

34TH ANNUAL REPORT
OF
N.K TEXTILE INDUSTRIES
LIMITED

2016-17

N.K TEXTILE INDUSTRIES LIMITED
(CIN : L17299DL1983PLC163230)
Regd. Office: A-1, Maharani Bagh,
New Delhi-110 065
Email id – n.ktextiles123@gmail.com
Tel:91 11 26830014

www.nktil.com

CONTENTS

| |
|---|
| NOTICE OF ANNUAL GENERAL MEETING |
| PROXY FORM |
| DIRECTORS' REPORT |
| STANDALONE FINANCIAL STATEMENT |
| INDEPENDENT AUDITORS' REPORT |
| BALANCE SHEET |
| STATEMENT OF PROFIT AND LOSS ACCOUNT |
| CASH FLOW STATEMENT |
| NOTES TO FINANCIAL STATEMENTS |
| CONSOLIDATED FINANCIAL STATEMENT |
| AUDITORS' REPORT |
| BALANCE SHEET |
| STATEMENT OF PROFIT AND LOSS ACCOUNT |
| CASH FLOW STATEMENT |
| NOTES TO FINANCIAL STATEMENTS |

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|---|--|
| 34TH ANNUAL GENERAL MEETING | |
| Day:- | Thursday |
| Date:- | 21 st September, 2017 |
| Time:- | 4.00 P.M |
| Venue:- | At the Hotel 'The Cameron', Plot No. 92, Pocket - 1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi-110025 |

N K Textile Industries Limited

Registered office- A-1, Maharani Bagh, New Delhi-110065

CIN: L17299DL1983PLC163230, Tel: 011 26830014

Email Id: n.ktextiles123@gmail.com, website: www.nktil.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting (AGM) of the Company will be held at Hotel 'The Cameron', Plot No. 92, Pocket-1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi- 110025 on Thursday, 21st September, 2017 at 4.00 P.M to transact the following business:

ORDINARY BUSINESS:

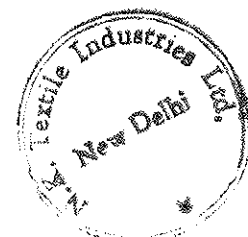
1. To receive, consider and adopt:
 - i. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon; and
 - ii. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017.
2. To appoint a Director in place of Mr. Sunil Aggarwal (DIN:00029286) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Kumar Chopra & Associates, Chartered Accountants having Firm Registration No. 000131N, as issued by the Institute of Chartered Accountants of India be and are hereby appointed as the Statutory Auditors of the Company till the conclusion of 39th AGM of the Company to be held in the year 2022 in place of retiring Statutory Auditors M/s. R K A & Co. at the ensuing Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

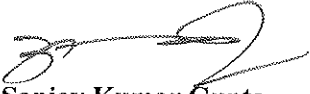
4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of section 94(1) and other applicable provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and any other applicable Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be



and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members of the Company and other security holders, if any, maintained under section 88 of the Companies Act, 2013 together with the index of Members and/or other security holders at the office of Registrar and Share Transfer Agents of the Company , viz., M/s **MAS Services Limited** at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020 and at such places within Delhi where the Registrar and Share transfer Agent may shift its office from time to time, instead of keeping such Register of Members and other security holders, if any, at the Registered Office of the Company.”

By order of the Board
For **N K Textile Industries Limited**



Sanjay Kumar Gupta

Director

DIN:00027728

Address: 63, Saakshara Apartment, A-3
Paschim Vihar, New Delhi-110063



Place: New Delhi

Date : 10th August, 2017

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4 :

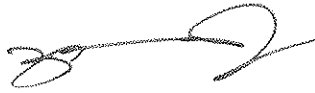
Section 94(1) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other Rules framed thereunder allow the Company to keep the Register of Members together with Index of Members at a place other than Registered Office of the Company, if approved by the Members by way of Special Resolution.

Presently more than one - tenth of the total number of members of the Company are residing in Delhi. Accordingly, the Board seeks approval of the Members to keep the Register of Members and all relevant documents/registers pertaining thereto, maintained by the Company either physically or electronically, at the office of the Registrar & Transfer Agents of the Company- M/s MAS Services Limited at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020.

None of the Director or Key Managerial Personnel of the Company or their relatives is interested in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

By order of the Board
For N K Textile Industries Limited



Sanjay Kumar Gupta
Director

DIN:00027728

Address: 63, Saakshara Apartment, A-3
Paschim Vihar, New Delhi-110063



Place: New Delhi

Date : 10th August, 2017

(2)

Notes:

1. The Register of Members and Share Transfer Register of the Company shall remain closed from Friday, September 15, 2017 to Thursday, September 21, 2017 (both days inclusive) for the purpose of taking record of the shareholders at the Annual General Meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxy Form, in order to be effective, shall be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy form is annexed to this Notice. Proxy forms submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 setting out material facts in respect of Item 4 is annexed to the Notice of the Meeting.
5. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit nomination in SH-13.
6. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialize their shareholding to avoid any inconvenience.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates, to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Registrar & Transfer Agent (RTA).
8. Members may please note that the Registrars & Transfer Agents (RTA) of the Company is M/s. MAS SERVICES LIMITED and members are requested to contact them for any investor related services in respect of the Company at this address. The address and other contact details of RTA are as under:

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,

Phase II, New Delhi-110020

Tel. No. : 011-26387281, 82,83

Fax No. : 011-26387384

e-mail: info@masserv.com

9. In case of joint holders attending the Meeting first named joint holder will be entitled to vote.



10. The Statement of Profit and Loss for the financial year ended 31st March, 2017, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached to the Balance Sheet, are available for inspection by Members at the Registered Office of the Company during business hours on all working days up to the date of this AGM. Members may also visit the Company's website www.nktil.com for viewing various financial information including the quarterly results and annual report of the Company.
11. As a part of its 'Green initiative' and pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules issued thereunder, companies can serve annual report and other communications through electronic mode to those shareholders who have registered their e-mail address either with the company or with its depository participant. Therefore, electronic copy of the annual report along with the Notice is being sent to all those members whose e-mail addresses are registered with the Company/Depository Participant unless a member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the above mentioned documents is being sent in the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
13. 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.
14. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
15. **Voting through electronic means**
 - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - B. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - C. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.



- D. The remote e-voting period commences on Monday, September 18th, 2017 (09:00 am) and ends on Wednesday, September 20th, 2017 (05:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 14th, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The procedure and instructions for members for remote e-voting are as under:

I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):

- a. Open e-mail and open PDF file viz; "N K Textile Industries Limited" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- c. Click on Shareholder-Login.
- d. Put user ID and password as initial password noted in step (i) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "Remote E-Voting Event Number (REVEN)" of "N K Textile Industries Limited".
- h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to 'kapahiassociates@yahoo.com' with a copy marked to evoting@nsdl.co.in.

II. In case of Members receiving Physical copy of Notice of Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)

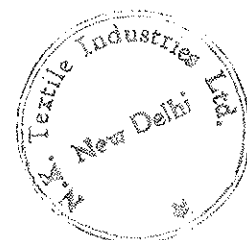
- a. Initial password is provided at the bottom of the Attendance Slip for the AGM
- b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

General Instructions:

- i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.



- ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 14th, 2017.
- v. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 14th, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- vi. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- viii. Mr. Surrinder Kishore Kapahi (CP No. 1118), Proprietor Kapahi and Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting (i.e remote e-voting and physical voting at the meeting) process in a fair and transparent manner.
- ix. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- x. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.



- xi. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.nktil.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Metropolitan Stock Exchange of India Limited (formerly Known as MCX Stock Exchange Limited) and Calcutta Stock Exchange (CSE).

By order of the Board
For **N K Textile Industries Limited**



Sanjay Kumar Gupta
Director

DIN:00027728

Address: 63, Saakshara Apartment, A-3
Paschim Vihar, New Delhi-110063

Place: New Delhi

Date : 10th August, 2017

BS



N K Textile Industries Limited

Registered office- A-1, Maharani Bagh, New Delhi-110065

CIN: L17299DL1983PLC163230, Tel: 011 26830014

Email Id: n.ktextiles123@gmail.com, website: www.nktil.com

ATTENDANCE SLIP

34th Annual General Meeting to be held on 21st September 2017 at 4.00 P.M

| | |
|---|--|
| Name of the Attending Member (in Block Letters) | |
| Regd. Folio No./ *DP ID/* Client ID | |
| No. of Equity Shares held | |
| Name of the Shareholder(s) | |
| Joint Holder 1 | |
| Joint Holder 2 | |

1. I/We hereby record my / our presence at the Annual General Meeting of the members of the Company held on Thursday , 21st Day of September, 2017 at 4.00 P.M. at Hotel 'The Cameron', Plot No. 92, Pocket-1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi- 110025

2. Signature of the Shareholder/Proxy Present

3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

.....XXXXX.....XXXXXX.....XXXXX.....

ELECTRONIC VOTING PARTICULARS

Remote E Voting Event
Number (REVEN)
106892

User ID

Password

Note: Please read the instructions provided in Notice dated 10th August, 2017 of the Annual General Meeting. The Voting period starts from 9.00 a.m. on Monday, September 18th, 2017 and ends at 5.00 p.m. on Wednesday, September 20th, 2017. The voting module shall be disabled by NSDL for voting thereafter.

N K Textile Industries Limited

Registered office- A-1, Maharani Bagh, New Delhi-110065

CIN: L17299DL1983PLC163230, Tel: 011 26830014

Email Id: n.ktextiles123@gmail.com, website: www.nktil.com

PROXY FORM

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

| | | | |
|-----------------------|--|---------------|--|
| Name of the Member(s) | | | |
| Registered address | | | |
| Email ID | | | |
| Folio No./ Client ID | | | |
| DP ID | | No. of Shares | |

I/We, being the member(s) of..... shares of the above named Company, hereby appoint:

| | | | | | |
|----|--------------------|--|-----------|--|--|
| 1. | Name | | | | |
| | Address | | Signature | | |
| | Email ID | | | | |
| | Or failing him/her | | | | |
| 2. | Name | | | | |
| | Address | | Signature | | |
| | Email ID | | | | |
| | Or failing him/her | | | | |
| 3. | Name | | | | |
| | Address | | Signature | | |
| | Email ID | | | | |

As my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 34th Annual General Meeting of the Company, to be held on Thursday, 21st September, 2017 at 4.00 P.M. at Hotel 'The Cameron', Plot No. 92, Pocket-1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi- 110025, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions | For* | Against* |
|----------------|---|------|----------|
| | Ordinary Business | | |
| 1. | To receive, consider and adopt: i. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon; and ii. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017. | | |
| 2. | To appoint a Director in place of Mr. Sunil Aggarwal (DIN:00029286), who retires by rotation and being eligible, offers himself for re-appointment. | | |

| | | | |
|----|---|--|--|
| 3. | Appointment of M/s. Kumar Chopra & Associates, Chartered Accountants as the Statutory Auditors of the Company in place of M/s RKA & Co. | | |
| | Special Business | | |
| 4. | Approval of Keeping Register of Members, Index etc at a place other than registered office of the Company. | | |

Signed this ----- day of-----2017

Signature of Member-----

Signature of Proxy-----

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share Capital of the Company carrying voting rights. A Member holding more than 10% 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 proxy for any other person or shareholder.
3. * It is optional to put a "√" in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she deems appropriate.

