current liabilities</b>							
	(a) Financial Liabilities							
	(i) Borrowings	4	6,123,597	6,123,597	6,123,597	6,123,597	6,123,597	6,123,597
	(ii) Trade payables	5	-	-	-	-	-	-
	(iii) Other financial liabilities	6	-	-	-	-	-	-
	(b) Provisions	7	-	-	-	-	-	-
	(c) Deferred tax liabilities (Net)		-	-	-	-	-	-
	(d) Other non-current liabilities	8	-	-	-	-	-	-
			<b>6,123,597</b>	<b>6,123,597</b>	<b>6,123,597</b>	<b>6,123,597</b>	<b>6,123,597</b>	<b>6,123,597</b>
<b>II</b>	<b>Current liabilities</b>							
	(a) Financial Liabilities							
	(i) Borrowings	9	-	-	-	-	-	-
	(ii) Trade payables	10	2,748,294	200,450	200,450	202,404	202,404	202,404
	(iii) Other financial liabilities	11	-	-	-	-	-	-
	(b) Other current liabilities	12	404,377	406,331	406,331	404,377	404,377	404,377
	(c) Provisions	13	210,500	165,500	165,500	119,500	119,500	119,500
	(d) Current Tax Liabilities (Net)		-	-	-	-	-	-
			<b>3,363,171</b>	<b>772,281</b>	<b>772,281</b>	<b>726,281</b>	<b>726,281</b>	<b>726,281</b>
	<b>Total Equity and Liabilities</b>		<b>1,548,488</b>	<b>1,470,914</b>	<b>1,470,914</b>	<b>1,528,356</b>	<b>1,528,356</b>	<b>1,528,356</b>

As per our separate report of even date

See accompanying notes to the financial statements

For, Vishves A. Shah & Co.

Chartered Accountants

Firm No:-121356W

For & on behalf of the Board,  
KANSAL FIBRES LIMITED

Sd/-  
(Vishves A. Shah)  
Proprietor  
M. No. 109944

Sd/-  
Managing Director

Sd/-  
Director

Place AHMEDABAD  
Date 29/05/2018



<b>KANSAL FIBRES LIMITED</b>						
<b>Statement of Profit and Loss for the year ended March 31, 2018</b>						
<b>(Amount in INR)</b>						
	<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended March 31, 2018</b>		<b>For the year ended March 31, 2017</b>	
I	Revenue from Operations	23	4,425,000		-	
II	Other Income	24	-		-	
III	Net gain on de-recognition of financial assets at amortized cost		-		-	
IV	Net gain on reclassification of financial assets		-		-	
V	<b>Total Income (I+II+III+IV)</b>			<b>4,425,000</b>		<b>-</b>
VI	<b>Expenses</b>					
	Cost of Material Consumed		-		-	
	Excise Duty		-		-	
	Purchases of Stock-in-Trade	25	3,666,030		-	
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	-		-	
	Employee Benefits Expenses	27	35,003		-	
	Finance Costs	28	-		-	
	Depreciation and Amortization Expense	29	-		-	
	Impairment losses		-		-	
	Net Loss on de-recognition of financial assets at amortized cost		-		-	
	Net Loss on reclassification of financial assets		-		-	
	Other Expenses	30	3,237,283		103,442	
	<b>Total Expense (VI)</b>			<b>6,938,316</b>		<b>103,442</b>
VII	Profit/(Loss) before Exceptional items and Tax ( V-VI)			<b>(2,513,316)</b>		<b>(103,442)</b>
VIII	Exceptional Items			-		-
IX	Profit Before Tax (VII-VIII)			<b>(2,513,316)</b>		<b>(103,442)</b>
X	<b>Tax Expense:</b>					
	(a) Current Tax		-		-	
	(b) Deferred Tax		-		-	
			-		-	
XI	Profit for the Period from Continuing Operations (IX - X)			<b>(2,513,316)</b>		<b>(103,442)</b>
XII	Profit/(Loss) for the Period from Discontinuing Operations			-		-
XIII	Tax Expense of Discontinuing Operations			-		-
XIV	Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)			-		-
XV	Profit for the Period (XI + XIV)			<b>(2,513,316)</b>		<b>(103,442)</b>
XIV	<b>Other Comprehensive Income</b>					
	(A)(i) Items that will not be reclassified to profit or loss			-		-
	(ii) Income tax relating to items that will not be reclassified to profit and loss			-		-
	(B)(i) Items that will be reclassified to profit or loss to profit and loss			-		-
	(ii) Income tax relating to items that will be reclassified to profit and loss			-		-
XVI	<b>Total Comprehensive Income for the period (XV+ XIV) ( Comprising Profit/(loss) and other Comprehensive Income for the period)</b>			<b>(2,513,316)</b>		<b>(103,442)</b>
XVII	Earnings Per Equity Share (For Continuing Operation) :	31				
	(a) Basic			(0.44)		(0.02)
	(b) Diluted			(0.44)		(0.02)
XVIII	Earnings Per Equity Share (For Discontinuing Operation) :	31				
	(a) Basic			-		-
	(b) Diluted			-		-
XVIX	Earnings Per Equity Share (For Continuing and Discontinuing Operation):	31				
	(a) Basic			(0.44)		(0.02)
	(b) Diluted			(0.44)		(0.02)
	<b>Significant Accounting Policies</b>	1				

