



URBAKNITT FABS LIMITED

(Formerly Known as PANKAJ POLYPACK LIMITED)

**7th Annual Report
2017-18**

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Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by Companies through electronic made. In accordance with the circulars issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic made to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants and in respect of physical holdings with the Company.



Board of Directors

Shri. Manoj Kumar Dugar	Chairman & Managing Director
Shri. Rajesh Kumar Dugar	Director
Dilip Kumar Surana	Director
Shri. Naresh Kathotia	Director
Shri Arvind Surana	Director
Smt Renu Dugar	Director

Audit Committee:

Shri. Naresh Kathotia	Chairman
Shri Dilip Kumar Surana	Member
Shri. Manoj Kumar Dugar	Member

Registered Office

Shyam Arihant, Plot No- 10 & 11,
MCH No 1-8-304 to 307
Pattigadda Road, Hyderabad- 500003 Telangana

Auditors

M/s Luharuka & Associates 5-4-184/3&4, Soham Mansion
2nd Floor, M.G. Road Secunderabad, Telangana-500003

Internal Auditor

Suresh Chand Agrawal
No.6, 2nd Floor, Hydri Complex,
5-5-109 to 132, Pan Bazar Road,
Raniganj, Secunderabad-500003

Secretarial Auditor

Y Koteswara Rao
H.No.48-345, Ganesh Nagar Colony,
Chinthal, HMT Road,
Hyderabad, Telangana-500054

Listing

BSE Limited (BSE)
Mumbai

Works

Plot No. 14, CIE, Expansion
Programme Gandhi Nagar,
Balangar, Hyderabad,
Telangana- 500037.

Nomination and Remuneration Committee

Shri. Dilip Kumar Surana - Chairman
Shri. Arvind Surana - Member
Shri. Naresh Kathotia - Member

Stakeholder Relationship Committee

Shri. Arvind Surana - Member
Shri. Dilip Kumar Surana - Chairman
Shri. Naresh Kathotia - Member

Company Secretary and Compliance officer

Mr. D. Giridhar Reddy

Bankers

Industrial Development Bank of India Limited
H.No.3-3-54/A, Kachiguda Station Road
Hyderabad, Telangana-500027

Share Transfer Agents

M/s Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Finance District, Nanakramguda,
Hyderabad, Telangana-500032



NOTICE

Notice is hereby given that the 7th Annual General Meeting of the members of M/s Urbaknitt Fabs Limited (formally Known as Pankaj Polypack Limited) will be held on Saturday, the 29th day of September 2018 at 11:00 A.M. at Lions Bhavan, IIIrd Floor, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad-500003 to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:
 - (a) “**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
 - (b) “**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
2. To appoint M/s. Luharuka & Associates, Chartered Accountants, Hyderabad (Reg. No.01882S) as Statutory Auditors of the Company to hold office from conclusion of 7th Annual General Meeting until the conclusion of the 12th Annual General Meeting and authorize the Board of Directors of the Company to fix their remuneration by passing an Ordinary Resolution.
3. To appoint a Director in place of Mrs. Renu Dugar (DIN: 00235675), who retires by rotation and, being eligible, seeks re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Renu Dugar (DIN: 00235675), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

4. **Advance Loans, provide guarantee/security and make investment in excess of the prescribed limit:**

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

“**RESOLVED THAT** pursuant to provision of section 186 of Companies Act, 2013 and other applicable provisions, if any, the consent of the members of the company be and is hereby accorded to give loans, provide guarantee/security and make investments in excess of the prescribed limit of a sum not exceeding Rupees 100 crore (Rupees One Hundred Crore) by way of giving loans, guarantees to associate Companies and/or other Body Corporate, providing guarantee/security for and/on behalf of its Subsidiary Company and invest by way of subscription and/or purchase of Shares /Debentures/Bonds, notwithstanding that such investments or such investments together with the Company’s existing investments in all other body corporate shall be in excess of the limits prescribed under section 186 of the Act.



5. Loans to Directors/Interested Parties:

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

“RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions if any, of the Companies Act, 2013 and rules made there under and as may be amended from time to time (‘the Act’), consent of the members of the Company, be and is hereby accorded to grant loan or give guarantee or provide security in respect of any loan to any associate , subsidiary , group company or any other company in which Directors of the company are interest , up to an amount of Rs. 100 crore, from time to time and that the resolution is subject to Section 185 being amended with provisions enabling granting of such loan, giving guarantee or providing security in respect of any loan to any associate , subsidiary , group company or any other company in which Directors of the company are interest.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

6. Related Party Transactions:

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 the SEBI(LODR) read together with Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meeting of Board and its Power) Rule, 2014 and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), subject to compliance of all applicable laws and regulations, the consent of members of the Company by means of Special Resolution be and is hereby accorded to the Board of Directors to ratify existing contracts and enter into contracts and/or arrangements with any company in which Directors, associates their relatives and associated companies/persons as defined under the Act the details of which are mentioned in the Explanatory Statements of this resolution and as board of directors deems fit to sell, purchase or supply of any goods or materials and to render or avail any service of any nature upto Rupees 100 crore (Rupees One Hundred Crore) or such other amount, as the Board in its discretion deem proper, as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the Chairman for the purpose of identification and in such form and manner as it may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, to sign and execute all deeds, applications, documents, and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for purpose of giving effect to this Resolution.”

**By Order of the Board
For Urbaknitt Fabs Limited
(formerly known as Pankaj Polypack Limited)**

Sd/-

**Giridhar Reddy Damegunta
Company Secretary**

**Place: Secunderabad
Date: 01.09.2018**



Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/herself. Such a proxy need not be a member of the company.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Proxies in order to be effective must be received by the Company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain closed **from Saturday, 23rd September, 2018 to Friday, 29th September, 2018 (both days inclusive).**
4. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is not applicable.
5. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. In case you are holding Company's shares in physical form, please inform Company's STA viz. M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Telangana by enclosing a photocopy of blank cancelled cheque of your bank account.
6. M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Telangana, the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.

Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. up to the date of the meeting.
9. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting.
10. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
11. 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 details to the Company / STA.
12. Electronic copy of the Annual Report for 2017-18 which includes Notice of the 7th Annual General Meeting, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode.



13. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, the company is pleased to offer e-voting facilities to the members to cast their votes electronically on all resolutions set forth in this notice.

Members who do not have e-voting facility can take the benefit of ballot form enclosed herewith.

Complete instructions on e-voting and ballot are annexed herewith and forms part of this notice.

The instructions for e-Voting are as under:

- a) Launch internet browser by typing the following URL: <https://evoting.karvy.com>.
- b) User ID and Password for e-voting is provided in the table given at the bottom of this document.
- c) Click on Shareholder – Login.
- d) Enter user ID and password as initial password /PIN. Click login.
- e) The Password Change Menu will appear on your screen. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. 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 e-voting opens. Click on e-voting: Active Voting Cycles.
- g) Select the “EVEN” (e-voting Event Number) of Pankaj Polypack Limited.
- h) Now you are ready for e-voting as Cast Vote page opens.
- i) Cast your vote by selecting an 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) Corporate/ Institutional shareholders (i.e. other than individuals, HUFs, NRIs 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: info@urbaknitt.com with a copy marked to evoting@karvy.com.
- m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com> alternatively you can also contact evoting@karvy.com for any queries or grievances connected with remote e-voting service.

Other Instructions:

- (i) If you are already registered with Company’s Registrar and Share Transfer Agent, Karvy Computershare Private Limited (Karvy) for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (ii) 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).
- (iii) The facility of the Ballot paper shall be made available at the meeting 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.
- (iv) Members who have acquired shares after the dispatch of Notice of AGM and holding shares as on **cut-off date i.e. Friday, 22nd September, 2017**, may obtain the user ID and Password by sending a request at evoting@karvy.com.



However, if you are already registered with Karvy Computershare Private Limited for remote e-voting, then you can use your existing user ID and Password /PIN for casting your vote. If you have forgotten your password, you can reset your password by using “Forgot User Details/ Password” option available on <https://evoting.karvy.com> or contact Karvy at (040) 6716 1606 or at toll free number 1800 3454 001. Alternatively, you can also contact on evoting@karvy.com for any queries or grievances connected with remote e-voting service.

- (v) The remote e-voting period shall commence on **Wednesday, 26th of September, 2018 (9.00 a.m. IST) and ends on Friday, 28th September, 2018 (5.00 p.m. IST)**. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the **cut-off date of Friday, 22nd of September, 2018**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy Computershare Private Limited for voting thereafter. Once the vote on a resolution is cast by the shareholder, Member shall not be allowed to change it subsequently.
- (vi) Mr. Naresh Tiwari, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process, in a fair and transparent manner.
- (vii) The scrutinizer shall, immediately after the conclusion of voting at the 07th AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in presence of at least two (2) witnesses not in the employment of the Company and make within a period not exceeding three (3) days from conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman & Managing Director of the Company or person authorized by him of the Company.
- (viii) The results shall be declared after receiving consolidated Scrutinizer’s Report from the Scrutinizer. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.urbaknitt.com and on the websites of Company’s Registrar and Share Transfer Agent, Karvy Computershare Private Limited (Karvy) <https://evoting.karvy.com> immediately after the declaration of the results by the Chairman & Managing Director or person authorized by him and forwarded to the BSE Limited (Stack Exchange) where the shares of the Company are listed.
- (xi) The resolutions passed by members through e-voting is / are deemed to have been passed, as if, they have been passed at the AGM.
- (x) Securities of listed companies can be transferred only in dematerialised form from December 5, 2018 as notified by SEBI on June 8, 2018. In view of this and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

Annexure to the Notice dated 1st September 2018

Details of Directors retiring by rotation / seeking re-appointment at the Meeting

Name of Director	RENU DUGAR
Date of Birth	08/02/1971
Qualifications	Graduate
Date of first appointment on the Board	17/12/2015
Relationship with other Directors/Key Managerial Personnel	Wife of Mr. Manoj Kumar Dugar, Chairman and Managing Director. There are no inter-se relationship between the other Board members and Key Managerial Personnel
Number of meetings of the Board attended during the financial year (2017-18)	5 (Five)
Expertise in specific functional area	Investment



Profile	She has an active participation in one of the investment company of the Group, Defodil Dealcom Private Limited. Having positive approach, she has been a strong pillar to the Dugar Family and its business. Apart from taking care of the family, she ensures the smooth working of the day to day affairs of the organization.
Board membership of other Indian Companies as on March 31,2018	2 (Two)
Chairman/member of the Committee of the Board of Directors of the Company	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	NIL
Number of shares held in the company as on March 31, 2018	215360 equity shares of Rs. 10/- constituting to 7% of the paid up capital of the company.