N.K Textile Industries Limited

Registered office- A-1, Maharani Bagh, New Delhi-110065

CIN: L17299DL1983PLC163230, Tel: 011 26830014

Email Id: n.ktextiles123@gmail.com, website: www.nktil.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------|----------------------|
| Mr. Sunil Aggarwal | Director |
| Mrs. Beenu Agarwal | Woman Director |
| Mr. Balbir Singh | Independent Director |
| Mr. Sanjay Kumar Gupta | Independent Director |

KEY MANAGERIAL PERSONNEL

| | |
|---------------------|-------------------------|
| Mr. Anil Kumar Dua | Chief Executive Officer |
| Mr. Surindra Kapoor | Chief Financial Officer |
| Mr. Manish Buttan | Company Secretary |

BOARD COMMITTEES

AUDIT COMMITTEE

| | |
|------------------------|----------|
| Mr. Balbir Singh | Chairman |
| Mr. Sunil Aggarwal | |
| Mr. Sanjay Kumar Gupta | |

NOMINATION AND REMUNERATION COMMITTEE

| | |
|------------------------|----------|
| Mr. Balbir Singh | Chairman |
| Mr. Sunil Aggarwal | |
| Mr. Sanjay Kumar Gupta | |

STATUTORY AUDITORS

M/s R K A & Co.
Chartered Accounts
J-92, Saket, New Delhi-110017

SECRETARIAL AUDITORS

M/s Kundan Agrawal & Associates
H-23A, 204 Kamal Tower, Near Sai Mandir,
Vikas Marg, Laxmi Nagar, Delhi-110092

INTERNAL AUDITORS

M/s S K Shukla & Co.,
Chartered Accountants
184, 2nd Floor, Jeewan Nagar, Near Tikona Park, New Delhi-110014

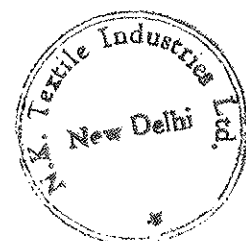
REGISTRAR AND SHARE TRANSFER

AGENT

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area, Phase-II
New Delhi-110020

REGISTERED OFFICE

A-1, Maharani Bagh, New Delhi-110065



N.K Textile Industries Limited

Registered office- A-1, Maharani Bagh, New Delhi-110065

CIN: L17299DL1983PLC163230, Tel: 011 26830014

Email Id: n.ktextiles123@gmail.com, website: www.nktil.com

N.K TEXTILE INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 34th Annual Report together with the Audited Financial Statements for the year ended March 31, 2017.

1. Financial Highlights

The Company suffered a loss of Rs.0.43 lakh during the year under report as against a loss of Rs. 12.03 lacs in the previous year. The consolidated profit (before tax) during the year under review was Rs. 162.67

2. State of Company's affair

The Company is an investment company and registered as Non-Banking Financial Company (NBFC) with Reserve Bank of India under Section 45-IA of the RBI Act, 1934.

During the year under review, the income of the Company by way of Interest from bank is Rs. 2.72 lacs as against Rs. 0.71 lakh in the previous year. The Interest income from other sources is Rs.5.07 lacs in the current year as against Rs. 3.23 lacs in the previous year.

3. Dividend

In order to conserve the resources for future requirements, no dividend is proposed to be declared during the year under review.

4. Management Analysis and Review

The Company being an NBFC forms a significant segment of the banking system and play an important role in broadening access to financial services and enhancing competition and diversification of the financial sector. Over the years, NBFCs have become a crucial part of the Indian financial system.

During the year under review the whole of income was from interest income from banks and other sources representing 100% of total income.

5. Transfer to Reserves

During the year under review, no amount was transferred to Reserves.



6. RBI Guidelines

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India (RBI) from time to time. According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC is required to create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year. In view of loss during the year under review, no amount has been transferred to the Statutory Reserve.

The RBI vide its notification has issued directions to all NBFC's to make provision of 0.25% on standard assets and the same is being complied with.

7. Detailed performance and financial position of Subsidiary/Joint Venture/ Associate Companies

A report on the performance and financial position of the Subsidiaries and Associate Company as per the Companies Act, 2013 is provided as **Annexure 'A'**. There is no joint venture of the Company.

8. Extract of Annual Return

The details forming part of the extract of Annual Return in form MGT- 9, as required under Section 92 of the Companies Act, 2013 is included in this report as per **Annexure 'B'**.

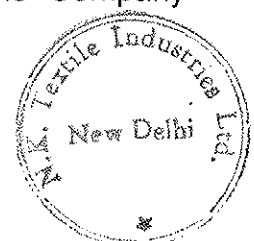
9. Corporate Governance

The Company is listed with Metropolitan Stock Exchange of India Limited (formerly Known as MCX Stock Exchange Limited) and Calcutta Stock Exchange (CSE). In view of clause 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the compliance with the Corporate Governance provisions as specified in Regulations 17,18,19,20,21,22,23,24,25,26,27 and clause (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company under the criteria given in the said Regulation. Hence, no disclosure has been made on the items covered under Corporate Governance.

10. Directors/ Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sunil Aggarwal (DIN: 00029286), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. Amit Kumar Singh, Company Secretary of the Company resigned w.e.f 28th June, 2016. In order to fill the vacancy, Mr. Manish Buttan, having membership No. A- 42168 was appointed as a Company Secretary of the Company w.e.f.16.12.2016.



11. Declaration given by Independent Director

The Company has received declaration from Mr Balbir Singh (DIN: 00027438) and Mr. Sanjay Kumar Gupta (DIN:00027728), Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

12. Annual Performance Evaluation

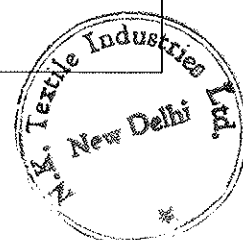
The Company in consultation with Nomination and Remuneration Committee has carried out the performance evaluation of Independent Directors, Board, Committees and other individual Directors. Pursuant to the provisions of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of Independent Directors was completed. The performance evaluation of the other Board Members was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

13. Number of Meetings of the Board

The details of the number of meetings of the Board held during the Financial Year 2016-17 are as follows:

| S.No. | Date of Meeting | Name of Directors who attended the meeting |
|-------|-----------------|--|
| 1 | 29.04.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal , Mr. Sanjay Kumar Gupta and Mrs. Beenu Agarwal |
| 2 | 30.05.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal , Mr. Sanjay Kumar Gupta and Mrs. Beenu Agarwal |
| 3 | 04.08.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal , Mr. Sanjay Kumar Gupta and Mrs. Beenu Agarwal |
| 4 | 22.08.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal , Mr. Sanjay Kumar Gupta and Mrs. Beenu Agarwal |



| | | |
|---|-----------------------------------|--|
| 5 | 08.11.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal , Mr. Sanjay Kumar Gupta and Mrs. Beenu Agarwal |
| 6 | 16.12.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal , Mr. Sanjay Kumar Gupta and Mrs. Beenu Agarwal |
| 7 | 07.02.2017(Adjourned meeting) | Mr. Balbir Singh, Mr. Sunil Aggarwal , Mr. Sanjay Kumar Gupta and Mrs. Beenu Agarwal |

14. Deposits

The Company has not accept any public deposits during the year under review.

15. Particulars of Loans, Guarantees or Investments by Company

Details of loans and Investments are given in the notes to Financial Statements. (Please refer Note 6 and 8 of the Financial Statement). No guarantee was given by the company during the Financial Year 2016 -17.

16. Related Party Transactions

All related Party Transactions are placed before the Audit Committee for their approval. The transactions with the related parties are done at arm's length basis in the ordinary course of business. There are no transactions with related party during the year under review. Hence, form AOC-2 has not been furnished.

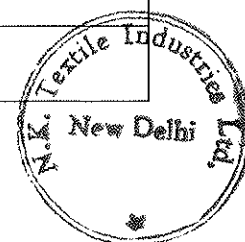
17. Whistle Blower Policy/ Vigil Mechanism

The Company has formulated a whistle blower policy to report genuine concerns or grievances and the said policy is available on the Company's website www.nktil.com.

18. Audit Committee

The composition of audit committee of the Company is as follows:

| S. No. | Name of Member | Designation |
|--------|------------------------|---------------------------------|
| 1. | Mr. Balbir Singh | Chairman (Independent Director) |
| 2 | Mr. Sanjay Kumar Gupta | Member (Independent Director) |
| 3 | Mr. Sunil Aggarwal | Member |



The details regarding number of meetings held by Audit Committee during the year are as follows:

| S.No. | Date of Meeting | Name of Directors who attended the meeting |
|-------|-------------------------------|---|
| 1 | 30.05.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal and Mr. Sanjay Kumar Gupta |
| 2 | 04.08.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal and Mr. Sanjay Kumar Gupta |
| 3 | 08.11.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal and Mr. Sanjay Kumar Gupta |
| 4 | 07.02.2017(Adjourned meeting) | Mr. Balbir Singh, Mr. Sunil Aggarwal and Mr. Sanjay Kumar Gupta |

The Board has accepted all the recommendations proposed by audit committee during the financial year.

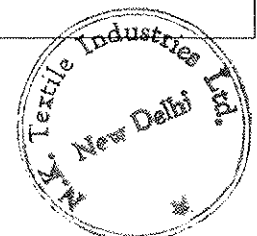
19. Nomination and Remuneration Committee

The composition of Nomination and Remuneration committee of the Company is as follows:

| S. No. | Name of Member | Designation |
|--------|------------------------|---------------------------------|
| 1. | Mr. Balbir Singh | Chairman (Independent Director) |
| 2. | Mr. Sanjay Kumar Gupta | Member (Independent Director) |
| 3. | Mr. Sunil Aggarwal | Member |

The details regarding number of meetings held by Nomination and Remuneration Committee during the year are as follows:

| S.No. | Date of Meeting | Name of Directors who attended the meeting |
|-------|-----------------|---|
| 1 | 08.11.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal and Mr. Sanjay Kumar Gupta |
| 2 | 16.12.2016 | Mr. Balbir Singh, Mr. Sunil Aggarwal and Mr. Sanjay Kumar Gupta |



20. Remuneration and Nomination Policy

The Nomination and Remuneration Committee framed a Remuneration and Nomination Policy for selection and appointment of Directors, Senior Management and their remuneration.

The policy formulated by nomination and remuneration committee is available on the Company's website: www.nktil.com

21. Director's Responsibility Statement

To the best of their knowledge and in terms of the provisions of Section 134 (3) (c) of the Companies Act, 2013, the Directors make the following statements:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- b) the director 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 as at March 31, 2017 and of the 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;
- 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.

22. Statutory Auditor

M/s R K A & Co., Chartered Accountants, (Firm Registration No. 013059N) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 30th September, 2014 for a term of five years. However, pursuant to the provisions of section 139(2) of the Companies Act, 2013, M/s



000131N) as the Statutory Auditor of the Company for the financial year 17-18 onwards for a period of five years with the consent of the shareholders in the ensuing Annual General Meeting.

23. Consolidated Financial Statement

The Company has two subsidiaries namely 'Rajputana Developers Limited', 'Super Investment (India) Limited' and one Associate Company namely 'H M A Udyog Private Limited'. In accordance with the Companies Act, 2013, Accounting Standard (AS -21) on consolidated financial statements and Accounting Standard (AS-23) on Accounting for Investments in Associates in Consolidated Financial Statements, the audited consolidated financial statement has been prepared and furnished as a part of the Annual Report for the year under review.

24. Auditor's Report

There is no audit qualification on the financial Statements by the statutory auditors for the year under review. Hence, there are no comments on the Auditor's Report.

25. Secretarial Auditor

The Board appointed 'M/s Kundan Agrawal & Associates', Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17 pursuant to section 204 of the Companies Act, 2013. The Secretarial Audit report submitted by them in the prescribed form MR-3 is attached as per **Annexure 'C'** and forms part of this report.

The secretarial Audit report does not contain any qualification, reservation or adverse remark.

26. Internal Control System and their Adequacy

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

27. Risk Management

The Company has formally adopted a Risk Management Policy to identify and assess the Key risk areas, monitor and report compliance and effectiveness of the policy and procedure. The Board periodically reviews the risks and suggest



steps to be taken to control and mitigate the same through a properly defined framework.

28. Business Responsibility Reporting

Pursuant to Regulation 34 of SEBI (Listing Obligation and disclosure Requirement) Regulation, 2015, Business Responsibility Reporting is applicable for top five hundred listed entities based on market capitalization calculated as on March 31st of every Financial Year. The above reporting is not applicable to the Company as it is not covered under the criteria given in the said Regulation. Therefore, no disclosure has been made on the items covered under Business Responsibility Reporting.