As per our separate report of even date

**See accompanying notes to the financial statements**  
**For, Vishves A. Shah & Co.**

Chartered Accountants  
Firm No:-121356W

Sd/-  
(Vishves A. Shah)  
Proprietor  
M. No. 109944  
Place AHMEDABAD  
Date 29/05/2018

**For & on behalf of the Board ,**  
**KANSAL FIBRES LIMITED**

Sd/-  
Managing Director  
Sd/-  
Director

**KANSAL FIBRES LIMITED**

*Kansal Fibres Limited  
(Annual Report 2017-18)*

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

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
	Rs.		Rs.	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax for the year		(2,513,316)		(103,442)
<b>Adjustments for :</b>				
Transferred to reserve				
Depreciation				
Provision for taxation				
Interest Received				
Interest Paid				
		-		-
<b>Operating Profit before Working Capital change</b>		(2,513,316)		(103,442)
<b>Adjustments for :</b>				
Decrease/(Increase) in Receivables	-		64,384	
Decrease/(Increase) in Loans & Advances				
Decrease/(Increase) in Inventories	-			
Decrease/(Increase) in Short Term Loans & Advances	-			
Decrease/(Increase) in Other Current Assets				
Increase/(Decrease) in Payables	2,547,844		(1,954)	
Increase/(Decrease) in Other Current Liabilities	(1,954)		1,954	
Increase/(Decrease) in Provisions	45,000		46,000	
		2,590,890		110,384
<b>Cash Generated From Operations</b>		77,574		6,942
Income Tax		-		-
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>		77,574		6,942
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Fixed Asset Purchase/sale	-		-	
Non Current Investment				
Current Investment				
Non Current Assets Sold	-			
Interest Received				
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>		-		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Share Application Money				
Increase In Capital	-		-	
Long Term Borrowing				
Interest Received				
Long Term Loans & Advances	-		-	
<b>NET CASH FROM FINANCING ACTIVITIES Total (C)</b>		-		-
Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)		77,574		6,942
Cash and Cash Equivalents -- Opening Balance		22,969		16,027
Cash and Cash Equivalents -- Closing Balance		100,543		22,969
		-		-
		-		-

**Note: Previous year's figures have been regrouped/rearranged wherever considered necessary.**

As per our separate report of even date

**See accompanying notes to the financial statements**

**For, Vishves A. Shah & Co.**

Chartered Accountants

Firm No:-121356W

Sd/-

(Vishves A. Shah)