Explanatory Statement as required under Section 102 of the Companies Act, 2013.

In respect of Item No. 4:

As on date the Company deals in the core business of shade nets, safety nets and technical fibres, therefore the need arises to make investments which may exceed the prescribed limit u/s 186 of Companies Act, 2013. Since the Company wants to utilize its full potential of growth and development by investing its funds in excess of prescribed limit specified in section 186 of the Act, approval of the shareholders of the Company is required by way of Special Resolution to give loans, provide guarantee/security and/or invest in the Shares/Debentures/Bonds of other Body Corporate which shall exceed the limits prescribed under specified section. The Board of Directors Recommend the Special Resolution for approval by the members.

None of the Directors except Mr. Manoj Kumar Dugar and Mrs. Renu Dugar are concerned or interested in this Resolution.

In respect of Item No. 5:

The Company has promoted a subsidiary company. The Company holds 99.70% of the equity capital that company. The Subsidiary is in its initial state of operations, it would require funds for its business operations. It is proposed to grant loan or give guarantee or provide security in respect of any loan granted to the subsidiary for its principal business activities. Section 185 of the Companies Act, 2013 in its current form, restricts granting of loan or giving guarantee or security in connection with a loan to certain category of persons.

However, the Companies (Amendment) Bill, 2016 which was placed before the Hon'ble Lok Sabha on 16th March, 2016 has proposed substitution of Section 185 the provisions of which, subject to members' approval, allows granting of loans or giving guarantee or security in connection with a loan. The resolution is subject to the Companies (Amendment) Bill, 2016 (with or without modifications) becoming an act and that Section 185 being amended with provisions enabling granting of such loan, giving guarantee or providing security in respect of any loan. Accordingly, the Board of Directors at its meeting held on 1st September, 2018, have recommended the Special Resolution at Item No. 5 for members' approval for granting such loan or giving guarantee or providing security in connection with any such loan to its subsidiary.

None of the Directors except Mr. Manoj Kumar Dugar and Mrs. Renu Dugar are concerned or interested in this Resolution.

In respect of Item No. 6:

The Provision of Section 188(1) of the Companies Act, 2013 that govern Related Party Transactions require a company to obtain prior approval of the Board of Directors and where the value of transactions entered or to be entered into exceeds the threshold limits as mentioned in the said section, prior approval of Shareholders by way of Special Resolution is required. Further third proviso of Section 188(1) provides that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.



The provisions of Section 188(3) also provide that any contract or arrangement entered into u/s 188(1) may be ratified by the Board or as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In light of provisions of the Companies Act, 2013 the Audit Committee and Board of Directors of your Company have approved the proposed transactions along with the limits that the Company may enter into with its Related Parties for the 5 (Five) Financial year starting on 2018-19 to 2022-2023.

Members are hereby informed that pursuant to second proviso to Section 188(1) of the Companies Act, 2013 as well as clause 49 of the Listing Agreement, no members of the Company shall vote on such special resolution, to approve any contract or arrangements which may be entered into by the Company, if such member is related party.

The Audit Committee and Board of Directors of your Company have approved these items in the Meeting held on 1st September 2018 and recommends the relevant resolution as set out in the accompanying notice for the approval of members of the Company as a Special Resolution.

None of the Directors except Mr. Manoj Kumar Dugar and Mrs. Renu Dugar are concerned or interested in this Resolution.

**By Order of the Board
For Urbaknitt Fabs Limited
(formerly known as Pankaj Polypack Limited)**

Sd/-

**Giridhar Reddy Damegunta
Company Secretary**

Place: Secunderabad

Date: 01.09.2018



Annexure -I

Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Introduction:

The Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

Applicable:

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

Guiding principle:

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Statutory Requirements:

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.



Directors:

As per the Policy followed by the Company since inception the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions.

Remuneration of Whole Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole Time Directors, the Nomination & Remuneration Committee (NRC) considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013 from time to time.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

Reward principles and objectives:

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Reward policies:

Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly.

The Whole Time Directors' remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc. as per Rules of the Company.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term.

The Whole Time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment provide for severance payments as per the Companies Act.

Key Managerial Personnel [KMP] Senior Management:

Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other senior management personnel is decided by the Managing Director (MD) on the recommendation of the Whole Time Director concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises of:



1. A fixed base salary - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. Perquisites – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. Retirement benefits - contribution to PF, superannuation, gratuity, etc. as governed by respective acts and rules prevailing in the Company from time to time.
4. Motivation /Reward - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by MD based on the appraisal and recommendation of the concerned Whole Time Director, where applicable.
5. Severance payments - in accordance with terms of employment, and applicable statutory requirements, if any.

Other employees:

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policies of motivation / reward / severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Removal:

The Committee may recommend, to the Board removal of a Director, KMP or Senior Management Personnel due to following reasons:

- Any disqualification
- Misconduct
- Breach of Contract or trust
- Conflict in interest
- Such recommendation to the Board shall be with reasons recorded in writing.

Disclosure of information:

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy:

This Remuneration Policy shall continue to guide all future employment of Directors, Senior Management including Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

Place: Secunderabad

Manoj Kumar Dugar
Chairman & Managing

Renu M Dugar
Director Director

Date: 01.09.2018



Annexure II
FORM NO- MR-3

Secretarial Audit Report

For The Financial Year Ended 31st March , 2018

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

To
The Members,
URBAKNITT FABS LIMITED,
(Formerly known as PANKAJ POLYPACK LIMITED),
Plot No 10 &11,MCH No 1-8-304 to 307/10 ,
Pattigadda Road, Hyderabad, - 500003.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Urbaknitt Fabs Limited (Formerly known as Pankaj Polypack Limited) (CIN: L17120TG2011PLC072532)**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Urbaknitt Fabs Limited (Formerly known as Pankaj Polypack Limited)** for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- 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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.



- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not Applicable during the audit period**);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (**Not Applicable during the audit period**)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (**Not Applicable during the audit period**)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**Not Applicable during the audit period**)

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time.
- ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

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

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda was sent in advance except when board meetings were called by giving less than seven days notice in accordance with the provisions of section 173 of the act 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 and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be and majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

I further report that as far as possible, 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.

However, there were no other specific major events that took place during the audit period such as mentioned below:

- (i) Public/Rights /debentures/sweat equity
- (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iii) Merger/amalgamation/reconstruction etc.
- (iv) Foreign technical collaborations

Place : Hyderabad
Date: 22-08-2018

Y.KOTESWARA RAO
Practicing Company Secretary ACS No. 3785
C.P. No.: 7427

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



‘ANNEXURE A’

To
The Members,
URBAKNITT FABS LIMITED,
(Formerly known as PANKAJ POLYPACK LIMITED),
Plot No 10 &11,MCH No 1-8-304 to 307/10 ,
Pattigadda Road, Hyderabad, - 500003.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad
Date: 22-08-2018

Y.KOTESWARA RAO
Practicing Company Secretary ACS No. 3785
C.P. No.: 7427



ANNEXURE-III

Information under section 134 of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming a part of Directors' Report.

Conservation of Energy

The Company is striving to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. The adoption of the above helps to control the proportionate increase in total energy usage consequent to overall increase in production. The total energy consumption is given as per form-A below:

FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy

PARTICULARS
POWER & FUEL CONSUMPTION
Electricity
a) Purchased
• Units
• Total Amount (Rs.)
• Rate Per Unit (Rs.)
b) Own Generation
• Through diesel generator
• Units (Litres)
• Total Cost (Rs.)
2. Coal (specify quality and where used)
• Quantity
• Total Cost (Rs.)
• Average Rate (Rs.)
3. Furnace Oil
• Quantity (Litres)
• Total Amount (Rs.)
• Average rate (Rs.)
4. Natural gas
• Quantity
• Total Amount (Rs.)
• Average rate (Rs.)
CONSUMPTION PER UNIT OF PRODUCTION:
The consumption of raw material per Kg. is



FORM B (See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption (R&D)

A. Research and Developed (R&D) -- NIL

B. Technology absorption, adoption and innovation - NIL

C. Foreign Exchange Earnings and Outgo:

		Amount in Rs.	Amount in Rs.
		2017-18	2016-17
Earnings	197392/-	70,20,000/-
Outgo	1,49,077/-	1,90,33,406/-

By Order of the Board
For Urbaknitt Fabs Limited
(formerly known as Pankaj Polypack Limited)

Place: Secunderabad
Date: 01.09.2018

Manoj Kumar Dugar
Chairman & Managing

Renu M Dugar
Director Director



ANNEXURE-IV
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17120TG2011PLC072532
2.	Registration Date	07/02/2011
3.	Name of the Company	URBAKNITT FABS LIMITED (Formerly Known as PANKAJ POLYPACK LIMITED)
4.	Category/Sub-category of the Company	COMPANY HAVING SHARE CAPITAL
5.	Address of the Registered office & contact details	Plot No 10 &11,MCH No 1-8-304 to 307/10, Pattigadda Road Hyderabad, Telangana, 500003. Email-Id: info@urbaknitt.com
6.	Whether listed company	YES (LISTED-IN- BSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s.Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana., Ph: 040 6716 1606 / 1602

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	Manufacture of Shade Nets, Safety Nets and Technical Fabrics	13919 13922 13923 13925	100