29. Corporate Social Responsibility (CSR)

The provisions of Corporate Social Responsibility are not applicable to the Company as per the criteria laid down under section 135 of the Companies Act, 2013.

30. Remuneration to Directors and Key Managerial Personnel

During the year under review, Mr. Anil Kumar Dua, Chief Executive officer (CEO) of the Company was paid a remuneration of Rs. 3,51,000/-. Mr. Surindra Kapoor, Chief Financial Officer (CFO) was paid a remuneration of Rs.180000/- during the year under review. Mr. Amit Kumar Singh who resigned from the post of Company Secretary of the Company w.e.f 28th June, 2016 was paid a remuneration of Rs. 26400/- during the year under review. In order to fill the vacancy, Mr. Manish Buttan having Membership No. A 42168 of the Institute of Company Secretaries of India was appointed as the Company Secretary w.e.f 16th December, 2016 and a remuneration of Rs. 35000/- was paid to him. Further, no remuneration was paid to the Directors of the Company.

A statement of Particulars as per rule 5 of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 is annexed as per **Annexure 'D'**

31. Statutory information

Being an Investment Company, there are no particulars which are required to be furnished under section 134 (3) (m) of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption, as these are not applicable. There were no foreign exchange earnings or outgo during the year.

32. Equity Shares Capital

The Equity share capital of the Company as at 31st March, 2017 stood at Rs. 83.98 lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.



As on 31st March, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

33. Code for Prevention of Insider-trading practices

The Company has placed a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the management and other connected persons, on procedures to be followed and disclosures to be made by them in dealing with the shares of the Company. The said code of Practices is also available on company's website: www.nktil.com

34. Disclosures

- a. No significant and material orders were passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.
- b. There were no material changes and commitments during the year under report.
- c. There was no change in the nature of business during the year under report.
- d. During the year under review, no complaints were reported to the Board under Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

The other relevant provisions/ sections of the Companies Act, 2013 are not applicable to the Company and therefore have not been reported above.

35. Appreciation

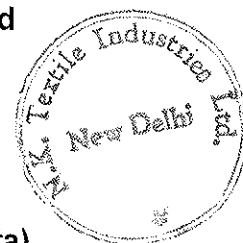
Your directors wish to thank and express their sincere appreciation to the valued shareholders, bankers and clients for their continued support and faith reposed in the Company.

Respectfully submitted on behalf of the Board

Place: New Delhi
Dated: 22.05.2017


(Balbir Singh)
Director
(DIN-00027438)


(Sanjay Kumar Gupta)
Director
(DIN-00027728)



N.K Textile Industries Limited

Registered office- A-1, Maharani Bagh, New Delhi-110065

CIN: L17299DL1983PLC163230, Tel: 011 26830014

Email Id: n.ktextiles123@gmail.com, website: www.nktil.com

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/
associate companies/joint ventures**

Part "A": Subsidiaries

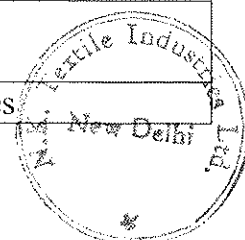
(Rs. in lakhs)

| Sl.No. | Particulars | Details | |
|--------|--|------------------------------|---|
| 1 | Name of the Subsidiary | Rajputana Developers Limited | Super Investment (India) Limited |
| 2 | The date since when subsidiary was acquired | 21.01.2016 | 06.06.2016 |
| 3 | Reporting period for the subsidiary concerned, If different from the Holding Company's reporting period. | Not Applicable | Not Applicable |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Not Applicable | Not Applicable |
| 5 | Share Capital | 1189.96 | 10.66 |
| 6 | Reserve & Surplus | 100.93 | 364.53 |
| 7 | Total Assets | 1291.24 | 380.67 |
| 8 | Total Liabilities | 1291.24 | 380.67 |
| 9 | Investments | 1136.15 | 104.57 |
| 10 | Turnover | 118.85 | 60.68 |
| 11 | Profit before taxation | 103.92 | 59.19 |
| 12 | Provision for taxation | 2.18 | 4.76 |
| 13 | Profit after taxation | 101.74 | 54.43 |
| 14 | Proposed Dividend | - | - |
| 15 | % of Shareholding | 81.88% | 88.46% (through Rajputana Developers Limited) |

Part "B": Associates *

(Rs. in lakhs)

| Sl.No | Particulars | Details |
|-------|---|-----------------------------|
| 1 | Name of Associate | H M A Udyog Private Limited |
| 2 | Latest Audited Balance Sheet Date | 31.03.2017 |
| 3 | Date on which the Associate was associated or acquired | 28.02.2014 |
| 4 | Shares of Associate held by the company on the year end | |
| i | No. of shares | 400000 equity shares |



| | | |
|-----|--|--|
| ii | Amount of Investment in Associate | 103.06 |
| iii | Extent of Holding % | 40% |
| 5 | Description of how there is significant influence | The Company holds more than 20% of voting power in the associate |
| 6 | Reason why the associate is not consolidated | Not Applicable |
| 7 | Net worth attributable to shareholding as per latest audited Balance Sheet | 1695.79 |
| 8 | Profit/Loss for the Year | 457.34 |
| i | Profit / (Loss) Considered in Consolidation (for the year) | 182.93 |
| ii | Profit / (Loss) not considered in Consolidation | - |

***There is no Joint Venture of the Company**


Notes on Part A and B.

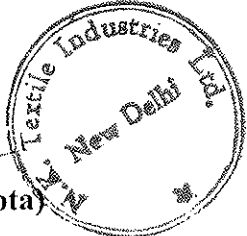
1. There are no subsidiaries/associates/joint ventures which are yet to commence operations.
2. There are no subsidiaries/associates/joint ventures which have been liquidated or sold during the year.

Respectfully submitted on behalf of the Board

**Place: New Delhi
Dated: 22.05.2017**


(Balbir Singh)
Director
(DIN-00027438)


(Sanjay Kumar Gupta)
Director
(DIN-00027728)



N.K Textile Industries Limited

Registered office- A-1, Maharani Bagh, New Delhi-110065

CIN: L17299DL1983PLC163230, Tel: 011 26830014

Email Id: n.ktextiles123@gmail.com, website: www.nktil.com

Annual Return Extracts in MGT-9

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

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

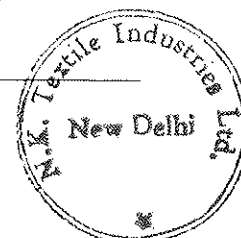
I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|--|
| 1 | CIN | L17299DL1983PLC163230 |
| 2 | Registration Date | 09.02.1983 |
| 3 | Name of the Company | N.K Textile Industries Limited |
| 4 | Category/Sub-Category of the Company | Company Limited by shares (Indian Non- Government Company) |
| 5 | Address of the Registered office and contact details | A-1, Maharani Bagh, New Delhi-110065 Contact Details. 011-26830014 |
| 6 | Whether listed Company | Yes |
| 7 | Name, Address and contact details of Registrar and Transfer Agent, if any | MAS Services Limited Address:T-34, 2 nd Floor, Okhla Phase-II Delhi-110020 Email Id:info@masserv.com Tel:011-26387281,82,83 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| S.No | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|------|--|----------------------------------|------------------------------------|
| 1 | Interest received from Bank | 66190 | 34.97% |
| 2 | Interest received from other sources | 66190 | 65.03% |



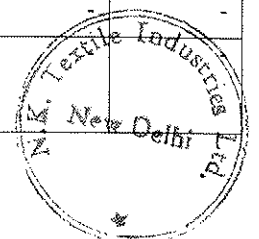
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING / SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|-------|----------------------------------|-----------------------|----------------------------------|---|--------------------------------------|
| 1 | Rajputana Developers Limited | U45400DL2008PLC172433 | Subsidiary Company | N.K.Textile Industries Limited holds 81.88 % Equity Shares of Rajputana Developers Limited | Section 2(87) of Companies Act, 2013 |
| 2 | Super Investment (India) Limited | U74899DL1979PLC010095 | Subsidiary Company | Rajputana Developers Limited holds 88.84% Equity Shares of Super Investment (India) Limited | Section 2(87) of Companies Act, 2013 |
| 3 | H.M.A Udyog Private Limited | U36999DL1981PTC011548 | Associate Company | N.K.Textile Industries Limited holds 40% equity shares of HMA Udyog Private Limited | Section 2(6) of Companies Act, 2013 |

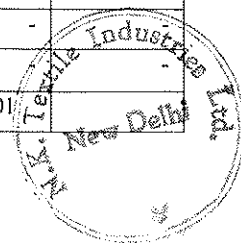
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding as on 31.03.2017

| Category of shareholders | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % of change during the year |
|--------------------------|---|----------|-------|-------------------|---|----------|-------|-------------------|-----------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |



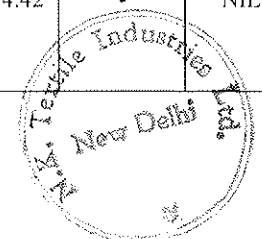
| | | | | | | | | | |
|---|---------------|----------|---------------|--------------|---------------|----------|---------------|--------------|----------|
| d) Bodies Corp. | 623012 | - | 623012 | 74.19 | 623012 | - | 623012 | 74.19 | - |
| e) Banks/ FI | - | - | - | - | - | - | - | - | - |
| f) Any other (Trusts) | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(1) | 623012 | - | 623012 | 74.19 | 623012 | - | 623012 | 74.19 | - |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other- Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/ FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(2) | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1) + (A)(2) | 623012 | - | 623012 | 74.19 | 623012 | - | 623012 | 74.19 | - |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/ FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1) | - | - | - | - | - | - | - | - | - |
| (2) Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 117900 | 98820 | 216720 | 25.80 | 117900 | 98820 | 216720 | 25.80 | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual | - | 100 | 100 | 0.01 | - | 100 | 100 | 0.01 | - |



| | | | | | | | | | |
|---|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|----------|
| shareholders holding nominal share capital upto Rs. 1 lakh | | | | | | | | | |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| c) Others | - | - | - | - | - | - | - | - | - |
| Other Directors and relatives | - | - | - | - | - | - | - | - | - |
| Non-Resident Individuals | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2) | 117900 | 98920 | 216820 | 25.81 | 117900 | 98920 | 216820 | 25.81 | - |
| Total Public Shareholding (B) = (B)(1)+ (B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 740912 | 98920 | 839832 | 100 | 740912 | 98920 | 839832 | 100 | - |

(ii) Shareholding of Promoters as on 31.03.2017

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % of change 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 Pledge d / encumbered to total shares | |
| I. | K.K Modi Investment and Financial Services | 373012 | 44.42 | - | 373012 | 44.42 | - | NIL |



| | | | | | | | | |
|---|-----------------------------|--------|-------|---|--------|-------|---|-----|
| | Private Limited | | | | | | | |
| 2 | H M A Udyog Private Limited | 250000 | 29.77 | - | 250000 | 29.77 | - | NIL |
| | Total | 623012 | 74.19 | - | 623012 | 74.19 | - | NIL |

(iii) Change in Promoters' Shareholding (Please specify if there is no change):

There is no change*

| Sl. No | | 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 | 623012 | 74.19 | 623012 | 74.19 |
| | Date wise Increase / (Decrease) in Shareholding during the year and reasons | - | - | - | - |
| | At the End of the year | 623012 | 74.19 | 623012 | 74.19 |

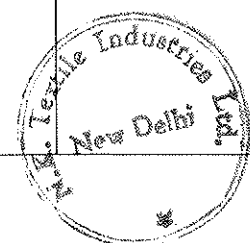
* There is no change in the shareholding of promoters between April 1, 2016 to March 31, 2017.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31.03.2017