Proprietor

M. No. 109944

Place : AHMEDABAD

Date : 29/05/2018

**For & on behalf of the Board,  
KANSAL FIBRES LIMITED**

Sd/-

Manging Director

Sd/-

Director

**STATEMENT OF CHANGES IN EQUITY**  
**KANSAL FIBRES LIMITED**  
**(CIN: L17116PB1994PLC014457)**

*Kansal Fibres Limited*  
*(Annual Report 2017-18)*

**Statement of Changes in Equity for the period ended 31st March, 2018**

**A. Equity Share Capital (Amounts in INR)**

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1st April, 2016		56,729,000.00
31st March, 2017		56,729,000.00
31st March, 2018		56,729,000.00

**B. Other Equity (Amounts in INR)**

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	Other Reserves (Surplus balance of Profit & loss Account)	Retained Earnings	
<b>Reporting as at 1st April, 2016</b>					
Balance at the beginning of the reporting period	1,139,000.00	-	(63,189,522.00)	-	(62,050,522.00)
Changes in accounting policy or prior period errors	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(103,442.00)	-	(103,442.00)
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (Written off)	-	-	-	-	-
<b>Balance at the end of 31st March, 2017</b>	1,139,000.00	-	(63,292,964.00)	-	<b><u>(62,153,964.00)</u></b>
					-
<b>Reporting as at 1st April, 2017</b>					-
Balance at the beginning of the reporting period	1,139,000.00	-	(63,292,964.00)	-	(62,153,964.00)
Changes in accounting policy or prior period errors	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(2,513,316.00)	-	(2,513,316.00)
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (Written off)	-	-	-	-	-
<b>Balance at the end of the March 2018</b>	<b><u>1,139,000.00</u></b>	-	<b><u>(65,806,280.00)</u></b>	-	<b><u>(64,667,280.00)</u></b>

**NOTE: 1.1 –SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These Policies have been consistently applied to all the years presented, unless otherwise stated.

**(i) Basis Of Preparation**

**(a) Compliance with Ind AS**

The Standalone financial statements for the period ended 31<sup>st</sup> March, 2018 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(ii) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

The Company recognises revenue when significant risk and rewards pertaining to ownership of goods get transferred from Seller to buyer.

**(iii) Income Tax**

The income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using the tax rates that have been enacted or substantially enacted by the

end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries, associates and interest in joint arrangements where the company is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relates to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(iv) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investment with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**(v) Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(vi) Investment and other Financial Assets**

**(a) Classification**

The Group classifies its financial assets in the measurement categories:

- Those to be measured subsequently at fair value, and
- Those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investment in equity instruments, this will depend on whether group

has made an irrecoverable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(b) Measurement**

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

**(vii) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in balance sheet where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously.

**(viii) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to other party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain/(loss).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as a consequences of breach.

**(ix) Borrowing Cost**

General and specific borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings cost eligible for capitalisation.

Other borrowings costs are expensed in the period in which they are incurred.

**(x) Related Parties**

a. There are transactions entered into between related parties as follows:

No	Name of Personnel	Relationship	As at March 31, 2018 (Amount in Rs.)
1	Laxmi Edifice Private Limited	Holding Company	1500000

b. Names of related parties and description of relationship:

No.	Name of Key Managerial Personnel	Designation/relationship
1.	Bipin Mangaldas Patel	Director
2.	Mayur Manubhai Shah	Director
3.	Loharuka Suryaparkash Vinodkumar	Managing Director
4.	Anjali Ajay Mehra	Director
5.	Karan Bairwa	Additional Director

**(xi) Provisions**

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

**(xii) Employee Benefits**

**(a) Short-term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of Employees services up to the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Other Long-term Employee benefit Obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. The obligations are presented as current liabilities in the balance sheet if the entity does not have unconditional right to defer settlement for at least 12 months after thereporting period, regardless of when the actual settlement is expected to occur.

**(c) Post-employment obligations**

The company operates the following post-employment schemes:

- defined benefit plans such as gratuity,
- defined contribution plan such as provident fund.

The company pays provident fund contributions to publicly administrated provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses where they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

**(xiii) Contributed Equity**

Equity shares are classified as equity.