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate company	% Of Shares	Applicable Section
1	Morbido Merchandise Pvt Ltd Shyam Arihant, , 1-8- 304-7/10 &11, Pattigadda Road, Secunderabad Rangareddy TG 500003 IN	U17100TG2016PTC110537	Subsidiary	99.70	2(87)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup As Percentage Of Total Equity)

i. Category- Wise Shareholding Pattern

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters and Promoter Group									
(1) Indian									
a) Individual/ HUF	1911052	0	1911052	62.10	1911052	0	1911052	62.10	0
Central Govt	0	0	0	0	0	0	0	0	-
State Govt (s)	0	0	0	0	0	0	0	0	-
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	-
Any Other....(PAC)	0	0	0	0	0	0	0	0	-
Sub-total (A) (1) :-	1911052	0	1911052	62.10	1911052	0	1911052	62.10	0.34
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	-
b) Other – Individuals	0	0	0	0	0	0	0	0	-
c) Bodies Corp.	0	0	0	0	0	0	0	0	-
d) Banks / FI	0	0	0	0	0	0	0	0	-
e) Any Other....	0	0	0	0	0	0	0	0	-
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1911052	0	1911052	62.10	1911052	0	1911052	62.10	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Banks / FI	0	0	0	0	0	0	0	0	-
c) Central Govt	0	0	0	0	0	0	0	0	-
d) State Govt(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	-
i) Others (specify)	0	0	0	0	0	0	0	0	-
Sub-total (B) (1):-	0	0	0	0	0	0	0	0	-
2. Non Institutions									
a) Bodies Corp.	199980	5789	205769	6.69	143569	0	143569	4.67	(2.02)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	475342	122515	597857	19.43	648623	127379	776002	25.21	5.68
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	358890	0	358890	11.66	242835	0	242835	7.89	(3.77)
c) Others (specify)									
1. NRI	3268	0	3268	0.11	1393	0	1393	0.04	(0.07)
2. Clearing Members		662	662	0.02	0	1993	1993	0.06	0.04
Sub-total (B) (2):-	1036782	129666	1166448	37.90	1037488	127379	1166448	37.90	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	1036782	129666	1166448	37.90	1037488	127379	1166448	37.90	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	2947834	129666	3077500	100	2950121	127379	3077500	100	-



ii. Shareholding of Promoters/Promoters Group:

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RENU DUGAR	215360	7.00	0	215360	7.00	0	0
2	TARA DEVI DUGAR	369325	12.00	0	369325	12.00	0	0
3	MANOJ KUMAR DUGAR	256525	8.34	0	256525	8.34	0	0
4	RAJESH KUMAR DUGAR	276975	9.00	0	276975	9.00	0	0
5	RENU DUGAR	300362	9.76	0	300362	9.76	0	0
6	CHIRAG DUGAR	246250	8.00	0	246250	8.00	0	0
7	DIVAY DUGAR	246255	8.00	0	246255	8.00	0	0
	TOTAL	1911052	62.10	0	1911052	62.10	0	0

iii. Change in Promoter Shareholding (please Specify, if there is No Change): No Change

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of 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				
1	BALRAM CHAINRAI	294000	9.55	294000	9.55
2	BHARATHI ALLURI	0	0	45101	1.47
3	ALLURI SAHADEVA RAJU	0	0	34344	1.12
4	BHAGCHAND MAHESHWARI	40000	1.30	28752	0.93
5	MAYADEVI BIHANI	0	0	24890	0.81
6	ASHOK HUMAD	18750	0.61	19250	0.63
7	GUDIPUDI VEERAMATHA	24890	0.81	18000	0.58
8	NARAYAN PRASAD MUNDHRA	17761	0.58	17761	0.58
9	GUDIPUDI VENKATESWARA RAO	0	0	15000	0.49
10	A. INDIRA KUMARI	0	0	13982	0.45



v. Shareholding of Directors and Key Managerial Personnel:

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
1	Rajesh Kumar Dugar				
	At the beginning of the year	276975	9.00	276975	9.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Transfer/ Sell				
	At the End of the year	276975	9.00	276975	9.00
2	Arvind Surana				
	At the beginning of the year	0		0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): NIL	0		0	0
	At the End of the year	0		0	0
3	Renu Dugar				
	At the beginning of the year	215360		215360	6.99
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): Transfer/ Purchase				
	At the End of the year	215360		215360	6.99
4	Manoj Kumar Dugar				
	At the beginning of the year	256525		256525	8.34
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): Transfer/ Purchase	0		0	0
	At the End of the year	256525		256525	8.34
5	Manoj Kumar				
	At the beginning of the year	0		0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): NIL	0		0	0
	At the End of the year	0		0	0
6	Dilip Kumar Surana				
	At the beginning of the year	0		0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): NIL	0		0	0
	At the End of the year	0		0	0



V. INDEBTEDNESS (Indebtedness Of The Company Including Interest Outstanding/Accrued But Not Due For Payment):

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,35,989=00	-	-	5,35,989=00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,35,989=00	-	-	5,35,989=00
Change in Indebtedness during the financial year				
i) Addition	3,84,05,410=00	-	-	3,84,05,410=00
ii) Reduction	-	-	-	-
Net Change	3,84,05,410=00	-	-	3,84,05,410=00
Indebtedness at the end of the financial year				
i) Principal Amount	3,89,41,399=0	-	-	3,89,41,399=0
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,89,41,399=0	-	-	3,89,41,399=0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director :

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Manoj Kumar Dugar (MD)	Renu Dugar	Rajesh Kumar Dugar	
1.	Gross salary	12,00,000	-	-	12,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	-	-	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	-	-	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	-	-	0
2	Stock Option	0	-	-	0
3	Sweat Equity	0	-	-	0
4	Commission - as % of profit - others, specify...	0	-	-	0
5	Others, please specify	0	-	-	0
	Total (A)	12,00,000	-	-	12,00,000
	Ceiling as per the Act	As per Act	-	-	As per Act



B. Remuneration to other Directors :

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Dilip Kumar Surana	Naresh Kathotia	Manoj Kumar	Arvind Surana	
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	--
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	--
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	--
	Total Managerial Remuneration	-	-	-	-	--
	Overall Ceiling as per the Act	-	-	-	-	--

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,86,450	0	1,86,450
	(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, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	1,86,450	0	1,86,450



VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENSES

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

By Order of the Board
For Urbaknitt Fabs Limited
(formerly known as Pankaj Polypack Limited)

Place: Secunderabad
Date: 01.09.2018

Manoj Kumar Dugar
Chairman & Managing

Renu M Dugar
Director Director



Annexure- V

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange)

1. A brief statement on Company's philosophy on Corporate Governance

The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of affairs of the Company and help the Company to achieve the goal of maximizing value for all its stake owners. Your Company's business objective is to manufacture and market the Company's product in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees & business partners. Your Company is conscious of the fact that the success of a Company is a reflection of the professional conduct and ethical values of its management & employees. Your Company affirms its commitment to follow good corporate governance practices proactively.

2. Board of Directors

- (i) **Composition of Board:** As on 31st March 2018, the Board consists of Six Directors. The Company has an optimum combination of Executive and Non-Executive Directors with one Woman Director. One half of the Board of Directors of the Company comprise of independent directors. The composition of the Board is in conformity with Clause 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges.
- (ii) **Board and Committee Meetings:** None of the Directors on the Board is a member of more than 10 companies or Chairman of more than 5 committees across all the companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as at 31st March 2018 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of directorships and committee memberships held by them in other companies are given below:

Name	Category	No. of Board Meetings During the year 2017-18		Whether attended last AGM or not held on 29th September 2017	No. of Directorships in all other Companies	No. of Committee positions held	
		Held	Attended			Chairman	Member
Mr. Manoj Kumar Dugar	Promoter Managing Director	5	5	Yes	5	Nil	1
Mrs. Renu Dugar	Promoter Non Independent Women Director	5	5	Yes	3	Nil	Nil
Mr. Rajesh Kumar Dugar	Promoter Non Independent Director	5	5	No	5	Nil	Nil
Mr. Dilip Kumar Surana	Independent Director	5	5	Yes	3	1	3
Mr. Manoj Kumar\$	Independent Director	5	5	Yes	4	1	3
Mr. Naresh Kathotia\$\$	Independent Director	0	0	No	0	1	3
Mr. Arvind Surana	Independent Director	5	5	Yes	4	1	2

\$ Resigned on 10/02/2018

\$\$ Appointed on 10/02/2018



- (iv) Five (5) Board Meetings were held during the year 2017-18 and the gap between 2 meetings did not exceed 120 days. The dates on which the Board Meetings held were 30th May 2017, 11th August 2017, 1st September 2017, 8th December 2017 and 10th February, 2018.
- (v) During the year, Mr. Manoj Kumar, Independent directors, resigned from the office on the 10th February 2018 citing personal preoccupations.

3. Code of Conduct

The Code of Conduct has been adopted by the Board of Directors, which is applicable to all the Directors, both Executive and Non-Executive and Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads.

A declaration by Managing Director affirming the compliance of the Code of Conduct for Board Members and senior management executives is also annexed separately at the end of this report.

Information placed before the Board

- Agenda papers along with detailed notes are being circulated in advance of each meeting of the board.
- Corporate Governance Reports
- Quarterly Compliance Reports & Investor Grievance Reports.
- Directors with material pecuniary or business relationship with the company.
- Quarterly Financial Results Standalone & Consolidated with Notes thereon
- Minutes of the Previous Board Meetings.
- Materially important Litigations, demand, show cause, penalty, prosecution notices.
- Operations Review Information i.e contracts etc.

4. Policy for the Formal Evaluation of the Board:

Objective:

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

Criteria for Evaluation:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and also the other directors on the Board.

- Attendance and contribution at Board and Committee meetings.
- His/her stature, appropriate mix of expertise, skills, experience, and understanding of business, strategic direction to align company's value and standards.
- His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance. (this criteria is adopted based on the basic qualification and other acquired skills of the individual)
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company so as to achieve organizational successes.
- Quality of decision making in the various business processes, understanding financial statements and business performance.
- His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.



Evaluation of the performance:

The Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company and also based on the above mentioned criteria.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and also based on Board member feedback.

Effectiveness of the board:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

5. Audit Committee

- i. The Audit committees are responsible for overseeing the work of the auditors. They also need to ensure that the auditor has an appropriately independent mindset from management and is truly objective. Ultimately, this will enable the audit committee to draw conclusions about the effectiveness of the audit.
- ii. The committee establishes procedures for accepting confidential, anonymous concerns relative to financial reporting and internal control matters. Often referred to as a “whistle-blower policy,” the procedures allow individuals to bring questions and issues to light without fear of retribution. It is the audit committee’s responsibility to create an environment that accommodates an open discussion in a culture of integrity, respect and transparency between management and auditors. The audit committee is responsible for the appointment, compensation and oversight of the work of the auditor, 2013.
- iii. During the year, the Audit Committee has re-constituted with the resignation of Shri Manoj Kumar on 10th February 2018. The Company’s Audit Committee comprises of the following Directors of whom 75% are Non-Executive, Independent Directors:
 1. Shri Naresh Kathotia - Chairman
 2. Shri Manoj Kumar Dugar - Member
 3. Shri Dilip Kumar Surana - Member
- iv. The terms of reference and the role of the audit committee is to overview the accounting systems, financial reporting and internal controls of the company. The Powers and role of audit committee are as set out in the listing agreement and section 177 of the Companies Act, 2013.