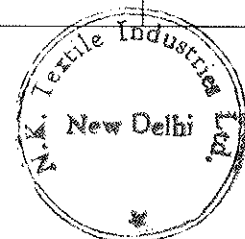
| Sl. No | For each of the Top 10 shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Trend Agencies Private Limited | 57950 | 6.90 | 57950 | 6.90 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 57950 | 6.90 | 57950 | 6.90 |
| 2 | Azure Products Private | 98720 | 11.75 | 98720 | 11.75 |



| | | | | | |
|----------|---|-------------------------------------|--------------|--------------|--------------|
| | Limited | | | | |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 98720 | 11.75 | 98720 | 11.75 |
| 3 | Narayan Sales Private Limited | 60050 | 7.15 | 60050 | 7.15 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc) | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 60050 | 7.15 | 60050 | 7.15 |
| 4 | Mr. Anil Arora | 1 | 0.00 | 1 | 0.00 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 1 | 0.00 | 1 | 0.00 |
| 5 | Mr. Ramamurthy Rajgopalan Iyer | 1 | 0.00 | 1 | 0.00 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 1 | 0.00 | 1 | 0.00 |
| 6 | Ms. Madhu Chowdhary | 1 | 0.00 | 1 | 0.00 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe | Nil movement during the year | - | - | - |

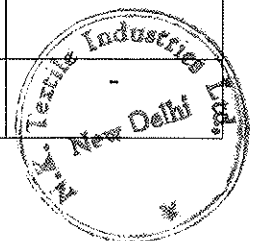


| | | | | | |
|-----------|---|-------------------------------------|-------------|----------|-------------|
| | at equity etc): | | | | |
| | At the End of the year (or on date of separation, if separated during the year) | 1 | 0.00 | 1 | 0.00 |
| 7 | Mr. Vinay Sharma | 1 | 0.00 | 1 | 0.00 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 1 | 0.00 | 1 | 0.00 |
| 8 | Mr. Pradip Kumar Mittal | 1 | 0.00 | 1 | 0.00 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 1 | 0.00 | 1 | 0.00 |
| 9 | Mr. Anil Budhiraja | 1 | 0.00 | 1 | 0.00 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 1 | 0.00 | 1 | 0.00 |
| 10 | Mrs. Anita Agarwal | 1 | 0.00 | 1 | 0.00 |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | Nil movement during the year | - | - | - |
| | At the End of the year (or on date of separation, if separated during the year) | 1 | 0.00 | 1 | 0.00 |



(v) Shareholding of Directors and Key Managerial Personnel as on 31.03.017

| Sl. No | For each of the Directors and KMP | 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 |
| A | At the beginning of the Year | | | | |
| 1 | Mr. Balbir Singh (DIN:00027438) | - | - | - | - |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 2 | Mr. Sanjay Kumar Gupta (DIN:00027728) | - | - | - | - |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 3 | Sunil Aggarwal (DIN: 00029286) | - | - | - | - |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 4 | Beenu Agarwal (DIN: 00056062) | - | - | - | - |
| | Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | - | - | - | - |
| | At the End of the year | - | - | - | - |
| B | Key Managerial Personnel (KMP) | | | | |
| 1 | Mr. Anil Kumar Dua (Chief Executive Officer) | - | - | - | - |

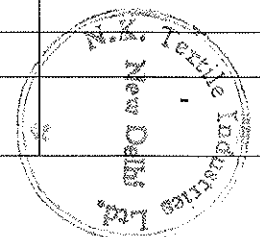


| | | | | | |
|----------|---|---|---|---|---|
| | Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 2 | Mr. Surindra Kapoor (Chief Financial Officer) | - | - | - | - |
| | Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 3 | Mr. Manish Buttan (Company Secretary) | - | - | - | - |
| | Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc): | - | - | - | - |
| | At the End of the year | - | - | - | - |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Deposits | Total Indebtedness |
|--|-------------------------------------|----------|-----------------------|
| Indebtedness at the beginning of the Financial year | | | |
| i) Principal Amount | - | - | - |
| ii) Interest due but not paid | | | |
| iii) Interest accrued but not due | | | |
| Total (i+ii+iii) | | | |
| Change in indebtedness during the Financial year | - | - | - |
| • Addition | | | |
| • (Reduction) | | | |
| Indebtedness at the end of the Financial year | - | - | - |



| | | | |
|-----------------------------------|--|--|--|
| i) Principal Amount | | | |
| ii) Interest due but not paid | | | |
| iii) Interest accrued but not due | | | |
| Total (i+ii+iii) | | | |

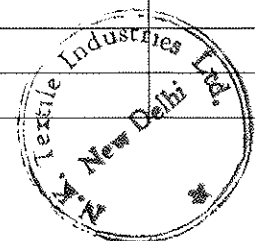
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No | Particulars of Remuneration | Name of MD/WTD/Manager | Total Amount |
|--------|---|------------------------|--------------|
| 1. | Gross salary | NIL | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission | - | - |
| | - as % of profit | - | - |
| | - others | - | - |
| 5. | Others- Provident Fund | - | - |
| | Total (A) | - | - |
| | Ceiling as per the Act | - | - |

B. Remuneration to other directors:

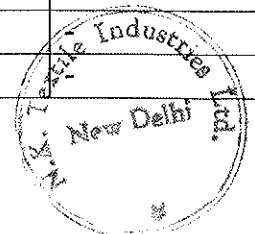
| Sl. No | Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------|--|-------------------|--|--|--------------|
| 1. | Independent Directors | NIL | | | - |
| | • Fee for attending board / committee meetings | | | | |
| | • Commission | | | | |
| | • Others | | | | |
| | Total (1) | | | | |
| 2. | Other Non-Executive Directors | - | | | - |
| | • Fee for attending board / committee meetings | | | | |
| | • Commission | | | | |
| | • Others | | | | |



| | | | | | |
|--|-------------------------------|---|--|--|---|
| | Total (2) | | | | |
| | Total (B)= (1+2) | | | | |
| | Total Managerial Remuneration | - | | | - |
| | Ceiling as per the Act | | | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration of Key Managerial Personnel | Chief Executive Officer | Chief Financial Officer | Company Secretary | Company Secretary | Total |
|-----------|---|-------------------------|-------------------------|---|---|-----------------|
| | | Mr. Anil Kumar Dua | Mr. Surindra Kapoor | Mr. Amit Kumar Singh (resigned w.e.f 28 th June, 2016) | Mr. Manish Buttan (appointed w.e.f 16th December, 2016) | |
| 1. | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3,51,000 | 1,80,000 | 26400 | 35,000 | 5,92,400 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | | - |
| 2. | Stock Option | - | - | - | | - |
| 3. | Sweat Equity | - | - | - | | - |
| 4. | Commission | - | - | - | | - |




| | | | | | | |
|----|------------------|----------|----------|--------|--------|----------|
| | - as % of profit | - | - | - | | - |
| | - others | - | - | - | | - |
| 5. | Others | - | - | - | | - |
| | TOTAL | 3,51,000 | 1,80,000 | 26,400 | 35,000 | 5,92,400 |

IV. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Brief Description | Authority [RD /NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|-------------------|-----------------------------|------------------------------------|
| A.COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

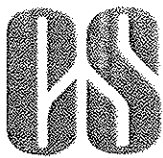
Respectfully submitted on behalf of the Board

Place: New Delhi
Dated: 22.05.2017


(Balbir Singh)
Director
(DIN-00027438)


(Sanjay Kumar Gupta)
Director
(DIN-00027728)





Kundan Agrawal & Associates

Company Secretaries

Phone: 91-11-43093900

Mobile: 09212467033, 099999415059

E-mail: agrawal.kundan@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To
The Members
M/s N K TEXTILE INDUSTRIES LTD
A-1 Maharani Bagh,
New Delhi - 110065

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s N K TEXTILE INDUSTRIES LTD** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.



(Secretarial Audit Report for F.Y 2016-2017 for M/s N K TEXTILE INDUSTRIES LTD)

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (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) Indian Stamp Act, 1899;
- (vii) Indian Contract Act, 1872;
- (viii) Income Tax Act, 1961 and indirect tax laws;
- (ix) Central Excise and Service Tax Act;
- (x) Central and State Sale Tax/Value Added Tax Laws;
- (xi) Applicable Labour Laws; and
- (xii) Other applicable Laws;

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by Compliance Auditors and Internal Auditors of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.



(Secretarial Audit Report for F.Y 2016-2017 for M/s N K TEXTILE INDUSTRIES LTD)

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Listing Agreements with Stock Exchanges in India.

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

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the key managerial personnel that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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. All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. Further improvements will be appreciated.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the information received and records maintained 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.

Place: Delhi
Date: 22/05/2017

**For Kundan Agrawal & Associates
Company Secretaries**



**Kundan Agrawal
Company Secretary
Membership No. 7631
C.P. No. 8325**

N.K Textile Industries Limited

Registered office- A-1, Maharani Bagh, New Delhi-110065

CIN: L17299DL1983PLC163230, Tel: 011 26830014

Email Id: n.ktextiles123@gmail.com, website: www.nktil.com

STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

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

No remuneration was paid to the Directors of the Company during the Financial Year 2016-17

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

| Name of Key Managerial Personnel | Remuneration paid during Financial Year 2016-17 | % increase in remuneration in the Financial Year |
|--|---|--|
| Mr. Anil Kumar Dua, Chief Executive officer | Rs 351000 | NIL |
| Mr. Surindra Kapoor, Chief Financial Officer | Rs. 180000 | NIL |
| Mr. Amit Kumar Singh, Company Secretary (resigned w.e.f 28 th June, 2016) | Rs. 26400 | NIL |
| Mr. Manish Buttan (appointed w.e.f 16 th December, 2016 and resigned from the Company w.e.f 25 th May, 2017) | Rs. 35000 | NIL |

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

During the year under review, there is no increase in the remuneration paid. Hence, this clause is not applicable.

- (iv) The number of permanent employees on the rolls of Company

The number of permanent employee on the roll of the Company is two (02)

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

During the year under review, there is no increase in the remuneration paid. Hence, this clause is not applicable.

- (vi) The key parameters for any variable component of remuneration availed by the directors

Not applicable as no remuneration was paid to the Directors.


- (vii) Affirmation that the remuneration is as per the remuneration policy of the company

Yes

Respectfully submitted on behalf of the Board

Place: New Delhi

Dated: 22.05.2017


(Balbir Singh)
Director
(DIN-00027438)


(Sanjay Kumar Gupta)
Director
(DIN-00027728)



R K A & Co
Chartered Accountants

Independent Auditor's Report

To the Members of N K Textile Industries Limited

Report on the standalone Financial Statements

We have audited the accompanying standalone financial statements of N K Textile Industries Limited ('the Company'), which comprise the standalone balance sheet as at 31 March 2017, the standalone statement of profit and loss, the standalone statement of cash flows and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates



R K A & Co
Chartered Accountants

made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the , of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



R K A & Co
Chartered Accountants

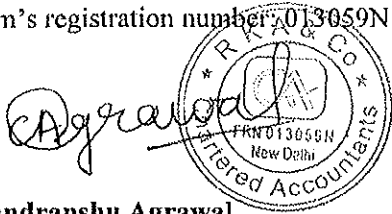
- i. the Company doesn't have any pending litigations in its name;
- ii. The Company did not have any long-term contracts including derivative contracts as at year end for which there were any material foreseeable losses; and
- iii. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 14.3 to the financial statements.

for

R K A & Co

Chartered Accountants

Firm's registration number: 013059N



Chandranshu Agrawal

Partner

Membership number: 539705

New Delhi

22nd May 2017

R K A & Co
Chartered Accountants

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

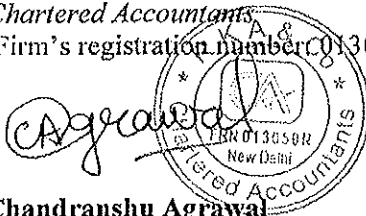
- 1) The Company does not hold any physical assets. Thus paragraph 3(i) of the order is not applicable.
- 2) The Company is primarily non-banking finance company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- 3) According to the information and the explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans, to another body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a. In our opinion, the rate of interest and other terms and conditions on which the loans has been granted to the bodies corporate listed in the register maintained under the Section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
 - b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) The Company has not accepted any deposits from the public as envisaged under Section 73 to 76 of the companies Act, 2013.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- 7)
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
 - c. According to the information and explanations given to us, there are no dues of service tax and income tax which have not been deposited with the appropriate authorities on account of any dispute.
- 8) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.