**(a) Earnings per Share**

Basic earnings per share is calculated by dividing:

- the profit attributable to the owners group
- by the weighted average number of equity shares outstanding during the year



**(b) Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

For and on behalf of the board of directors

As per our attached report of even date

**For, KANSAL FIBRES LTD.**

**For, Vishves A. Shah & Co,**  
Chartered Accountants  
Firm No. 121356W

Sd/-

Sd/-

Sd/-

**Karan Bairwa**  
**Managing Director**  
(DIN: 08026123)

**Patel Bipin M.**  
**Director**  
(DIN: 03190744)

(Vishves Shah)  
(Proprietor)  
M No:-109944

**Place : Ahmedabad**  
**Date : 28/05/2018**

KANSAL FIBRES LIMITED  
Notes to financial statements for the year ended March 31, 2018

Note 2 - Equity Share Capital

				(Amount in INR)		
(a)	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016		
	<b>Authorised :</b>					
	70,00,000 Equity Shares (Previous Year 70,00,000) of Rs. 10/- each	70,00,000	70,00,000	70,00,000		
	<b>TOTAL</b>	<b>70,00,000</b>	<b>70,00,000</b>	<b>70,00,000</b>		
	<b>Issued, Subscribed and Paid-up :</b>					
	56,72,900 Equity Shares (Previous Year 56,72,900) of Rs. 10/- each	56,729,000	56,729,000	56,729,000		
	Add : Share Forfeited (Current year Trf to Reserve)					
	Less : Calls in arrears	-				
	<b>TOTAL</b>	<b>56,729,000</b>	<b>56,729,000</b>	<b>56,729,000</b>		

(b) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

- The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2018, the Company has not declared any dividend.
- 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. The distribution will be in proportion to the number of Equity shares held by the shareholders.

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>No. of shares at the beginning of the year</b>	5,672,900	5,672,900	5,672,900
<b>Add: Issue of Shares during the year</b>			
Subscriber to the Memorandum	-	-	
Private Placement	-		
	<u>5,672,900</u>	<u>5,672,900</u>	<u>5,672,900</u>
<b>Less: Forfeiture of Shares during the Year</b>	-		
<b>No. of shares at the end of the year</b>	<b>5,672,900</b>	<b>5,672,900</b>	<b>5,672,900</b>

(d) Aggregate details for five immediately previous reporting periods for each class of shares

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-
- No. of shares allotted as fully paid by way of Bonus Shares	-	-	-
- No. of shares bought back	-	-	-

(e) Details of shareholders holding more than 5% shares in the company

No. of Shares held by	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Nos.	%	Nos.	%	Nos.	%
Punjab State Industrial Development Corp	290,000	5.11%	290,000	5.11%	-	0.00%
Laxmi Edifice Pvt. Ltd.	1,543,100	27.20%	1,543,100	27.20%	1,543,100	27.20%

(f) Detailed note on shares reserved to be issued under options and contracts / commitment for the sale of shares / divestments including the terms and conditions.

The company does not have any such contract / commitment as on reporting date.

(g) debentures, bonds etc.

The company does not have any securities convertible into shares as on reporting date.

KANSAL FIBRES LIMITED  
Notes to financial statements for the year ended March 31, 2018

Note 3 - Other Equity

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>(i) Capital Reserve</b>			
As per last Balance Sheet	1,139,000	1,139,000	1,139,000
Add: Additions during the year (Share Forfeiture)	-	-	-
Less: Utilised / transferred during the year	-	-	-
Closing balance	1,139,000	1,139,000	1,139,000
<b>(ii) Securities premium account</b>			
Opening balance	-	-	-
Add : Premium on shares issued during the year	-	-	-
Less : Utilised during the year for:	-	-	-
Closing balance	-	-	-
<b>(iii) General Reserve</b>			
As per last Balance Sheet	-	-	-
Add: Transferred from Profit and Loss Account	-	-	-
Less: Transferred to Profit and Loss Account	-	-	-
Closing balance	-	-	-
<b>(iii) Special Reserve</b>			
	-	-	-
<b>(iv) Surplus in the Profit &amp; Loss Account</b>			
As per last Balance Sheet	(63,292,964)	(63,189,522)	(62,624,162)
Add: Profit / (Loss) for the year	(2,513,316)	(103,442)	(565,360)
Amount available for appropriations	(65,806,280)	(63,292,964)	(63,189,522)
<b>Appropriations:</b>			
Add: Transferred from reserves	-	-	-
	(65,806,280)	(63,292,964)	(63,189,522)
<b>TOTAL</b>	<b>(64,667,280)</b>	<b>(62,153,964)</b>	<b>(62,050,522)</b>