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising three Non-Executive and Independent Directors. Shri. Manoj Kumar, Independent Director was heading the Audit Committee as Chairman.

- v. During the year 2017-18 the Audit Committee met Four (4) times on 30th May 2017, 11th August 2017 ,8th December 2017 and 10th February, 2018. Statutory auditors and Managing Director were invited for the meetings. The Company Secretary acts as the secretary of the Audit Committee. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2017-18	
		Held	Attended
Shri. Manoj Kumar – Chairman*	Independent	4	4
Shri. Manoj Kumar Dugar – Member	Managing Director	4	4
Shri. Dilip Kumar Surana – Member	Independent	4	4



Vi. Recommendations of Audit Committee

The Audit committee has reviewed the Financial Statements submitted by the Management. The Management is responsible for the company's internal control over financial reporting and the financial reporting process. The independent auditors are responsible for performing an independent audit of the company's financial statements in accordance with Generally Accepted Auditing Principles and issuing a report thereon. The committees responsibility is to monitor these processes.

Further the committee has recommended the following to the board

- (a) The standalone audited financial statements for the year ended 31st March 2018
- (b) Appointment of M/s Luharaka & Associates, Chartered Accountants as statutory auditors of the company to audit standalone and consolidated financial statements of the company from the conclusion of the ensuing AGM to the conclusion of the next AGM
- (c) The Appointment of Mr.Y.Koteswara Rao, Company Secretary as secretarial auditor for the financial year ending 31st March 2018.

6. Nomination and Remuneration Committee

- i. During the year, the committee has reconstituted "Nomination and Remuneration Committee" in terms of Section 178 of the Companies Act, 2013 read with clause 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee was reconstituted as follows :
 1. Shri Dilip Kumar Surana - Chairman
 2. Shri Naresh Kathotia - Member
 3. Shri Arvind Surana - Member
 - Formulation of the criteria for determining qualifications, positive attributes and independence of Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees.
 - Formulation of criteria for evaluation of Independent Directors on the Board.
 - Devising a policy on Board diversity.
 - Identifying persons who are qualified to become directors and person suitable to be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- ii. **Remuneration policy:** The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the Company and talents of the appointee. The Executive Directors and Non Independent Directors of the Company are not entitled to sitting fees.
- iii. During the financial year 2017-18, the committee has met on Four (4) occasions on 30th May 2017, 11th August 2017 ,8th December 2017and 10th February, 2018.



- iv. **Details of remuneration to all the Directors, as per format in main report:** During the year under review, managerial remuneration was paid to Mr. Manoj Kumar Dugar.

The company does not have any stock option plan or performance linked incentives for any directors of the Company. The appointments are made for a period of five years on the terms and conditions in the respective resolutions passed by the members in the General Meetings, which do not provide for severance fees.

- v. **Details of Shares of the Company held by the Directors as on March 31, 2018 are given below:**

Name	No. of Shares
Mr. Manoj Kumar Dugar	2,46,200
Mrs. Renu M Dugar	2,15,355

7. Stakeholders' Relationship / Grievance Committee

- i. In terms of Section 178 of the Companies Act, 2013 read with clause 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the stakeholders relationship committee reviews and redresses shareholders grievances. The Committee meets at regular intervals in order to facilitate prompt and effective redressal of shareholders complaints to effect transfers, transmissions and give approval for issue of duplicate share certificates/name deletions etc. The company in coordination with the registrar and transfer agents takes all necessary steps for prompt resolution of all shareholder complaints and committee periodically reviews the report of the same.
- ii. This committee comprises of 3 members. The shareholders relationship committee was reconstituted as follows
 1. Shri Arvind Surana - Chairman
 2. Shri Dilip Kumar Surana - Member
 3. Shri Naresh Kathotia - Member
- iii. During the financial year 2017-18, the committee has met on Four (4) occasions on 30th May 2017, 11th August 2017, 8th December 2017 and 10th February, 2018.
- iv. The committee looks into transfer and transmission, issue of duplicate share certificates, consolidation and sub-division of shares and investors grievances. The committee oversees the performance of the Registrars and Shares Transfer Agents and recommends measures for overall improvement in the quality of investor services.
- v. The Board has designated Shri. Giridhar Reddy Damegunta, Company Secretary as the Compliance Officer.
- vi. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL. There were no pending complaints, requests for transfers or transmissions or demat/remat, as on 31st March 2018.

8. Meeting of Independent Directors:

During the year under review, the independent directors met on 10th February 2018, to discuss matters as prescribed under the Companies Act, 2013.

They have taken note of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The independent directors also discussed on the long term and short term objectives of the company, the fund raising plans and deployment of funds.



Code of Conduct:

The Board of Directors of the company has laid down a code of conduct for all its members and senior management personnel of the company. This code of conduct is uploaded on company's website. The directors and senior management have affirmed their compliance with the code of conduct for the financial year 2017-18.

1. General Body Meetings

i. Location & Time of Last 3 Annual General Meetings:

Year	Venue	Date	Time
2016-17	Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad-500003	29.09.2017	11.00AM
2015-16	Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad-500003	30.09.2016	11.00AM
2014-2015	Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad-500003	28.09.2015	11.30AM

ii. During the last year, no resolutions have been passed through postal ballot.

iii. Special Resolutions passed at the last Three Annual General Meetings.

1. At the AGM held on 28.09.2015

- Appointment of Smt. Manju Goel as a Director of the Company.
- Appointment of Shri. Vijay Sushil Kumar Surana as an Independent Director of the Company.
- Appointment of Shri. Dilip Kumar Surana as an Independent Director of the Company.
- Appointment of Shri. Manoj Kumar as an Independent Director of the Company.
- Power to borrow in excess of Paid-up Capital and Free Reserves.
- Power to Mortgage assets of the Company.
- Maintenance of the Register of Members and related books at a place other than the Registered Office of the Company.
- Adoption of New Articles of Association of the company containing regulations in conformity with the Companies Act, 2013.

2. At the AGM held on 30.09.2016

- Appointment of Sri. Rajesh Kumar Dugar as a Director of the Company

3. At the AGM held on 29.09.2017

- NIL

10. Disclosures

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

During the year 2017-18, your company has entered into any material transaction with its related parties that may have potential conflict of interests of the company at large.

Your company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transaction.



Approval was granted by the Audit Committee for transactions entered into with the Related Parties for the financial year 2016-17 and the same was reviewed/cleared by the Audit Committee at regular interval.

The necessary disclosures regarding the transactions with the related parties are given in the Notes to the Financial Statements, forming a part of this Report. The policy on the Related Party Transactions is hosted on the company's website www.urbaknitt.com.

i. Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from Accounting Standard.

ii. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

The company has in place a Whistle Blower Policy for Vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud and violation of Company's Code of Conduct. None of the personnel have been denied access to the Audit Committee.

iii. Disclosure regarding Compliances made with Mandatory requirements and adoption of Non-Mandatory requirements.

- The Company has complied with all the mandatory requirements of Clause 27 of SEBI (LODR) Regulations 2015 w.e.from 02-09-2015
- Non-Mandatory requirements adopted are as follows:
 1. The Board: The Board was headed by a Chairman & Managing Director.
 2. Shareholder rights: Half-yearly reports were not sent to each household of shareholders as shareholders have been intimated through the press and the Company's Website www.urbaknitt.com.
 3. Audit Qualifications: There are no audit qualifications in the report.
 4. Separate posts of Chairman and CEO: There are separate posts for Chairman and CEO/Managing Director.
 5. Reporting of Internal Auditor: The Internal Auditor Submits his report to the Managing Director and also to the Audit Committee for review, where the company submits its replies and actions taken on the report.

11. Means of Communication

The Financial results and the other important information to shareholders are placed at company's website www.urbaknitt.com. Official news releases are sent to the stock exchanges at Mumbai where the shares of the Company are listed.

12. Management Discussion and Analysis Report

Information on management discussion and analysis forms a part of this Report.

13. General Shareholders information

- a. Date and Time : 29th September, 2018 at 11.00 A.M.
Venue : Lions Bhavan, IIIrd Floor, 1-8-179,
Lakhapath Building, Behind HDFC Bank, Paradise Circle Secunderabad – 500003.



- b. Financial Year : 1st April to 31st March
 1st Quarterly Results - On or before 14th August, 2017
 2nd Quarterly Results - On or before 14th November, 2017
 3rd Quarterly Results - On or before 14th February, 2018
 Annual Audited Results - On or before 30th May, 2018
- c. Dates of Book Closure : 23.09.2018 to 29.09.2018 (both days inclusive)
- d. Dividend payment date : No dividend was recommended by the Board for FY 2017-18.
- e. Listing on Stock Exchanges : BSE Ltd, Mumbai
 The Company has paid its annual listing fees to the stock exchange for the financial year 2017-18.
- f. Stock Code : 534796
- g. Market Price Data : High/Low price quotation in each month of the last financial year 2017-18 on the Stock Exchange, Mumbai is given below:

	The Stock Exchange, Mumbai	
	Share Price	
	High	Low
Apr-17	38.15	23.95
May-17	44.10	33.00
Jun-17	41.80	34.70
Jul-17	41.70	36.10
Aug-17	42.50	32.55
Sep-17	51.00	38.35
Oct-17	50.50	41.20
Nov-17	47.50	37.25
Dec-17	46.00	39.00
Jan-18	50.00	42.00
Feb-18	47.50	51.70
Mar-18	46.70	39.45

- h. Registrars and Transfer Agents (RTA):
 M/s. Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Nanakramguda, Hyderabad – 500 032, Telangana.
 Ph: 040 6716 1606 / 1602
 Toll Free No.18003454001
 Email: einward.ris@karvy.com Website: www.karvycomputershare.com
- i. Share Transfer System:

In pursuance of SEBI notification No. D&CC/FITTC/CIR-15/2002 dated 27th December 2002 the Company had appointed M/s Karvy Computershare Private Limited as single agency for share registry work. Share transfers and communications regarding share certificates, change of address, etc., must be forwarded to the RTA.