R K A & Co
Chartered Accountants

- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and has obtained the registration.

for
R K A & Co
Chartered Accountants
Firm's registration number CO13059N



Chandranshu Agrawal
Partner
Membership number: 539705

New Delhi
22nd May 2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls 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 N K Textile Industries Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

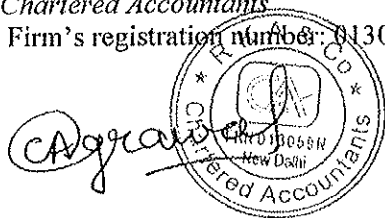
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for

R K A & Co

Chartered Accountants

Firm's registration number: 013059N



Chandranshu Agrawal

Partner

Membership number: 539705

New Delhi

22nd May 2017

N.K. TEXTILE INDUSTRIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

| | Note Ref. | As at 31.03.2017 (Rupees) | As at 31.03.2016 (Rupees) |
|-----------------------------------|--------------|---------------------------------|---------------------------------|
| A. EQUITY AND LIABILITIES | | | |
| 1. SHAREHOLDERS' FUNDS | | | |
| (a) Share capital | 2 | 8,398,320 | 8,398,320 |
| (b) Reserves and surplus | 3 | 21,801,706 | 21,865,480 |
| | | <u>30,200,026</u> | <u>30,263,800</u> |
| 2. NON CURRENT LIABILITIES | | | |
| Long-term provision | 4 | 18,754 | 10,790 |
| 3. CURRENT LIABILITIES | | | |
| Other current liabilities | 5 | 68,145 | 64,613 |
| | | <u>30,286,925</u> | <u>30,339,203</u> |
| B. ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| Non-current investments | 6 | 20,118,635 | 20,118,635 |
| 2. CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | 2,557,631 | 7,130,292 |
| Short term loans and advances | 8 | 7,500,000 | 3,000,000 |
| Other current assets | 9 | 110,659 | 90,276 |
| | | <u>10,168,290</u> | <u>10,220,568</u> |
| | | <u>30,286,925</u> | <u>30,339,203</u> |

See accompanying notes forming part of the financial statements

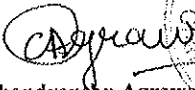
1-14

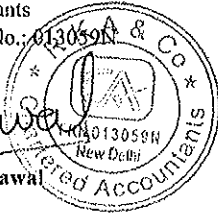
In terms of our report attached

For RKA & Co

Chartered Accountants


Firm Registration No.: 013059N

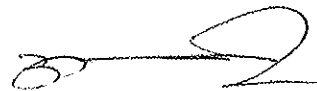

Chandranshu Agrawal
Partner
Membership No. 539705




Place : New Delhi
Dated : 22.05.2017

For and on behalf of the Board of Directors


Balbir Singh
Director
DIN No. 00027438


Sanjay Kumar Gupta
Director
DIN No. 00027728


Manish Buttan
Company Secretary


Surindra Kapoor
Chief Financial Officer

N.K.TEXTILE INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

| | Note No. | As at 31.03.2017 (Rupees) | As at 31.03.2016 (Rupees) |
|--|-------------|---------------------------------|---------------------------------|
| I. INCOME: | | | |
| Revenue from operations | 10 | 779,408 | 394,841 |
| Other income | 11 | - | 45,506 |
| Total revenue | | 779,408 | 440,347 |
| II. EXPENSES | | | |
| Employee benefit expenses | 12 | 592,400 | 531,000 |
| Other expenses | 13 | 230,473 | 1,112,360 |
| TOTAL EXPENSES | | 822,873 | 1,643,360 |
| III. Profit/(Loss) before tax | | (43,465) | (1,203,013) |
| IV. Tax expense: | | | |
| Provision agst Standard assets | | (7,964) | - |
| Current tax | | - | - |
| Less: Provision for tax relating to prior years provided | | (12,345) | - |
| V. Profit/Loss after Tax | | (63,774) | (1,203,013) |
| Earnings per Equity Share | | | |
| (1) Basic | | (0.08) | (1.43) |
| (2) Diluted | | (0.08) | (1.43) |

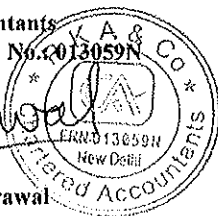
See accompanying notes forming part of the financial statements

1-14

In terms of our report attached

For RKA & Co
Chartered Accountants
Firm Registration No. 013059N

Chandranshu Agrawal
Partner
Membership No.539705



For and on behalf of the Board of Directors

Balbir Singh
Director
DIN No. 00027438

Sanjay Kumar Gupta
Director
DIN No. 00027728

Place : New Delhi
Dated : 22.05.2017

Manish Buttan
Company Secretary

Surindra Kapoor
Chief Financial Officer

N.K. TEXTILE INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2017

| | Year ended 31.03.2017 (Rupees) | Year ended 31.03.2016 (Rupees) |
|---|--------------------------------------|-----------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit / (loss) before taxation, and extraordinary items | (43,465) | (1,203,013) |
| Adjustments for: | | |
| Interest income | (779,408) | (394,841) |
| Operating Profit before working capital change | (822,873) | (1,597,853) |
| Adjustments for change in: | | |
| Increase / (Decrease) in current liabilities | 3,532 | 27,682 |
| Direct Tax paid | (38,318) | 20,541 |
| Net Cash flow from Operating Activities | (857,659) | (1,549,630) |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Loan receive backed | -4500000 | 1,000,000 |
| Interest received | 784,997 | 674,928 |
| Purchase of investment | - | (4,501,250) |
| Proceeds from sale of investments | - | 10,585,000 |
| Net Cash used in Investing Activities | (3,715,003) | 7,758,678 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| | - | - |
| Net increase / (decrease) in cash and cash equivalents | (4,572,662) | 6,209,048 |
| Cash and cash equivalents at the beginning of the year | 7,130,292 | 921,244 |
| Cash and cash equivalents at the end of the year | 2,557,631 | 7,130,292 |
| Net Increase/(decrease) in cash & cash equivalents | (4,572,662) | 6,209,048 |

In terms of our report attached

For RKA & Co
Chartered Accountants
Firm Registration No. 013059H

Chandranshu Agrawal
Partner
Membership No.539705



For and on behalf of the Board of Directors

Balbir Singh
Director
DIN No. 00027438

Sanjay Kumar Gupta
Director
DIN No. 00027728

Manish Buttan
Company Secretary

Surindra Kapoor
Chief Financial Officer

Place : New Delhi
Dated : 22.05.2017

N.K TEXTILES INDUSTRY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

1) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2) Use of estimates

The preparation of financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results may differ from these estimates. Any revision to the accounting estimates or difference between the estimates and the actual results are recognised in the periods in which the results are known/materialise or the estimates are revised.

3) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents highly liquid funds and are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

5) Revenue recognition

All Income and Expenses are accounted on mercantile basis. Receipts on account of Professional fees are recognized at the point of raising the invoice to the customers and are exclusive of service tax where applicable. Income from bank deposits is recognized on an accrual basis.

6) Other income

Income from investments and interest income is accounted for on accrual basis. Dividend income is accounted for when the right to receive it is established.



N.K TEXTILES INDUSTRY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7) Provisions and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a permanent obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes.

8) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

9) Taxes on income

Provision for current tax for the period is based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences between taxable income and accounting income and is measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.



N.K.TEXTILE INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Share Capital

| | <u>As at 31 March 2017</u> | | <u>As at 31 March 2016</u> | |
|--|----------------------------|------------------|----------------------------|------------------|
| | Number of Shares | (Rupees) | Number of Shares | (Rupees) |
| Authorised | | | | |
| Equity Shares of Rs.10/- each with voting rights | 1,000,000 | 10,000,000 | 1,000,000 | 10,000,000 |
| Preference Shares of Rs.10/- each | 500,000 | 5,000,000 | 500,000 | 5,000,000 |
| Issued, subscribed & paid up capital | | | | |
| Equity Shares of Rs.10/- each with voting rights | <u>839,832</u> | <u>8,398,320</u> | <u>839,832</u> | <u>8,398,320</u> |

2.1 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Equity shares | |
|---|----------------|------------------|
| | Numbers | Amount |
| Shares outstanding at the beginning of the year | 839,832 | 8,398,320 |
| Subscription money received during the year | - | - |
| Shares outstanding at the end of the year | <u>839,832</u> | <u>8,398,320</u> |

**2.2 Disclosure pursuant to Note No. 6(A)(g) of Part I of Schedule III of the Companies Act, 2013
(Holding 5% of share Capital)**

| Name of share holder | <u>As at 31 March 2017</u> | | <u>As at 31 March 2016</u> | |
|--|----------------------------|--------------|----------------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| K.K.Modi Investment & Financial Services Pvt Ltd | 373,012 | 44.42 | 373,012 | 44.42 |
| HMA Udyog Private Limited* | 250,000 | 29.77 | 250,000 | 29.77 |
| Azure Prodcets Private Limited | 98,720 | 11.75 | 98,720 | 11.75 |
| Narayan Sales Private Limited | 60,050 | 7.15 | 60,050 | 7.15 |
| Trend Agencies Private Limited | 57,950 | 6.90 | 57,950 | 6.90 |

* Associate Company



N.K.TEXTILE INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31 March, 2017 (Rupees) | As at 31 March, 2016 (Rupees) |
|--|-------------------------------------|-------------------------------------|
| Note 3. Reserves and surplus | | |
| General Reserve | | |
| Opening Balance | 23,971,347 | 23,971,347 |
| Closing Balance | <u>23,971,347</u> | <u>23,971,347</u> |
| Statutory reserve fund* | | |
| Opening Balance | 35,065 | 35,065 |
| | <u>35,065</u> | <u>35,065</u> |
| Surplus | | |
| Opening balance | (2,140,932) | (937,919) |
| (+) Net Profit/(Net Loss) For the current year | (63,774) | (1,203,013) |
| (-) Provision for standard assets | - | - |
| (-) Transfer to Statutory reserve fund | - | - |
| | <u>(2,204,706)</u> | <u>(2,140,932)</u> |
| | <u><u>21,801,706</u></u> | <u><u>21,865,480</u></u> |

* Statutory reserve created under section 45-IC of the Reserve Bank of India Act, 1934

Note 4. Long term provisions

| | | |
|--|---------------|---------------|
| Contingent provision against standard assets | 18,754 | 10,790 |
| | <u>18,754</u> | <u>10,790</u> |

Note 5. Other current liabilities

| | | |
|----------------|---------------|---------------|
| Statutory Dues | - | - |
| Others | 68,145 | 64,613 |
| | <u>68,145</u> | <u>64,613</u> |



N.K.TEXTILE INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31 March, 2017 (Rupees) | As at 31 March, 2016 (Rupees) |
|--|-------------------------------------|-------------------------------------|
| Note 6. Non-current investments | | |
| Other Investments | | |
| Investment in Equity instruments | 20,118,635 | 20,118,635 |
| | 20,118,635 | 20,118,635 |
| | | |
| Aggregate amount of unquoted investments - Equity shares | 20,118,635 | 20,118,635 |
| | 20,118,635 | 20,118,635 |