Note 4: Non Current Liabilities: Financial Liabilities : Borrowing

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Loans From Bank and Financial Institutions			
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Term Loan from others			
Secured	-	-	-
Unsecured	-	-	-
(b) Loans and advances from related parties			
Secured	-	-	-
Unsecured	4623597	6,123,597	6,123,597
Laxmi Edifice Pvt. Ltd.	1500000	-	-
	<b>6,123,597</b>	<b>6,123,597</b>	<b>6,123,597</b>
(c) Other Loan & Advances			
Secured Loans	-	-	-
Unsecured Loans	-	-	-
	<b>6,123,597</b>	<b>6,123,597</b>	<b>6,123,597</b>

Note 5: Non- Current Liabilities: Financial Liabilities : Payables

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(i) Trade Payable	-	-	-
(ii) Others	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note 6: Non- Current Liabilities: Financial Liabilities : Others

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(i) Trade Payable	-	-	-
(ii) Others	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

KANSAL FIBRES LIMITED

Notes to financial statements for the year ended March 31, 2018

**Note 7: Non Current : Provisions**

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee's benefits	-	-	-
(b) Others (Specify)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

**Note 8: Other Non- Current Liabilities**

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(i)	-	-	-
(ii)	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>

**Note 9: Current Liabilities: Financial Liabilities : Borrowing**

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Loans repayable on demand			
From banks			
Secured	-	-	-
Unsecured	-	-	-
From Other parties			
(b) Loans and advances			
Secured	-	-	-
Unsecured	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

**Note 10: Current liabilities: Financial Liabilities : Trade Payables**

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Current payables (including acceptances) outstanding for less than 12 months	2,748,294	200,450	202,404
Others payables	-	-	-
	<u>2,748,294</u>	<u>200,450</u>	<u>202,404</u>

**Note 11: Current liabilities: Financial Liabilities : Others**

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>TOTAL</b>	<u>-</u>	<u>-</u>	<u>-</u>

**Note 12: Other Current Liabilities**

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Other Current Liabilities	404,377	406,331	404,377
<b>TOTAL</b>	<u>404,377</u>	<u>406,331</u>	<u>404,377</u>

**Note 13 - Current Liabilities : Provisions**

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Provision for Audit fees	87,500	62,500	37,500
Provision for Internal Audit fees	63,000	63,000	42,000
Provision for Accounting fees	60,000	40,000	40,000
<b>TOTAL</b>	<u>210,500</u>	<u>165,500</u>	<u>119,500</u>

KANSAL FIBRES LIMITED

Notes to financial statements for the year ended March 31, 2018

Note -14 - Non-Current Assets: Financial Assets: Investments

(Amount in IN)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>Investments (At Cost)</b>			
<b>Investment in Equity Instruments</b>			
i) of Subsidiary:			
ii) of other entities:			
<b>Investment in Shares &amp; Securities</b>			
Investment in Equity			
Investment in Mutual Fund			
Fixed Deposit			
	-	-	-

Note -16 - Non Current Assets: Financial assets: Loan

(Amount in IN)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Capital Advances	-	-	-
(b) Security Deposits			
Security Deposit	-	-	-
Office Deposit	-	-	-
Unsecured Considered good	-	-	-
Deposits	-	-	-
(c) Loans & Advances to Related Parties			
Unsecured considered good	-	-	-
(d) Other Loans & Advances (Specify Nature)			
Secured, Considered good			
Unsecured Considered good			
Advance From Supplier	2,889	2,889	2,889
Saba International	1,000,056	1,000,056	1,000,056
Advance to Staff	-	-	-
Due from Others	-	-	-
Doutful or Bad	-	-	-
	<b>1,002,945</b>	<b>1,002,945</b>	<b>1,002,945</b>