The R & T Agent process the physical Share Transfers and the Shares sent for physical transfers are generally registered within a period of 30 days from the date of receipt, if the documents are clear in all respects.

j. Shareholding Pattern of the Company as on 31st March 2018:

Sl. No	Category	No. of Shares	% of Shareholding
1.	Promoters	1911052	62.10
2.	Mutual Funds and UTI	0	0.00
3.	Banks, Financial Institution, Insurance Companies	0	0.00
4.	Private Corporate Bodies	143569	4.67
5.	Indian Public	1006102	32.69
6.	NRIs/OCBs	1393	0.04
7.	HUF's	14728	0.48
8.	Fractional Shares	656	0.02
	Total	3077500	100.00

k. Distribution of Shareholding as on 31st March 2018

Sno	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	1052	83.29	1544390.00	5.02
2	5001 - 10000	77	6.10	575200.00	1.87
3	10001 - 20000	56	4.43	801900.00	2.61
4	20001 - 30000	18	1.43	404850.00	1.32
5	30001 - 40000	12	0.95	430580.00	1.40
6	40001 - 50000	17	1.35	761650.00	2.47
7	50001 - 100000	9	0.71	629250.00	2.04
8	100001 & ABOVE	22	1.74	25627180.00	83.27
	Total:	1263	100.00	30775000.00	100.00

l. De-materialization of shares and liquidity

Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt and the company's' ISIN is INE698B01011.

Dematerializations of shares are done through M/s Karvy Computershare Private Limited., and on an average the dematerialization process is completed within a period of 7 days from receipt of a valid demat request along with all documents. 95.86% of the paid up capital has been dematerialized as on 31.03.2018.

m. Outstanding ADRs/GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

Not Applicable as the Company has not issued any of the above instruments



n. Address for Correspondence

Sl. No.	Shareholders Correspondence for	Address to
1.	Transfer/ Dematerialization/ consolidation/split of shares, issue of Duplicate share certificates, change of address of members and beneficial owners and any other query relating to the shares of the Company.	M/s.Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana, Ph: 040 6716 1606 / 1602
2.	Investor Correspondence/queries on Annual Report etc.	COMPANY SECRETARY Urbaknitt Fabs Limited (Formaly known as Pankaj Polypack Limited) PLOT NO 10 &11,MCH No 1-8-304 to 307/10 PATTIGADDA ROAD HYDERABAD- 500 003 Tel : 040-27897743, 27897744 Email: info@urbaknitt.com

14. Reconciliation of Share Capital Audit:

The Company gets the Reconciliation of Share capital Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Reconciliation of Share capital Audit Report is placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the Company's shares are Listed.

15. Other Shareholders related information:

Regulation 39 read with Schedule VI of the SEBI (LODR) Regulations 2015 with respect to Unclaimed Shares

Urbaknitt Fabs Limited has all its shares claimed by the respective shareholders. Hence, this clause of the Regulation does not bind the company.

Code of Conduct

To uphold corporate philosophy, the Board of Directors of the company has laid down a code of conduct for all the board members and the senior management of the company as per the clause provided in the listing agreement.

I hereby confirm that the directors on board of the company, the senior management officials have provided an affirmation that they have complied with the code of conduct during the financial year 2017-18.

Place: Secunderabad
Date: 01.09.2018

Manoj Kumar Dugar
Chairman & Managing

Renu M Dugar
Director Director



CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the 'Code of Conduct' in respect of the financial year 2017-18.

Place: Hyderabad
Date: 01-09-2018

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
CEO and CFO Certification

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this Report.

To,
The Board of Directors
Urbaknitt Fabs Limited
We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violate the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. that there are no significant changes in accounting policies during the year; and
 - iii. that there are no instances of significant fraud of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
Jyothi Durgam
Chief Financial Officer

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN:

Place: Hyderabad
Date: 01-09-2018



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
URBAKNITT FABS LIMITED
(Formerly known as PANKAJ POLYPACK LIMITED),
Plot No 10 & 11, MCH No 1-8-304 to 307/10
Pattigadda Road, Hyderabad, - 500003

I have examined the compliance of conditions of Corporate Governance by **M/s Urbaknitt Fabs Limited (Formerly known as Pankaj Polypack Limited) (CIN: L17120TG2011PLC072532)** ('the Company'), for the year ended March 31, 2018, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period April 01, 2017 to March 31, 2018.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examinations has been limited to a review of the procedure and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

Place: Hyderabad
Date: 01-09-2018

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director



ANNEXURE – VI

Management Discussion and Analysis Report

a. Industry Structure & Development

Urbaknitt Fabs Ltd (Formerly known as Pankaj Polypack Limited) founded by a team of professional entrepreneurs & qualified experts with the main objective to supply high quality product services to the discerning clients. It will be a leading business entity in India engaged in the activities **Merchant Export & Third country Trade, Imports – Marketing & Distribution** of Mats / Mattresses ,Insulation Sheet and Pillows.

Your Company has diversified its business profile through its 100% subsidiary company (Morbido Merchandise Private Limited) for the purpose of Imports – Marketing & Distribution Services of world class products (Chemicals) to several industries ranging from Plastics, Polymers, Construction, and Paint etc. It also offers to our Indian customers a broad range of products from leading producers located worldwide through Imports ,Marketing & Distribution of multinational company.

The subsidiary Company will participate in growth of Urbaknitt Fabs Limited by expanding its customer base of Chemicals to several industries ranging from Plastics, Polymers, Construction, and Paint etc with international collaborations .

b. Opportunities

The Indian Plastic Industry clearly has the potential to continue its fast growth. It is expanding at a phenomenal pace, with plastic being significantly used in innovating new applications in industries like food processing, packing, healthcare thereby increasing demand for plastic altogether.

The industry has many growth opportunities owing to the wide applicability of Plastic / disposable products. The Demand for companies Products has been constantly on an increase in the market.

c. Threats, Risks & Concerns

Investors should read the Risk Factors mentioned in this Information Memorandum.

Over the next few years, competition in the industry is also expected to rise considerably, as a result of Global trends. To survive competition both polymer manufacturer and processors will need to adopt radically new methods and approaches to reduce costs, improve market and customer services and management performance.

The international oil Prices have been constantly fluctuating leading to up and down in raw material prices.

The threats/ risks for the industry relate to stiff competition throughout and lesser margins. The same can gradually overcome by the industry in view of the wide usage of the PP products and also growing of demand with new technologies to reduce costs to become more competitive.

d. Segment wise performance

The segment wise performance is not applicable as the company has only one segment.

e. Outlook

The Company is expecting a growth rate as well as stabilization of production of PP Disposable wares and reaches optimum capacity utilization. The company is expecting high growth rate in this area.

f. Discussion on financial performance with respect to operational performance

During the year under review the company has achieved a turnover of ₹ 1315.00 lakhs as against ₹ 91.55 lakhs in the previous year. During the Year the company incurred a Net loss before tax of ₹ 13.88 lakhs as against a profit of ₹ 51.74 lakhs in the previous year.



g. Internal Control system and their adequacy

The Company has an internal control system commensurate with the size and nature of its business. There is a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against unauthorized use or disposition of assets. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

The Audit Committee supervises the checks and controls exercised, and reports any suggestions or deviation on a continuing basis. The authority and responsibility of every employee is defined, thus, leaving no space for any deviations.

h. Material developments in Human Resources/Industrial Relation front, including number of people employed

The focus is on capability development, performance management and employee engagement. This is expected to improve cost competitiveness through greater levels of employee participation, commitment and involvement.

The Company recognizes the importance and contribution of its employees to the growth and development of the Company. The Company continued to maintain cordial relations with employees and staff. The Company has 15 employees on the rolls, as on 31st March 2018.

II. Financial /operational performance:

Sources of Funds

1. Share capital

The Company has only one class of shares- equity shares of par value Rs. 10/- each.

Our Authorised share capital is Rs. 5,00,00,000 (50,00,000 shares of Rs. 10/- each) and issued and paid-up capital is Rs.3,07,75,000(30,77,500 shares of Rs. 10/- each)

2. Reserves and Surplus

At the beginning of the year the company has Reserves as follows:

Share Premium Nil, General Reserve Nil and debit balance of Profit and Loss Account of (Rs. 7,67,618/-)

During the year the company earned a turnover of Rs.374.79 lacs and loss before interest and depreciation is (Rs 76,63,991/-).

Application of Funds

3. Fixed Assets

During the year the company did not incur any capital expenditure.

4. Deferred taxes – Assets and Liabilities

The Company has Deferred Tax Liability (Net) amounting to Rs. 16,41,079/- as against a liability of (Rs. 1,01,561/-) in previous year, attributable to difference between depreciation as per companies act 2013 and Income Tax Act- 1961

5. Trade Receivables

During the year the company has trade receivables of Rs 90,80,979/- as against Rs 76,05,074/- in previous year.

6. Inventories

During the year the company has inventories are Rs. 1,64,88,382/- as against of NIL in previous year.



7. **Cash and Cash Equivalents**

The opening balance of cash and cash equivalents as at the beginning of the year is Rs. 2,18,652. The closing balance of Cash and Cash Equivalents is Rs 9,29,907/- held as cash, balances in current account and in deposit accounts.

8. **Liabilities**

The company has Rs 3,89,41,399/- as long term liabilities as on 31st March, 2018.

9. **Trade Payables**

Trade payables at the beginning of the year were at Rs. 21,10,923/- and at the end of the year were Rs. 1,11,31,373/-.

Other Current Liabilities include an amount of Rs. 51,18,646/- as Advances from Customers and other liabilities.

10. **Provisions**

During the year the company has provisions of Rs 3,05,889/- as against Rs 37,408/- in previous year.

III. **Results of Operations**

1. **Income**

The Company has generated income from business operations of Rs. 13,15,77,649/-.

2. **Other Income-** Rs. 92,76,240/-

Other income of the company includes interest income, commition and sundry balances.

3. **Net Profit**

The company had reported a Net Profit of 4,37,670/- as against a Net Loss of Rs 40,74,235/- in the previous period.

4. **EPS after Exceptions**

Negative Earnings per share for the year was (Nil) as against Rs. 1.34

5. **Liquidity**

The Company has adequate working capital and is not depended on external resources for filling up of the gap. The company may consider to raising further equity to improve the working capital position and also for future business requirements.

6. **Related Party Transactions**

Transactions with related parties have been made at an arms length basis and hence are not prejudicial to the interest of the company.

These have been discussed in detail in Notes on Accounts to the standalone financial statements in this Annual report.

IV. **Opportunities and Threats**

- **Our Strengths**
- **Our Strategy**
- **Our Competition**

We compete with small and mid-sized companies in Government and large corporations in Manufacturing Sector.