Details of Other Non-Current Investments:

| Sr. No. | Name of the Body Corporate | Face value per share | No. of Share / Unit | | (Amount in Rs.) | |
|---------|---|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | As at 31 March, 2017 | As at 31 March, 2016 | As at 31 March, 2017 | As at 31 March, 2016 |
| (a) | Investment in Equity Instruments - Unquoted, fully paid up | | | | | |
| | HMA Udyog Private Limited* | 10 | 400,000 | 400,000 | 10,305,700 | 10,305,700 |
| | International Research Park Lab Ltd | 10 | 37,500 | 37,500 | 2,255,625 | 2,255,625 |
| | K.K.Modi Investment and Financial Services Pvt. Ltd. | 10 | 37,819 | 37,819 | 3,056,060 | 3,056,060 |
| | Rajputana Developers Limited | 1 | 4500000 | 4500000 | 4,501,250 | 4,501,250 |
| | Sub total (a) | | | | 20,118,635 | 20,118,635 |
| | Total | | | | 20,118,635 | 20,118,635 |

* Associate Company



N.K.TEXTILE INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | Year Ended 31 March, 2017 (Rupees) | Year Ended 31 March, 2016 (Rupees) |
|--|--|--|
| 7. Cash and Cash equivalents | | |
| Cash in hand | 1,235 | 1,235 |
| Balances with banks: | | |
| In current accounts | 303,984 | 5,356 |
| In Fixed deposit | 2,252,412 | 7,123,701 |
| | <u>2,557,631</u> | <u>7,130,292</u> |
| Note 8. Short term loans and advances | | |
| Modicare Limited | <u>7,500,000</u> | <u>3,000,000</u> |
| Note 9. Other current assets | | |
| Interest receivable | 32,858 | 38,447 |
| Tax receivable (net of provision) | 77,801 | 51,829 |
| | <u>110,659</u> | <u>90,276</u> |
| Note 10. Revenue from operations | | |
| Interest from bank | 272,572 | 71,097 |
| Interest from other | 506,836 | 323,744 |
| | <u>779,408</u> | <u>394,841</u> |
| Note 11. Other income | | |
| Miscellaneous Income | - | <u>45,506</u> |
| Note 12. Employee benefit expenses | | |
| Salary | <u>592,400</u> | <u>531,000</u> |
| Note 13. Other expenses | | |
| Advertisement | 21,000 | 38,056 |
| Statutory Audit Fees | 23,037 | 8,711 |
| Internal Audit Fees | 8,250 | 5,618 |
| Secretarial Audit fees | 7,500 | 7,500 |
| Dematerialisation Fees | 1,718 | 31,635 |
| Filing fees | 4,800 | 8,100 |
| Edp Charges | 6,559 | - |
| Listing Fees | 17,500 | 34,240 |
| Professional Fees | 66,649 | 927,720 |
| Service Charges | - | 12,628 |
| Miscellaneous Expenses | 44,490 | 2,425 |
| Revocation charges | - | 35,500 |
| Subscription Fees | 28,625 | - |
| Bank charges | 345 | 227 |
| | <u>230,473</u> | <u>1,112,360</u> |

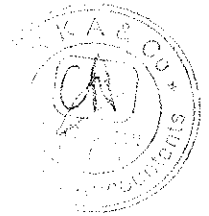


N.K TEXTILES INDUSTRY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 14:

(A) Related party disclosure under Accounting Standard 18:

- i. Subsidiary Company
Rajputana Developers Limited
- ii. Subsidiary of Subsidiary Company
Super Investment (India) Limited
- iii. Associate Company
H.M.A. Udyog Pvt. Ltd
- iv. Key Management Personnel:
 - Mr. Sunil Agarwal, Director
 - Mr. Balbir Singh, Director
 - Mrs. Beenu Agarwal, Director
 - Mr. Sanjay Kumar Gupta, Director
 - Mr. Anil Kumar Dua, Chief Executive Officer
 - Mr. Surindra Kapoor, Chief Financial Officer
 - Mr. Manish Buttan, Company Secretary
- v. Enterprises over which key management personnel and their relatives are able to exercise significant influence and with whom transactions have been done during the year under review: NONE



N.K TEXTILES INDUSTRY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(B) Earnings per share as per Account Standards (AS-20) has been computed as under:

| | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|--|-------------------------------------|-------------------------------------|
| (a) Net profit / (loss) as per profit and loss statement (Rupees) | (63774) | (12,03,013) |
| (b) Weighted average number of Equity shares | 8,39,832 | 8,39,832 |
| (c) Basic and diluted earnings per share- (Face value of share Rs. 10 each) | (0.08) | (1.43) |

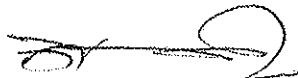
(C) The Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

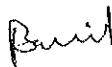
| | SBNs | Other denomination notes | Total |
|---------------------------------------|------|--------------------------------|---------|
| Closing cash in hand as on 08.11.2016 | - | 1235.00 | 1235.00 |
| (+) Permitted receipts | - | - | - |
| (-) Permitted payments | - | - | - |
| (-) Amount deposit in Banks | - | - | - |
| Closing Cash in hand as on 30.12.2016 | - | 1235.00 | 1235.00 |

(D) The details of assets and liabilities in terms of Para 9BB of Non – Banking Financial Companies Prudential Norms (Reserve Bank of India) Directions, 1998 are given as per 'Annexure – I'.


(E) The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.


For and on behalf of the Board of Directors


Sanjay Kumar Gupta
Director
DIN. 00027728


Balbir Singh
Director
DIN. 00027438




Manish Buttan
Company Secretary

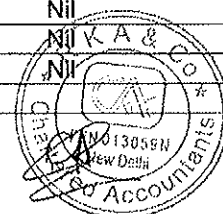

Surindra Kapoor
Chief Financial Officer

Place: New Delhi
Date: 22-05-2017

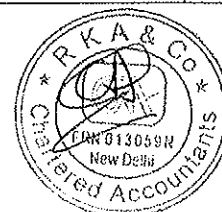
N.K. TEXTILE INDUSTRIES LIMITED
ANNEXURE 'A'

Schedule to the Balance Sheet as on 31st March 2017 of a non-deposit taking Non-Banking Financial Company
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007)

| Particulars | | (Rs. in lakh) | |
|---------------------------|---|---------------------|----------------|
| Liabilities side : | | | |
| (1) | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | Amount out-standing | Amount overdue |
| a) | Debtures : Secured | -- | -- |
| | : Unsecured | -- | -- |
| | (other than falling within the meaning of public deposits*) | | |
| b) | Defered Credits | -- | -- |
| c) | Term Loans | -- | -- |
| d) | Inter-corporate loans and borrowing | -- | -- |
| e) | Commercial Paper | -- | -- |
| f) | Other Loans (specify nature) | -- | -- |
| | * Please see Note 1 below | | |
| | Total | -- | -- |
| Assets side : | | | |
| (2) | Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : | Amount outstanding | |
| a) | Secured | Nil | |
| b) | Unsecured | Nil | |
| (3) | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities | | |
| i) | Lease assets including lease rentals under sundry debtors : | | |
| a) | Financial lease | Nil | |
| b) | Operating lease | Nil | |
| ii) | Stock on hire including hire charges under sundry debtors: | | |
| a) | Assets on hire | Nil | |
| b) | Repossessed Assets | Nil | |
| iii) | Other loans counting towards AFC activities | | |
| a) | Loans where assets have been repossessed | Nil | |
| b) | Loans other than (a) above | Nil | |
| | Total | Nil | |
| (4) | Break-up of Investments : | | |
| | Current Investments : | | |
| 1. | Quoted : | | |
| i) | Shares : | | |
| | a) Equity | Nil | |
| | b) Preference | Nil | |
| ii) | Debtures and Bonds | Nil | |
| iii) | Units of Mutual Funds | Nil | |
| iv) | Government Securities | Nil | |
| v) | Others (please specify) | Nil | |
| 2. | Unquoted : | | |
| i) | Shares : | | |
| | a) Equity | Nil | |
| | b) Preference | Nil | |
| ii) | Debtures and Bonds | Nil | |
| iii) | Units of mutual funds | Nil | |
| iv) | Government Securities | Nil | |
| v) | Others (please specify) | Nil | |



| Long Term Investments : | | | | |
|-------------------------|---|--|---|--------------------------------------|
| 1. | Quoted : | | | |
| | i) | Shares : | a) Equity | Nil |
| | | | b) Preference | Nil |
| | ii) | Debentures and Bonds | | Nil |
| | iii) | Units of mutual funds | | Nil |
| | iv) | Government Securities | | Nil |
| | v) | Others (please specify) | | Nil |
| 2. | Unquoted : | | | |
| | i) | Shares : | a) Equity | 201.19 |
| | | | b) Preference | - |
| | ii) | Debentures and Bonds | | Nil |
| | iii) | Units of mutual funds | | Nil |
| | iv) | Government Securities | | Nil |
| | v) | Others (please specify) | | Nil |
| | | | Total | 201.19 |
| (5) | Borrower group-wise classification of assets financed as in (2) and (3) above : | | | |
| | Please see Note 2 below | | | |
| | Category | | Amount net of provisions | |
| | | | Secured | Unsecured |
| | | | Total | |
| | 1. | Related Parties ** | | |
| | a) | Subsidiaries | Nil | Nil |
| | b) | Companies in the same group | Nil | Nil |
| | c) | Other related parties | Nil | Nil |
| | 2. | Other than related parties | | |
| | | Total | Nil | Nil |
| (6) | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): | | | |
| | Please see Note 3 below | | | |
| | Category | | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
| | 1. | Related Parties ** | | |
| | a) | Subsidiaries | Nil | Nil |
| | b) | Companies in the same group (Holding and Fellow subsidiaries) | 1890.40 | 201.19 |
| | c) | Other related parties | Nil | Nil |
| | 2. | Other than related parties | | |
| | | Total | 1890.40 | 201.19 |
| (7) | Other information | | | |
| | Particulars | | | Amount |
| | i) | Gross Non-Performing Assets | | |
| | | a) | Related parties | Nil |
| | | b) | Other than related parties | Nil |
| | ii) | Net Non-Performing Assets | | |
| | | a) | Related parties | Nil |
| | | b) | Other than related parties | Nil |
| | iii) | Assets acquired in satisfaction of debt | | Nil |



R K A & Co

Chartered Accountants

Independent Auditors' Report

To the Members of N K Textile Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of N K Textile Industries Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss and the consolidated statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

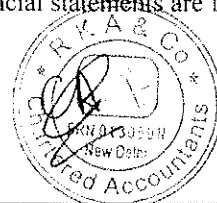
Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards () prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



R K A & Co

Chartered Accountants

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the , of the consolidated financial position of the Group, as at 31 March 2017 and its consolidated financial performance including its consolidated cash flows for the year then ended.

Other Matter

In case of HMA Udyog Private Limited, the financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

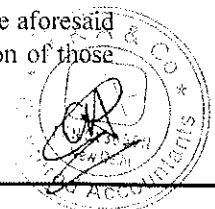
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.



R K A & Co

Chartered Accountants

(c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the company doesn't have any pending litigations in its name;

ii. the company did not have any long-term contracts including derivative contracts as at year end for which there any material foreseeable losses; and

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and

for

R K A & Co

Chartered Accountants

Firm's registration number: 013059N




Chandranshu Agrawal

Partner

Membership number: 539705

New Delhi

22nd May 2017

R K A & Co

Chartered Accountants

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of N K Textile Industries Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

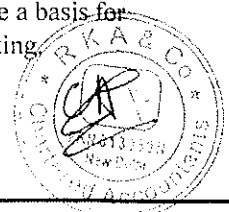
The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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.



R K A & Co

Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 ICAI.

For

R K A & Co

Chartered Accountants

Firm's Registration Number: 013059N



Chandranshu Agrawal

Partner

Membership Number: 539705

New Delhi

22nd May 2017

R K A & Co

Chartered Accountants

Annexure to the Independent Auditors' Report on Consolidated Financial Statements

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

Our reporting on the Order include the subsidiary company and associate company incorporated in India, to which the Order is applicable, which have been audited by other auditor and our report in respect of the entity is based solely on the reports of the other auditor, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- 1) In respect of the fixed assets of the Holding Company and subsidiary company does not hold any physical fixed assets. Thus paragraph 3(i) of the order is not applicable.
- 2) The Company is primarily non-banking finance company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- 3) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has granted loan, to another company, covered by clause (76) of Section 2 of the Companies Act, 2013.
 - a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- 4) According to the information and explanations given to us holding company and its subsidiary and on the basis of our examination of the records of the Company, in respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- 5) The company has not accepted any deposits from public as envisaged under section 73 to 76 of Companies Act, 2013.
- 6) The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act for any services rendered by the company.