Note -17 - Other Non-Current Assets

(Amount in IN)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Long Term Trade Receivable			
(b) Others (Specify Nature)			
Preliminary Expenses	-	-	-

Note -18 - Current Assets: Investments

(Amount in IN)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Current Investments (At lower of cost and fair value)			
Gold and Silver	-	-	-

KANSAL FIBRES LIMITED  
Notes to financial statements for the year ended March 31, 2018

Note 15 - Trade Receivables

(Amount in INR)			
(a) Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>(i) Due for a period exceeding six months</b>			
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less: Provision for Doubtful Debts	-	-	-
	-	-	-
<b>(ii) Others</b>			
- Unsecured, considered good	445,000	445,000	509,384
Other Receivables	-	-	-
- Doubtful	-	-	-
Less: Doubtful Debts Writtewn off	-	-	-
	445,000	445,000	509,384
<b>TOTAL</b>	<b>445,000</b>	<b>445,000</b>	<b>509,384</b>

Note 19 - Cash & Cash equivalents

(Amount in INR)			
(a) Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>(a) Cash &amp; Cash Equivalents</b>			
<b>(i) Balances with Banks :</b>			
Bank Accounts	24,972	14,282	7,724
(ii) Cash-on-hand	75,571	8,687	8,303
(iii) Cheques & Drafts on-hand	-	-	-
(iv) Others - Stamps on Hand	-	-	-
<b>(b) Other Bank Balances</b>			
- Margin Money or Security Deposit	-	-	-
- Repatriation Restrictions	-	-	-
- Deposit Accounts more than 3 month maturity	-	-	-
- Deposit Accounts more than 12 month maturity	-	-	-
<b>TOTAL</b>	<b>100,543</b>	<b>22,969</b>	<b>16,027</b>

Note 20 - Current Assets: Financial Assets: Loans

(Amount in INR)			
(a) Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>(i) Security deposits</b>			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
Doubtful	-	-	-
	-	-	-
<b>(ii) Inter-corporate deposits</b>			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
Doubtful	-	-	-
	-	-	-
<b>(iii) Share Application Money Given</b>			
	-	-	-
<b>(iv) Advance income tax and TDS - Unsecured, considered good</b>			
	-	-	-
	-	-	-
<b>(v) Others</b>			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
Doubtful	-	-	-
	-	-	-
Less: Provision for Doubtful Debts	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note 21: Other Current Assets

(Amount in INR)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
	-	-	-

**KANSAL FIBRES LIMITED**  
**Notes to financial statements for the year ended March 31, 2018**

*Kansal Fibres Limited*  
*(Annual Report 2017-18)*

**Note 23 - Revenue from Operations**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Sales	4,425,000	
<b>TOTAL</b>	<u><u>4,425,000</u></u>	<u><u>-</u></u>

**Note 24 - Other Income**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>TOTAL</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Note 25- Purchases**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Purchase	3,666,030	
<b>TOTAL</b>	<u><u>3,666,030</u></u>	<u><u>-</u></u>

**Note 26 - Changes in inventories of finished goods, work in progress and stock in trade**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<u>Inventories at the end of the year:</u>		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	-	-
	<u><u>-</u></u>	<u><u>-</u></u>

**Note 27 - Employee Benefit Expenses**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Salary	35,003	
<b>TOTAL</b>	<u><u>35,003</u></u>	<u><u>-</u></u>

**Note 28 - Financial Costs**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>TOTAL</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Note 29 - Depreciation & Amortised Cost**

	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Depreciation		
<b>TOTAL</b>	<u><u>-</u></u>	<u><u>-</u></u>