V. Outlook, Risks & Concerns

- Our revenue and expenses are difficult to predict and can vary significantly from period to period.
- Our success largely depend upon retaining skilled technology professionals and our ability to hire, motivate and retain them.
- We are a company in mid segment space and may not be providing adequate confidence to companies / customers for long term contracts.
- We may not be able to sustain the working capital cycles.
- Our success depends on our management team and key personnel and our ability to attract and retain them.
- Our failures to complete fixed price and fixed time frame contracts or transaction based pricing contracts within budget and on time may adversely affect our profitability.
- We may not be able to provide end to end business solutions for our clients which could lead to clients discontinuing their work with us which in turn could impact our business.

VI . Internal Control Systems and their adequacies

The CEO and CFO certification provided in the Annual report discusses the adequacy of our internal control systems and procedures.

VII. Material Developments in Human Resources / industrial relations, number of people employed.

Human Capital

As at March 31st 2018, the company employed about 15 employees which includes, trainees, process executives and administration.

Risk Management Framework:

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's Board believes that to ensure sustainable business growth with stability of affairs and operations of the Company, periodical review of various risks having a bearing on the business and operations is vital to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. Further, it is also belief of your management that Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid or minimize the impact of the risks.

Keeping in view of the above, your Company's risk management is embedded in the continuous business processes and as a part of review of business and operations, your Board with the help of the management periodically reviews various risks associated with the business and products of the Company and considers appropriate risk mitigation process. However there are certain risks which cannot be avoided but the impact can only be minimized.

The risks and concerns associated with each segment of your company's business are discussed while reviewing segment-wise Management and Discussion Analysis. The other risks that the management reviews also include:

- a. Industry & Services Risk: this includes Economic risks like demand and supply chain, Profitability, Gestation period etc.; Services risk like infrastructure facilities;
Market risk like consumer preferences and distribution channel etc.; Business dynamics like inflation/deflation etc.; Competition risks like cost effectiveness
- b. Management and Operational Risk: this includes Risks to Property; Clear and well defined work process; changes in technology / up gradation; R&D Risks; Agency network Risks; Personnel & labour turnover Risk; Environmental and Pollution Control Regulations etc.; Locational benefits near metros



- c. Market Risk: this includes Raw Material rates; Quantities, quality, suppliers, lead time, interest rates risk and forex risk.
- d. Political Risk: this includes Elections; War risk; Country/Area Risk; Insurance risk like Fire, strikes, riots and civil commotion, marine risk, cargo risk etc.; Fiscal/Monetary Policy Risk including Taxation risk.
- e. Credit Risk: this includes Creditworthiness; Risk in settlement of dues by clients and Provisions for doubtful and bad debts
- f. Liquidity Risk: this includes risks like Financial solvency and liquidity; Borrowing limits, delays; Cash/Reserve management risks and Tax risks
- g. Disaster Risk this includes Natural calamities like fires, floods, earthquakes etc.; Man made risk factors arising under the Factories Act, Mines Act etc.; Risk of failure of effective disaster Management plans formulated by the Company.
- h. System Risk this includes System capacities; System reliability; Obsolescence risk; Data Integrity risk & Co-ordination and Interface risk.
- i. Legal Risk: this includes Contract risk; Contractual liability; Frauds; Judicial Risk and Insurance risk
- j. Government Policy: This includes Exemptions, import licenses, income tax and sales tax holidays, subsidies, tax benefits etc.

Further your Board has constituted a Risk Management Committee, inter-alia, to monitor and review the risk management framework

Place: Secunderabad

Manoj Kumar Dugar
Chairman & Managing

Renu M Dugar
Director Director

Date: 01.09.2018

CAUTIONARY STATEMENT

Statements in Management Discussion and Analysis describing the Company' objectives, projections, estimates and expectation may be "forward looking" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied in the statement.



BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Company's 7th Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2018.

➤ **FINANCIAL RESULTS:**

The Company's financial performance for the year ended March 31, 2018 is summarised below:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations	1315.00	91.55	3220.31	336.69
Other Income	92.76	(0.99)	123.94	3.01
Total Income	1408.53	90.55	3344.25	339.71
EBITDA	34.64	(28.76)	151.58	(27.07)
Less: Finance Costs	20.27	0.20	45.55	0.53
Less: Depreciation	10.00	11.78	12.29	11.78
Profit Before Tax, share of profit of joint venture and associate	4.37	(40.74)	93.74	(39.37)
Share of profit in joint venture and associate, net of tax	-	-	-	-
Profit Before Tax	4.37	(40.74)	93.74	(39.37)
Less: Tax Expenses	19.92	0.58	43.66	1.03
Profit for the year	(13.88)	(41.33)	51.74	(40.41)
Add: Surplus Brought Forward from Previous Year	-	-	-	-
Surplus Available	-	-	-	-
Appropriations made to Surplus:	-	-	-	-
Dividends including dividend tax	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance carried to Balance Sheet	(13.88)	41.14	51.74	42.05
Basic Earnings per share	-	1.34	1.68	1.37
Diluted Earnings per share	-	1.34	1.68	1.37

Note: The above figures are extracted from the standalone and consolidated financial statements

➤ **OVERVIEW OF FINANCIAL AND BUSINESS OPERATIONS:**

The Company's Standalone revenues from operations was Rs. 1315.77 lakhs for the FY 2017-18 as compared to Rs. 91.55 lakhs for the previous year registering growth of 13.36 times. The Company has made Net Loss of Rs. 13.88 lakhs on standalone basis for the year under review as compared to Net Profit of Rs. 41.14 lakhs for the previous year, a decrease of 66.36 %..

➤ **TRANSFER TO RESERVES**

No amount was transferred to the Reserves for the year ending 31.03.2018 since the company has incurred losses during the period.

➤ **DIVIDEND:**

The Company has incurred losses during the year and does not recommended any dividend for the year under review.



➤ **MATERIAL CHANGES AFFECTING THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

➤ **SHARE CAPITAL:**

The Authorised Share Capital of the Company is Rs. 50,00,000/- equity shares of Rs. 10/- each. The Issued, Subscribed and Paid Up Share Capital of the Company is Rs. 30,77,500/- equity shares of Rs. 10/- each.

➤ **TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND (IEPF):**

In terms of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, there were no unclaimed dividends. The Company did not declare any dividend in its lifetime.

➤ **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34(2) of the Listing Regulations, is presented in a separate section, forming part of the Annual Report.

➤ **SUBSIDIARY COMPANY:**

SUBSIDIARY COMPANIES AND THEIR PERFORMANCE AND DEVELOPMENTS

• **Morbido Merchandise Private Limited.**

Morbido Merchandise Private Limited, is an Indian Subsidiary of your Company in which the Company holds 99.70% of the paid up share capital. The Share Capital of the Company as on March 31, 2018 is Rs. 10.00 lakhs. During the FY 2017-18, the Company achieved a turnover of Rs. 1955.11 lakhs in the FY 2017-18 as against the turnover of Rs. 249.04 lakhs for FY 2016-17 and the profit after tax is Rs. 65.63 lakhs in the FY 2017-18 as against Rs. 0.92 lakhs for FY 2016-17.

During the year under review, no company has become or ceased to be Company's subsidiary company.

As per the provisions of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies, Joint Ventures and Associates is prepared in Form AOC-1 and it forms part of the consolidated financial statements.

➤ **CONSOLIDATED FINANCIAL STATEMENTS:**

The consolidated financial statements, in terms of Section 129 of the Companies Act, 2013 and regulation 34 of the Listing Regulations and prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereof forms a part of this annual report. The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiary as approved by the respective Board of Directors. As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its Subsidiary which forms a part of the Annual Report.

➤ **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149**

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub-section (6).

➤ **DISCLOSURES ABOUT RECEIPT OF ANY COMMISSION BY MD /WTD FROM COMPANY OR ANY COMMISSION/REMUNERATION FROM THE SUBSIDIARIES**

The Managing Director, or Whole time directors are not in receipt of any commission from the company or any



remuneration or commission from the subsidiaries.

➤ **SECRETARIAL STANDARDS:**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

➤ **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibility Statement, the Board of Directors of the Company hereby confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the Losses of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis for the financial year ended March 31, 2018;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

➤ **CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

➤ **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The company has formulated a familiarization programme for the Independent Directors to provide insights into the company to enable the Independent Directors to understand its business in depth and contribute significantly to the company.

➤ **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, except with the wholly owned subsidiary, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.

The particulars of contracts or arrangements with related parties referred to in section 188(1) are prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as Annexure IV to the Board's report



➤ **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Provisions of CSR are not applicable to the Company.

➤ **NOMINATION AND REMUNERATION COMMITTEE:**

The Company's Nomination and Remuneration committee consists of majority of Independent Directors which ensures transparency in determining the remuneration of Directors, KMPs and other employees of the Company. The Chairman of the committee is an Independent Director, thereby resulting in independent and unbiased decisions.

During the financial year 2017-18, the composition of Nomination and Remuneration Committee is provided below.

Name	Category
Mr. Dilip Kumar Surana, Chairman	Independent, Non-Executive
Mr. Arvind Surana	Independent, Non-Executive
Mr. Naresh Kathotia	Independent, Non-Executive

The Performance Evaluation and Remuneration Policy framed by the Committee and approved by the Board is directed towards rewarding performance of Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel of the Company based on review of achievements periodically.

➤ **RISK MANAGEMENT:**

Risk Management Committee has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. Your Company has proper process for Risk Management.

➤ **INTERNAL FINANCIAL CONTROLS**

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitised and embedded in the business processes. Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

➤ **INTERNAL AUDIT & CONTROLS:**

Your Company continues to engage M/s Suresh Chandra Agarwal, Chartered Accountants as its Internal Auditors. During the year, your Company continued to implement their suggestions and recommendations to improve the internal controls. Their scope of work includes review of operational efficiency, effectiveness of systems & processes, compliances and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and suitable corrective actions are taken as per the directions of Audit Committee on an on-going basis to improve efficiency in operations.

The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexity of its operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The recommendations/suggestions of the internal auditors are discussed in the Audit Committee meetings.



➤ **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Renu Dugar, Executive Director of the Company, retires by rotation at the 7th Annual General Meeting and being eligible offers himself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under the Companies Act and the Listing Regulations.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors. Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued there under and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for evaluation of the annual performance of the Directors/ Board/ Committees was carried out in accordance with the policies in force.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, management persons are asked to make presentations about performance of the Company. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, they meet without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Mr. Manoj Kumar Dugar, Chairman and Managing Director, Mrs. Renu Dugar, Executive Director, Mr. Rajesh Kumar Dugar, Executive Director, Ms. Jyothi Durgam, Chief Financial Officer and Mr. D. Giridhar Reddy, Company Secretary are Key Managerial Personnel of the Company during the year under review.