R K A & Co
Chartered Accountants

- 7) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- b. According to the information and explanations given to us, no amounts payable in respect of income tax, and other material statutory dues and so no amount was in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of service tax and income tax which have not been deposited with the appropriate authorities on account of any dispute.
- 8) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) According to the information and explanations given to us, no material fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid any managerial remuneration.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



R K A & Co
Chartered Accountants

16) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

For

R K A & Co

Chartered Accountants

Firm's Registration Number: 013059N

A circular stamp of RKA & Co Chartered Accountants, New Delhi, is overlaid on the signature. The stamp contains the text 'RKA & Co', 'Chartered Accountants', 'New Delhi', and '013059N'.

Chandranshu Agrawal

Partner

Membership Number: 539705

New Delhi

22nd May 2017

N.K.TEXTILE INDUSTRIES LIMITED
Consolidated Balance Sheet as at 31st March 2017

(Amount in Rs.)

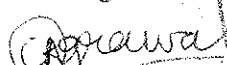
| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 |
|--|----------|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 8,398,320 | 8,398,320 |
| Reserves and surplus | 3 | 307,753,027 | 162,878,169 |
| Minority interest | | 7,153,140 | 981,432 |
| Non-current liabilities | | | |
| Long-term provision | 4 | 18,754 | 10,790 |
| Current liabilities | | | |
| Other current liabilities | 5 | 209,893 | 70,911 |
| TOTAL | | 323,533,134 | 172,339,622 |
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill on Consolidation | | 9,495,356 | 81,212 |
| Deferred tax assets (net) | 6 | 567 | - |
| Non-current investments | 7 | 261,191,955 | 156,616,273 |
| Current assets | | | |
| Cash and cash equivalents | 8 | 44,192,207 | 12,551,779 |
| Short term loans and advances | 9 | 8,137,000 | 3,000,000 |
| Other current assets | 10 | 516,049 | 90,358 |
| Accompanying notes 1 to 20 form part of the Financial Statements | | | |
| TOTAL | | 323,533,134 | 172,339,622 |

As per our report of even date attached

For RKA & Co

Chartered Accountants

Firm Registration No.: 013059N



Chandranshu Agrawal

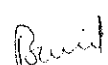
Partner

Membership No.539705

Place : New Delhi

Dated : 22.05.2017

For and on behalf of the Board of Directors



Balbir Singh

Director

DIN No. 00027438



Manish Buttan

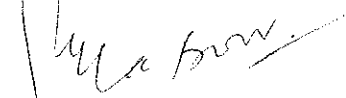
Company Secretary



Sanjay Kumar Gupta

Director

DIN No. 00027728



Surindra Kapoor

Chief Financial Officer

N.K.TEXTILE INDUSTRIES LIMITED
Consolidated Statement of Profit and loss for the year ended 31st March 2017

(Amount in Rs.)

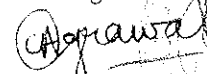
| Particulars | Note No. | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|----------|--------------------------------------|--------------------------------------|
| INCOME: | | | |
| Revenue from operations | 11 | 18,732,471 | 438,886 |
| Other income | 12 | - | 45,506 |
| Total Revenue | | 18,732,471 | 484,392 |
| EXPENSES: | | | |
| Other expenses | 13 | 1,872,684 | 1,132,013 |
| Employee benefit expenses | 14 | 592,400 | 531,000 |
| Total Expenses | | 2,465,084 | 1,663,013 |
| Profit / (Loss) before tax | | 16,267,387 | (1,178,621) |
| Tax expense: | | | |
| Provision against Standard assets | | 7,964 | - |
| Current tax | | 654,977 | 7,537 |
| Deffered tax | | 87 | - |
| Less: provision for tax relating to prior years provided | | 50,467 | - |
| Profit after tax but before result of associates and minority interests | | 15,553,892 | (1,186,158) |
| Share of Net profit of associate | | 18,292,709 | 14,557,525 |
| Profit after tax but before minority interests | | 33,846,601 | 13,371,367 |
| Minority interest for the year | | 2,471,743 | 3,054 |
| Net Profit / (Loss) | | 31,374,858 | 13,368,313 |
| Earnings per Equity Share | | | |
| (1) Basic | | 37.36 | 15.92 |
| (2) Diluted | | 37.36 | 15.92 |
| Accompanying notes 1 to 20 form part of the Financial Statements | | | |

As per our report of even date attached

For RKA & Co

Chartered Accountants

Firm Registration No.: 013059N



Chandanshu Agrawal

Partner

Membership No.539705

Place : New Delhi

Dated : 22.05.2017

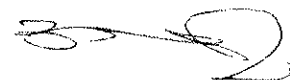
For and on behalf of the Board of Directors



Balbir Singh

Director

DIN No. 00027438



Sanjay Kumar Gupta

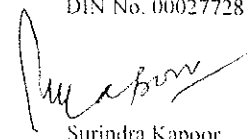
Director

DIN No. 00027728



Manish Bultan

Company Secretary



Surindra Kapoor

Chief Financial Officer

N.K.TEXTILE INDUSTRIES LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2017

| Particulars | For the year ended 31.03.2017 | For the year ended 31.3.2016 |
|---|----------------------------------|---------------------------------|
| (Amount in Rs.) | | |
| A. Cash flow from operating activities | | |
| Net profit / (loss) before taxation, and extraordinary items | 16,267,387 | (1,178,621) |
| Adjustments for: | | |
| Interest income | (1,496,615) | (438,886) |
| Operating profit before working capital changes | 14,770,772 | (1,617,507) |
| Decrease / (Increase) loans and advances | (29,571) | - |
| Increase / (Decrease) in current liabilities | 1,564 | 20,633 |
| Tax receivable, provision, adjusted for earlier years | (34,840) | - |
| Cash generated from operations | 14,707,925 | (1,596,874) |
| Direct Tax paid | (772,435) | 14,521 |
| Net cash flow from operating activities | 13,935,490 | (1,582,353) |
| B. Cash Flows from investing activities | | |
| Proceeds from issue of share capital | 113,500,000 | 996,073 |
| Loan receive back | (4,500,000) | 1,000,000 |
| Interest received | 1,502,204 | 719,065 |
| Purchase of investment | (113,615,174) | (501,250) |
| Proceeds from sale of investments | - | 10,585,000 |
| Net cash flow from investing activities | 10,822,520 | 11,216,535 |
| C. Cash Flows from financing activities | | |
| Net increase / (decrease) in cash and cash equivalents (A + B + C) | 10,822,520 | - |
| Cash and cash equivalents at the beginning of the year * | 33,369,687 | 1,335,243 |
| Cash and cash equivalents at the end of the year | 44,192,207 | 12,551,778 |
| Components of cash and cash equivalents: | | |
| Cash and cheques on hand | 9,902 | 2,295 |
| With banks - in current account | 44,182,305 | 12,549,483 |
| | 44,192,207 | 12,551,778 |

* Includes Rs 20817009 pertaining to Subsidiary

As per our report of even date attached

For RKA & Co

Chartered Accountants

Firm Registration No.: 013059N



Chandranshu Agrawal

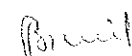
Partner

Membership No. 539705

Place : New Delhi

Dated : 22.05.2017

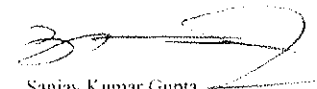
For and on behalf of the Board of Directors



Balbir Singh

Director

DIN No. 00027438



Sanjay Kumar Gupta

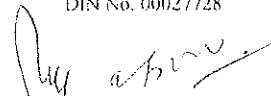
Director

DIN No. 00027728



Manish Buttan

Company Secretary



Surindra Kapoor

Chief Financial Officer

N.K TEXTILES INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. (A) Significant Accounting Policies

1) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2) Use of estimates

The preparation of financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results may differ from these estimates. Any revision to the accounting estimates or difference between the estimates and the actual results are recognised in the periods in which the results are known/materialise or the estimates are revised.

3) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents highly liquid funds and are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

5) Revenue recognition

All Income and Expenses are accounted on mercantile basis. Receipts on account of Professional fees are recognized at the point of raising the invoice to the customers and are exclusive of service tax where applicable. Income from bank deposits is recognized on an accrual basis.

6) Other income

Income from investments and interest income is accounted for on accrual basis. Dividend income is accounted for when the right to receive it is established.



N.K TEXTILES INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7) Provisions and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a permanent obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes.

8) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

9) Taxes on income

Provision for current tax for the period is based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences between taxable income and accounting income and is measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.



N.K.TEXTILE INDUSTRIES LIMITED

2. Share capital

| Particulars | (Amount in Rs.) | | | |
|---|-----------------------|------------|---------------------|------------|
| | As at 31st March 2017 | | As at 31 March 2016 | |
| | Number | Amount | Number | Amount |
| Authorised Capital | | | | |
| Equity Shares of Rs. 10/- each | 1,000,000 | 10,000,000 | 1,000,000 | 10,000,000 |
| Preference Shares of Rs. 10/- each | 500,000 | 5,000,000 | 500,000 | 5,000,000 |
| | 1,500,000 | 15,000,000 | 1,500,000 | 15,000,000 |
| Issued, Subscribed & Paid up Capital | | | | |
| Equity Shares of Rs. 10/- each | 839,832 | 8,398,320 | 839,832 | 8,398,320 |
| Total | 839,832 | 8,398,320 | 839,832 | 8,398,320 |

(i) Reconciliation of equity shares outstanding at the beginning and at the end of reporting period

| Particulars | Equity Shares | |
|---|---------------|-----------|
| | Number | Amount |
| Shares outstanding at the beginning of the year | 839,832 | 8,398,320 |
| Shares issued during the year | - | - |
| Shares outstanding at the end of the year | 839,832 | 8,398,320 |

(ii) Disclosure pursuant to Note no. 6(A)(g) and 6(A)(f) of Part I of Schedule III to the Companies Act, 2013

| Name of Shareholder | As at 31 March 2017 | | As at 31 March 2016 | |
|--|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| K.K.Modi Investment & Financial Services Pvt Ltd | 373,012 | 44.42 | 373,012 | 44.42 |
| HMA Udyog Private Limited | 250,000 | 29.77 | 250,000 | 29.77 |
| Azure Prodets Private Limited | 98,720 | 11.75 | 98,720 | 11.75 |
| Narayan Sales Private Limited | 60,050 | 7.15 | 60,050 | 7.15 |
| Trend Agencies Private Limited | 57,950 | 6.90 | 57,950 | 6.90 |



N.K.TEXTILE INDUSTRIES LIMITED

3. Reserves and surplus

(Amount in Rs.)

| Particulars | As at March 31st, 2017 | As at March 31st, 2016 |
|---|---------------------------|---------------------------|
| General Reserve | | |
| Opening Balance | 23,971,347 | 23,971,347 |
| Closing Balance | 23,971,347 | 23,971,347 |
| Statutory reserve fund* | | |
| Opening Balance | 35,065 | 35,065 |
| | 35,065 | 35,065 |
| Amalgamation Reserve | | |
| Opening Balance | - | - |
| (-) Current Year Transfer | 113,500,000 | - |
| | 113,500,000 | - |
| Capital Reserve fund | | |
| Group's share of associate (as on the date of acquisition i.e. 30.05.2014) | 113,157,549 | 113,157,549 |
| Closing Balance | 113,157,549 | 113,157,549 |
| Surplus | | |
| Opening balance | 25,714,208 | (937,919) |
| (-) Net Profit (Net Loss) for the current year | 31,374,858 | 13,368,313 |
| (-) Group's share of associate (after the date of acquisition, upto 31.03.2015) | - | 13,283,814 |
| (-) Minority interest in pre-acquisition profit | - | 978,378 |
| (-) Minority interest in pre-acquisition profit transferred to Balance Sheet | - | (978,378) |
| | 57,089,066 | 25,714,208 |
| Total | 307,753,027 | 162,878,169 |