## Notes to financial statements for the year ended March 31, 2018

## Note 30 - Other Expenses

Particulars	(Amount in INR)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Accounting Fees	20000	-
Audit Fees	25000	25,000
Sebi Fees	200035	-
CDSL Charges	38174	57,304
BSE Fees	2903647	-
Share Registry Expenses	50006	-
Internal Audit Fees	-	21,000
Bank Charges	421	138
<b>TOTAL</b>	<b>3,237,283</b>	<b>103,442</b>

## Note 31 - Earnings Per Equity Share

Particulars	(Amount in INR)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(a)</b> Net profit after tax attributable to equity shareholders for Basic EPS	(2,513,316)	(103,442)
Add/Less: Adjustment relating to potential equity shares		-
Net profit after tax attributable to equity shareholders for Diluted EPS	(2,513,316)	(103,442)
<b>(b)</b> Weighted average no. of equity shares outstanding during the year		
For Basic EPS	5,672,900	5,672,900
<b>(c)</b> Face Value per Equity Share (Rs.)		
For Continuing Operation		
Basic EPS	(0.44)	(0.02)
Diluted EPS	(0.44)	(0.02)
For Discontinuing Operation		
Basic EPS	-	-
Diluted EPS	-	-
For Continuing & Discontinuing Operation		
Basic EPS	(0.44)	(0.02)
Diluted EPS	(0.44)	(0.02)

**Note:**

The figures of the previous year have been re-arranged, re-grouped and re-classified wherever necessary.



FORM MGT-11

**PROXY FORM**

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

<b>Name of Member(s)</b>	
<b>Registered Address</b>	
<b>E-mail id</b>	
<b>Folio No.</b>	
<b>DP Id</b>	
<b>Client Id</b>	

I / We, being the Member(s) holding \_\_\_\_\_ shares of Kansal Fibres Limited, hereby appoint:

1. Name \_\_\_\_\_  
Address \_\_\_\_\_

Email Id \_\_\_\_\_

Signature \_\_\_\_\_ or failing him / her,

2. Name \_\_\_\_\_  
Address \_\_\_\_\_

Email Id \_\_\_\_\_

Signature \_\_\_\_\_ or failing him / her,

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on 28<sup>th</sup> September, 2018 at **12.00 P.M** (IST) at the Registered Office: E-10/7586/A, Opp. Lane Pooja Intl, Bahadur Kay Road, Dana Mandi, Ludhiana - 141008 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

**Ordinary business:**

1. Adoption of Financial Statements
2. To appoint a Director of Mr. Karan Bairwa, who retires by rotation, and being eligible offers him for re-appointment.
3. Ratify the Appointment of Statutory Auditors

**Special business:**

4. Shifting of Registered office from Punjab to Gujarat
5. To Appoint Mr. Karan Bairwa As a Managing Director
6. To Appoint Mr. Mayur Shah as an Independent Director

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of Shareholder: \_\_\_\_\_

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

Affix Re. 1  
Revenue  
Stamp

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

MGT-12

**ATTENDANCE FORM/ BALLOT FORM**  
**(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)**

Name & Registered Address :  
of the Sole / First Named :  
Member :  
Name of the joint holders :  
Registered Folio No / :  
DP ID No. / Client ID No :  
Number of Shares held :

I / We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting on 28<sup>th</sup> September, 2018 at **12.00 P.M** (IST), by conveying my / our assent or dissent to the resolutions by placing tick ( √ ) mark in the appropriate box below:

Sr. No.	Resolutions	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
<b>Ordinary Business</b>				
1.	Adoption of Financial Statements			
2.	To appoint a Director of Mr. Karan Bairwa who retires by rotation, and being eligible offers him for re-appointment.			
3.	Ratify the Appointment of Statutory Auditors			
<b>Special business</b>				
4.	Shifting of Registered office from State of Punjab to State of Gujarat			
5.	To Appoint Mr. Karan Bairwa As a Managing Director of the Company.			
6.	To Appoint Mr. Mayur Shah as an Independent Director			

Place :

Date :

.....  
(Signature of the Shareholder/Proxy)

**Note:**

**This Form is to be used for exercising attendance/ voting at the time of Annual General Meeting to be held on , the 28<sup>th</sup> September, 2018 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.**