➤ **AUDITORS & THEIR REPORT:**

Statutory Auditors

M/s. Luharuka & Associates, Firm of Chartered Accountants, Hyderabad was appointed as Auditors of the Company, for a term of 1 (one) years, at the 6th Annual General Meeting held on September 29, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor

The Board had appointed Mr. Y Koteswara Rao, Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure III** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

➤ **DISCLOSURES:**

Meetings of the Board

Five (5) meetings of the Board of Directors were held during the year. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.



Audit Committee

The Audit Committee comprises majority Independent Directors namely Mr. Naresh Kathotia (Chairman), Mr. Dilip Kumar Surana and Mr. Manoj Kumar Dugar as other members. During the year all the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Company has a Vigil mechanism and a Whistle - blower policy in accordance with provisions of the Act and Listing Regulations, under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Protected disclosures can be made by a whistle blower through a dedicated e-mail, or a letter to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Chairman and Managing Director is published in the Corporate Governance Report which forms part of the annual report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided are provided in the standalone financial statement (Please refer to Note No.7 to the standalone financial statement).

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure V** to the Board's Report.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure VI** to this Report.

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended thereof, none of the employees drawn a remuneration in excess of the limits set out in the said rules.

However, having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the registered office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. This information may be accessed on the Company's website.

Your Directors further state that, the remuneration paid to the Key managerial Personnel and others is as per the Remuneration Policy of the Company.

DECLARATION ABOUT COMPLIANCE WITH CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL

The company has complied with the requirements about the Code of Conduct for Board members and Senior Management Personnel.

POLICY ON SEXUAL HARASSMENT

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" for the matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013".

During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.



SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are NO material significant orders passed by the Regulators or Courts which would impact the going concern status of the company and its future operations.

HUMAN RESOURCE

Your company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and the work environment propels them to achieve higher levels of performance. The unflinching commitment of employees is the driving force behind the company's vision. Your company appreciates the dedication of its employees.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employee Stock Option Scheme referred to in this Report.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Cost Audit is not applicable for the financial year 2017-18.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

➤ **APPRECIATIONS AND ACKNOWLEDGEMENTS:**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors wishes hereby to place on record their appreciation for the committed services by the Company's executives, staff and workers.

On behalf of the Board of Directors

Manoj Kumar Dugar
Chairman and Managing Director
DIN: 0352733

Hyderabad, September 1, 2018



ANNEXURE TO DIRECTOR'S REPORT

Annexure -I

Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Introduction:

The Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

Applicable:

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

Guiding principle:

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Statutory Requirements:

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.



Directors:

As per the Policy followed by the Company since inception the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions.

Remuneration of Whole Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole Time Directors, the Nomination & Remuneration Committee (NRC) considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013 from time to time.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

Reward principles and objectives:

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Reward policies:

Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly.

The Whole Time Directors' remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc. as per Rules of the Company.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and longterm.

The Whole Time Directors are entitled to customary nonmonetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment provide for severance payments as per the Companies Act.

Key Managerial Personnel [KMP] Senior Management:

Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other senior management personnel is decided by the Managing Director (MD) on the recommendation of the Whole Time Director concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises of:



1. A fixed base salary - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. Perquisites – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. Retirement benefits - contribution to PF, superannuation, gratuity, etc. as governed by respective acts and rules prevailing in the Company from time to time.
4. Motivation /Reward - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by MD based on the appraisal and recommendation of the concerned Whole Time Director, where applicable.
5. Severance payments - in accordance with terms of employment, and applicable statutory requirements, if any.

Other employees:

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policies of motivation / reward / severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Removal:

The Committee may recommend, to the Board removal of a Director, KMP or Senior Management Personnel due to following reasons:

- Any disqualification
- Misconduct
- Breach of Contract or trust
- Conflict in interest
- Such recommendation to the Board shall be with reasons recorded in writing.

Disclosure of information:

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy:

This Remuneration Policy shall continue to guide all future employment of Directors, Senior Management including Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.



FORM NO- MR-3

Secretarial Audit Report

For The Financial Year Ended 31st March , 2018

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

To
The Members,
URBAKNITT FABS LIMITED,
(Formerly known as PANKAJ POLYPACK LIMITED),
Plot No 10 &11, MCH No 1-8-304 to 307/10 ,
Pattigadda Road, Hyderabad, - 500003.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Urbaknitt Fabs Limited (Formerly known as Pankaj Polypack Limited) (CIN: L17120TG2011PLC072532)**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Urbaknitt Fabs Limited (Formerly known as Pankaj Polypack Limited)** for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- 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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not Applicable during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (**Not Applicable during the audit period**)



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not Applicable during the audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable during the audit period)**

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time.
- ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

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

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda was sent in advance except when board meetings were called by giving less than seven days notice in accordance with the provisions of section 173 of the act 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 and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be and majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

I further report that as far as possible, 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.

However, there were no other specific major events that took place during the audit period such as mentioned below:

- (i) Public/Rights /debentures/sweat equity
- (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iii) Merger/amalgamation/reconstruction etc.
- (iv) Foreign technical collaborations

Place : Hyderabad
Date : 22-08-2018

Y.KOTESWARA RAO
Practicing Company Secretary ACS No. 3785
C.P. No.: 7427

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



ANNEXURE A'

To
The Members,
URBAKNITT FABS LIMITED,
(Formerly known as PANKAJ POLYPACK LIMITED),
Plot No 10 &11, MCH No 1-8-304 to 307/10 ,
Pattigadda Road, Hyderabad, - 500003.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad
Date : 22-08-2018
ACS No. 3785

Y.KOTESWARA RAO
Practicing Company Secretary
C.P. No.: 7427



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

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
	Name of the subsidiary	M/S. Morbido Merrchandise Private Limited
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
	Share capital	10,00,000
	Reserves & surplus	66,54,618
	Total assets	17,22,31,764
	Total Liabilities	17,22,31,764
	Investments	NIL
	Turnover	1,90,53,444
	Profit before taxation	89,36,452
	Provision for taxation	23,73,393
	Profit after taxation	65,63,068
	Proposed Dividend	NIL
	% of shareholding	99.70%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/	NIL
1. Latest audited Balance Sheet Date	N.A
2. Shares of Associate/held by the company on the year end	N.A
No.	N.A
Amount of Investment in Associates/Joint Venture	N.A
Extend of Holding%	N.A
3. Description of how there is significant influence	N.A
4. Reason why the associate/joint venture is not consolidated	N.A
5. Net worth attributable to shareholding as per latest audited Balance Sheet (31-03-2015)	N.A
6. Profit/Loss for the year	N.A
i. Considered in Consolidation	N.A
ii. Not Considered in Consolidation	N.A

Place: Secundrabad
Date: 01.09.2018

Manoj Kumar Dugar
Chairman & Managing Director

Renu M Dugar
Director



ANNEXURE - V TO DIRECTOR'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

FORM A – PARTICULARS OF CONSERVATION OF ENERGY

A. Power and Fuel Consumption

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
1. Electricity		
Unit (KWH)	148479	56066
Total amount (Rs. in lakhs)	10.43	4.36
Rate/Unit (Rs.)	7.02	7.78
Rate/Kg of production (Rs.)	-	-
2. Own generation from Diesel generator		
Unit (KWH)	-	-
Total amount (Rs. in lakhs)	-	-
Rate/unit (Rs.)	-	-
Unit/kg of production	-	-
Rate/kg of production (Rs.)	-	-
3. Coal		
Quantity (MT)	-	-
Total cost (Rs. in lakhs)	-	-
Rate/MT (Rs.)	-	-
Rate/kg of production (Rs.)	-	-
4. Furnace Oil, LSHS and LD oil		
Quantity (K. Ltrs.)	-	-
Total cost (Rs. in lakhs)	-	-
Average/K. ltrs. (Rs.)	-	-
Rate/kg of production (Rs.)	-	-

B. Consumption per unit of production : NIL

FORM B – PARTICULARS OF ABSORPTION

Research & Development: NIL

FORM C – TOTAL FOREIGN EXCHANGE EARNED AND USED

(Rs. in lakhs)

Particulars	FY 2017-18	FY 2016-17
Foreign Exchange Earnings	NIL	70.20
Foreign Exchange Outgo	36.67	190.33

Place: Secundrabad
Date: 01.09.2018

Manoj Kumar Dugar
Chairman & Managing Director

Renu M Dugar
Director



ANNEXURE IV TO DIRECTOR'S REPORT

Disclosure of particulars of Contracts/Arrangements entered into by the Company

Form No. AOC-2

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

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis:

Sl. No.	Names of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts or arrangements or transaction including the value, if any:	Salient terms of the contracts or arrangements or transaction including the value, if any:	Date(s) of approval by the Board/:	Amount paid as advances, if any:	Justification for entering into contracts
1.	M/s. Ayushman Merchants Private Limited (KMP are interested)	Purchase of goods	FY 2017-18	Rs 38,350/-		NIL	The transaction is at arm's length price
2.	Dugar Polymers Limited (KMP are interested)	Purchase of goods	FY 2017-18	Rs 14,21,719/-		NIL	The transaction is at arm's length price
3.	Du-Luk Polymers Private Limited (KMP are interested)	Purchase of goods	FY 2017-18	Rs. 4,04,394/-		NIL	The transaction is at arm's length price
4.	M/s. Ayushman Merchants Private Limited (KMP are interested)	Sale of goods	FY 2017-18	Rs 6,212.70		NIL	The transaction is at arm's length price
5.	M/s. Ayushman Solution Private Limited (KMP are interested)	Sale of goods	FY 2017-18	Rs 1,80,20,615/-		NIL	The transaction is at arm's length price
6.	Du-Luk Polymers Private Limited (KMP are interested)	Sale of goods	FY 2017-18	Rs. 1,15,385/-		NIL	The transaction is at arm's length price