* Statutory reserve created under section 45-IC of the Reserve Bank of India Act, 1934

4. Long term provisions

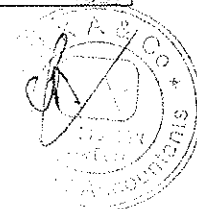
(Amount in Rs.)

| Particulars | As at March 31st, 2016 | As at March 31st, 2015 |
|--|---------------------------|---------------------------|
| Contingent provision against standard assets | 18,754 | 10,790 |
| Total | 18,754 | 10,790 |

5. Other current liabilities

(Amount in Rs.)

| Particulars | As at March 31st, 2016 | As at March 31st, 2015 |
|-----------------------------|---------------------------|---------------------------|
| Audit fee payable | 49,450 | 19,886 |
| Sec. Audit fees payable | 7,500 | 7,500 |
| Internal Audit fees payable | 5,750 | - |
| Sundry Creditors | 139,293 | 43,525 |
| Statutory dues payable | 7,900 | - |
| Total | 209,893 | 70,911 |



6)

FIXED ASSETS FOR THE YEAR ENDING 31.03.2017
 Depreciation As per Income Tax Rule, 1962

| Particular | WDV As at 01.04.2016 | Addition Before Sept 2016 | Addition After Sept 2016 | Total As on 31.03.2017 | Deletion Before Sept | Deletion After Sept | Rate of Depreciation | Depreciation for the year | WDV as at 31.03.2017 |
|---------------------|----------------------|---------------------------|--------------------------|------------------------|----------------------|---------------------|----------------------|---------------------------|----------------------|
| Furniture & Fixture | 2,121 | - | - | 2,121 | - | - | 10% | 212 | 1,909 |
| Total | 2,121 | - | - | 2,121 | - | - | | 212 | 1,909 |

Note - 8 Deferred Tax

Calculation of Deferred Tax

Deferred Tax Liability/(Assets)

Net Block of FA as per BOOK

Net Block of FA as per IT Act

TOTAL

Deferred Tax Assets as on 31.03.2017

Opening Deferred Assets

Provision during the year

0
 1909
 -1909

-590
 -655
 -65



N.K. TEXTILE INDUSTRIES LIMITED

7. Non-current investments

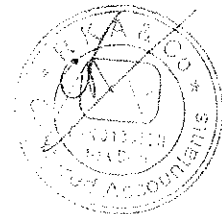
| Particulars | (Amount in Rs.) | |
|----------------------------------|----------------------|----------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| Other Investments | | |
| Investment in Equity Instruments | 261,191,955 | 156,616,273 |
| Total | 261,191,955 | 156,616,273 |

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| Aggregate amount of quoted investments - Equity shares | 6,959,705 | - |
| Aggregate amount of unquoted investments - Equity shares | 254,232,250 | 156,616,273 |
| | 261,191,955 | 156,616,273 |

Details of Other Non-Current Investments:

| Sr. No. | Name of the Body Corporate | Face value per share | No. of Share / Unit | | (Amount in Rs.) | |
|---------|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| (a) | Investment in Equity Instruments - Quoted, fully paid up | | | | | |
| | Modi Rubber Limited | 10 | 126,007 | - | 1,961,184 | - |
| | Modi Pon Limited | 10 | 460,334 | - | 4,603,340 | - |
| | Godfrey Phillips India Ltd | 10 | 105,452 | - | 391,881 | - |
| | Rswm Ltd | 10 | 264 | - | 1,538 | - |
| | Vardhman Textiles Ltd | 7 | 294 | - | 1,762 | - |
| | Total (a) | | | | 6,959,705 | - |
| (b) | Investment in Equity Instruments - Unquoted, fully paid | | | | | |
| | HMA Udyog Private Limited* | 10 | 400,000 | 400,000 | 10,305,700 | 10,305,700 |
| | Group's Share of profit for the year upto 31.3.2016 | | | | 140,998,888 | 140,998,888 |
| | Group's Share of profit for the year 31.3.2017 | | | | 18,292,799 | - |
| | International Research Park Lab Ltd | 10 | 37,500 | 37,500 | 2,255,625 | 2,255,625 |
| | Modi Distillery & Allied India pvt ltd | 10 | 3 | - | 30 | - |
| | Willot (India) Ltd | 10 | 6,250 | - | 62,500 | - |
| | K K Modi Investment and Financial Services Pvt. Ltd. | 10 | 37,819 | 37,819 | 3,056,060 | 3,056,060 |
| | Modi Industries limited | 10 | 1,700 | - | 1,735 | - |
| | Indofil Industries Limited | 10 | 1,962,500 | - | 72,925,723 | - |
| | Sub total (b) | | | | 247,898,970 | 156,616,273 |
| (c) | Investment in Equity Instruments - Unquoted, partly paid up | | | | | |
| | Indofil Industries Limited | 3 | 79,166 | - | 6,333,280 | - |
| | Total (c) | | | | 6,333,280 | - |
| | Total (a + b+c) | | | | 261,191,955 | 156,616,273 |

* Associate Company



N.K.TEXTILE INDUSTRIES LIMITED

8. Cash and Cash equivalents

(Amount in Rs.)

| Particulars | As at March 31st, 2017 | As at March 31st, 2016 |
|-----------------------------|---------------------------|---------------------------|
| Cash on hand | 9,902 | 2,295 |
| Balances with banks: | | |
| In current accounts | 369,599 | 21,835 |
| In Fixed deposit | 43,812,706 | 12,527,649 |
| Total | 44,192,207 | 12,551,779 |

9. Short term loans and advances

(Amount in Rs.)

| Particulars | As at March 31st, 2017 | As at March 31st, 2016 |
|------------------------------|---------------------------|---------------------------|
| Modicare Limited | 7,500,000 | 3,000,000 |
| Modi Spg & Wvg Mills Co. Ltd | 637,000 | - |
| Total | 8,137,000 | 3,000,000 |

10. Other current assets

(Amount in Rs.)

| Particulars | As at March 31st, 2017 | As at March 31st, 2016 |
|-----------------------------------|---------------------------|---------------------------|
| Interest receivable | 362,306 | 38,447 |
| Tax receivable (net of provision) | 153,743 | 51,911 |
| Total | 516,049 | 90,358 |

11. Revenue from operations

(Amount in Rs.)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---------------------|--------------------------------------|--------------------------------------|
| Interest from bank | 2,611,756 | 115,142 |
| Interest from other | 506,836 | 323,744 |
| Dividend income | 15,613,879 | - |
| Total | 18,732,471 | 438,886 |

12. Other income

(Amount in Rs.)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|----------------------|--------------------------------------|--------------------------------------|
| Miscellaneous Income | - | 45,506 |
| Total | - | 45,506 |



13. Employee benefit expenses

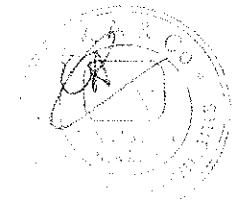
(Amount in Rs.)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--------------|--------------------------------------|--------------------------------------|
| Salary | 592,400 | 531,000 |
| Total | 592,400 | 531,000 |

14. Other expenses

(Amount in Rs.)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|------------------------|--------------------------------------|--------------------------------------|
| Advertisement | 21,000 | 38,056 |
| Accounting charges | 96,000 | - |
| Statutory Audit Fees | 55,264 | 15,074 |
| Roe Fees | 9,000 | - |
| Internal Audit Fees | 8,250 | 5,618 |
| Secretarial Audit fees | 7,500 | 7,500 |
| Dematerialisation Fees | 1,718 | 31,635 |
| Filing fees | 1,055,000 | 11,700 |
| Listing Fees | 17,500 | 34,240 |
| Professional Fees | 301,937 | 937,181 |
| Service Charges | - | 12,628 |
| Miscellaneous Expenses | 49,927 | 2,425 |
| Revocation charges | - | 35,500 |
| Bank charges | 3,144 | 456 |
| Rent paid | 97,760 | - |
| Stamp duty | 113,500 | - |
| subscription Fees | 28,625 | - |
| EDP Charges | 6,559 | - |
| Total | 1,872,684 | 1,132,013 |



N.K TEXTILES INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

N.K TEXTILES INDUSTRIES LIMITED

15. BASIS OF CONSOLIDATION

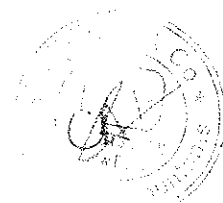
The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21)-"Consolidated Financial Statements" and Accounting Standard 23 (AS 23) – "Accounting for Investments in Associates in Consolidated Financial Statements" notified under Rule 3 of the Companies (Accounting Standards) Rules , 2006.

a) Principles of consolidation

The consolidated financial statements relate to N.K Textiles industries Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
 - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
 - The excess of cost to the Company of its investment in a subsidiary company over the Company's portion of the equity of the subsidiary at the date on which investment in subsidiary is made is recognized in the financial statements as goodwill.
- b) The subsidiar (which along with N.K Textiles industries Limited, the Parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

| Name | Country of incorporation | Percentage of voting power as March 31, 2017 % |
|--|--------------------------|--|
| Rajputana Developers Ltd (Subsidiary) | India | 81.88 |
| Super investment (India) Ltd (Subsidiary) | India | 88.46 |
| HMA Udyog (P) Ltd (Associate) | India | 40.00 |



N.K TEXTILES INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries, on the audited financial statements prepared for consolidation in accordance with the requirements of AS 21 and AS 23 by the aforesaid entity.

C) The proportionate share of profit/loss for the year under review in an associate pertaining to the group is recognized in the consolidated financial statement of the group. The group's share of profit/loss for the year is recognized in the profit and loss account and the value of investment of the group in an associate is adjusted in the Balance sheet (Refer note 7) at the year end.

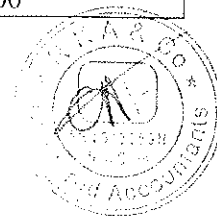
16. In opinion of the Board, the current assets and loans and advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

17. Earnings per share as per Account Standards (AS-20) has been computed as under:

| | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|--|-------------------------------------|-------------------------------------|
| (a) Net profit / (loss) as per profit and loss statement (Rupees) | 31,374,858 | 1,33,68,313 |
| (b) Weighted average number of Equity shares | 8,39,832 | 8,39,832 |
| (c) Basic and diluted earnings per share- (Face value of share Rs. 10 each) | 37.36 | 15.92 |

18 The Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

| | SBNs | Other denomination notes | Total |
|---------------------------------------|------|--------------------------------|---------|
| Closing cash in hand as on 08.11.2016 | - | 9902.00 | 9902.00 |
| (+) Permitted receipts | - | - | - |
| (-) Permitted payments | - | - | - |
| (-) Amount deposit in Banks | - | - | - |
| Closing Cash in hand as on 30.12.2016 | - | 9902.00 | 9902.00 |




N.K TEXTILES INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

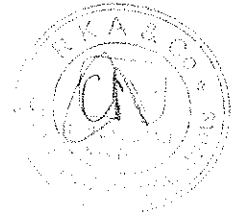
19. The Previous year's figures represents standalone figures of the company as the consolidated Balance sheet has been prepared for the first time during the year under review.

20. The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

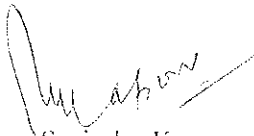
For and on behalf of the Board of Director


Sanjay Kumar Gupta
Director
DIN. 00027728


Balbir Singh
Director
DIN. 00027438




Manish Buttan
Company Secretary


Surindra Kapoor
Chief Financial Officer

Place: New Delhi
Date: 22-05-2017