7.	Express Vintrade Private Limited (KMP are interested)	Sale of goods	FY 2017-18	Rs. 14,80,900/-		NIL	The transaction is at arm's length price
8.	Dugar Polymers Limited (KMP are interested)	Sale of goods	FY 2017-18	Rs 25,240/-		NIL	The transaction is at arm's length price
	Manoj Kumar Dugar , Managing Director	Remuneration	FY 2017-18	Rs 12,00,000/-		NIL	The transaction is at arm's length price
10.	Basudeo Enerprise Private Limited (KMP are interested)	Services	FY 2017-18	Rs 48,72,228/-		NIL	The transaction is at arm's length price

Place: Secundrabad
Date: 01.09.2018

Manoj Kumar Dugar
Chairman & Managing Director

Renu M Dugar
Director



INDEPENDENT AUDITOR'S REPORT

To the Members of MORBIDO MERCHANDISE PRIVATE LIMITED

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of **MORBIDO MERCHANDISE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of change in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rule, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit 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

6. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters Specified in paragraphs 3 and 4 of the Order.
7. As required by section 143(3) of the Act, we further 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 purpose of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 01882S

Rameshchand Jain
(Partner) Membership No.023019
Place: Secunderabad
Date: 23rd May, 2018



‘Annexure- A’ referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2018, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) As explained to us, some fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanation given us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The inventories have been physically verified at reasonable intervals by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (iii) The company had granted loan to its holding company as covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant for such Loan are not prejudicial to the Company’s interest.
 - (b) In respect of the aforesaid loans, the schedule of repayment of principle and interest has been stipulated, repayment of principle and interest has been regular as per the stipulation.
 - (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.
 - (iv) 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.
 - (v) The Company has not accepted any deposits from the public.
 - (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
 - (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, , Employees’ State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues, as applicable, with the appropriate authorities in India;
 - (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes;
- (viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans from any financial institution or banks and has not issued debentures.
- (ix) 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.
- (x) 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.



- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934

For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 01882S

Rameshchand Jain
(Partner) Membership No.023019
Place: Secunderabad
Date: 23rd May, 2018



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 **MORBIDO MERCHANDISE PRIVATE LIMITED** ("the Company") as of 31 March 2018 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 01882S

Rameshchand Jain
(Partner) Membership No.023019
Place: Secunderabad
Date: 23rd May, 2018



Balance Sheet as at March 31, 2018

(Amount in Rupees)

ASSETS	Note	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Non-current assets				
(a) Property, plant and equipment	5	34647345	1,134,030	4831093
(b) Capital work in progress		-	15561697	-
(c) Intangible Assets	6	-	5508004	6609605
(d) Financial Assets				
Investments	7	997000	997000	-
#NAME?	8	941100	941100	1006100
#NAME?	9	-	785000	-
(e) Other non-current assets	10	4427798	5,560,415	-
		4,10,13,243	3,04,87,246	1,24,46,798
Current assets				
(a) Inventories	11	16488382	-	6071807
(b) Financial assets				
#NAME?	12	9080979	7605074	12192858
#NAME?	13	929907	218652	528807
#NAME?	14	10963739	453683	152270
(d) Current Tax Assets	15	393506	-544139	-
(e) Other current assets	16	5938951	12467	10174
		4,37,95,465	7,745,737	1,89,55,916
Total assets		8,48,08,708	3,82,32,983	3,14,02,714
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	30775000	30775000	30775000
(b) Other Equity	18	-7663991	-767618	-4881964
		2,31,11,009	3,00,07,382	2,58,93,036
Total Equity		2,31,11,009	3,00,07,382	2,58,93,036
LIABILITIES				
Non Current Liabilities				
(a) Financial liabilities				
#NAME?	19	3,89,41,399	535,989	-
Current liabilities				
(b) Financial liabilities				
#NAME?	20	1,11,31,373	2,110,923	801,094
#NAME?	21	4559313	1,906,657	1,014,558
(c) Other current liabilities	22	5118646	3,736,185	3,753,556
(d) Deferred tax Liability(Net)	23	1641079	-101,561	-91,328
(e) Provisions	24	305889	37,408	31,798
		6,16,97,699	8,225,601	5,509,678
Total liabilities		6,16,97,699	8,225,601	5,509,678
Total equity and liabilities		8,48,08,708	3,82,32,983	3,14,02,714
		0	0	-
Significant accounting policies and key accounting estimates and judgements	1 to 4			
See accompanying notes form an integral part of Standalone Financial Statements	5 to 31			

AS PER OUR REPORT OF EVEN DATE ATTACHED

For LUHARUKA & ASSOCIATES,
Chartered Accountants
FR NO.01882S

For and on behalf of Urbaknitt Fabs Limited

(RAMESHCHAND JAIN)
Partner
M.No. 023019
Place: Secunderabad
Date: 23rd May, 2018

Manoj Kumar Dugar
Managing Director & Chairman
(DIN:00352733)

Rajesh Kumar Dugar
Director
(DIN:00730059)

Company Secretary
(Giridhar Reddy)

Profit & Loss as at March 31, 2018

Sr. No.	Particulars	Note	For the Year ending 31st March, 2018	For the Year ending 31st March, 2017
I	Income			
	Revenue from operations	25	13,15,77,649	9,155,509
	Other Income	26	9,276,240	-99,887
	Total Income		14,08,53,889	9,055,622
II	Expenses			
	Cost of Raw Materials and Components Consumed	27	13,22,85,106	5,017,293
	(Increase)/Decrease in Inventories	28	-6,816,833	-
	Employee benefits expense	29	4,026,780	2,501,311
	Finance costs	30	2,027,925	20,632
	Depreciation & Amortisation Expense	5	1,000,499	1,178,405
	Other expenses	31	7,892,742	4,412,216
	Total expenses		14,04,16,219	1,31,29,857
III	Profit before tax (I-II)		437,670	-4,074,235
IV	Tax expense:			
	Current Tax		83,398	-
	Deferred Tax		1,826,038	58,965
	MAT Credit Entitlement/(Utilised)		83,398	-
	Total Tax Expense		1,992,834	58,965
V	Profit /(Loss) for the period from continuing operation (III-IV)		-1,388,369	-4,133,200
VI	Profit /(Loss) for the period from discontinuing operation		-	8,745,448
VII	Tax Expense of discontinuing operation		-	497,902
VIII	Profit /(Loss) for the period from discontinuing operation after tax (VI-VII)		-	8,247,546
IX	Profit /(Loss) for the period after tax (V+VIII)		-1,388,369	4,114,346
X	Other Comprehensive Income			
A	Items that will not be reclassified to profit or loss		-	-
B	Items that will be reclassified to profit or loss		-	-
	Other Comprehensive Income for the year, net of tax (A+B)		-	-
XI	Total Other Comprehensive Income for the year (IX+X)		-1,388,369	4,114,346
XII	EARNINGS PER EQUITY SHARE			
	Basic and Diluted		-	1.34
	Significant accounting policies and key accounting estimates and judgements	1 to 4		
	See accompanying notes form an integral part of Standalone Financial Statements.	32 to 48		

AS PER OUR REPORT OF EVEN DATE ATTACHED

For LUHARUKA & ASSOCIATES,
Chartered Accountants
FR NO.01882S

(RAMESHCHAND JAIN)
Partner
M.No. 023019
Place: Secunderabad
Date: 23rd May, 2018

For and on behalf of Urbaknitt Fabs Limited

Manoj Kumar Dugar
Managing Director & Chairman
(DIN:00352733)

Rajesh Kumar Dugar
Director
(DIN:00730059)

Company Secretary
(Giridhar Reddy)

Cash Flow for the year ended March 31, 2018

		Amount (in Rupees)	
1	PARTICULARS	2017-18	2016-17
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit (Loss) before Tax	437,670	4,671,213
	Adjustments for Non-Operating Activities:		
	Depreciation	1,000,499	1,178,405
	Loss/ (Profit) on Sale of Assets	-	(1,26,89,518)
	Sundry Balances writtenoff	-	2,879,063
	Finance Cost (Including Preference dividend)	2,027,925	51,146
	Interest Received	-	-148,853
		3,028,424	-8,729,757
	Operating Profit before Working Capital Changes	3,466,094	-4,058,544
	Adjustments for Working Capital Changes:		
	Inventories	(1,64,88,382)	6,071,807
	Trade Receivables	-1,475,905	1,708,721
	Other Assets	(1,64,36,541)	-6,569,429
	Provisions	268,481	459,954
	Trade Payables	9,020,450	1,627,563
	Other financial liabilities	2,652,656	-
	Other Liabilities	1,382,461	-
	Cash Generation From Operations	(2,10,76,780)	3,298,616
	Direct Taxes Paid (Net)	-1,021,043	-
	Net Cash from Operating Activities	(1,86,31,729)	-759,928
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Acquisition of Fixed Assets (including capital work in progress)	(1,89,52,118)	(1,67,67,419)
	Proceeds from Sale of Fixed Assets	-	1,75,15,502
	Interest Received	-	148,853
	Payment of Long term advances		65,000
	Investment		-997,000
	Net Cash from Investing Activities	(1,89,52,118)	-35,064
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Paid	-2,027,925	-51,146
	Proceeds from non current Capital Advances	1,132,617	-
	Long Term Borrowings from Others	3,84,05,410	535,988
	Proceeds from loan to subsidiary	785,000	-
	Net Cash from Financing Activities	3,82,95,102	484,842
	Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)	711,255	-310,150
	Cash and Cash Equivalent (Opening)	218,652	528,807
	Cash and Cash Equivalent (Closing)	929,907	218,654

AS PER OUR REPORT OF EVEN DATE ATTACHED

For LUHARUKA & ASSOCIATES,
Chartered Accountants
FR NO.01882S

For and on behalf of Urbaknitt Fabs Limited

(RAMESHCHAND JAIN)
Partner
M.No. 023019
Place: Secunderabad
Date: 23rd May, 2018

Manoj Kumar Dugar
Managing Director & Chairman
(DIN:00352733)

Rajesh Kumar Dugar
Director
(DIN:00730059)

Company Secretary
(Girdhar Reddy)

SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1. Corporate Information

Urbaknitt Fabs Limited (“the company”) is a Company registered under the companies act, 1956. It is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE). It was incorporated on 7th February, 2011 having its registered office at Plot no 10 & 11, MCH No 1-8-304 to 307/10, Pattigadda Road Hyderabad TG 500003. The company’s CIN No. is L17120TG2011PLC072532 . The company is engaged in the manufacture of Knitted Fabrics, Mattresses and Pillows; along with Trading & Distribution of Minerals, Plasticizers, Construction and Pharma Chemicals.

2. (a) Basis of preparation

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These standalone financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Refer to **Note: 40** for information on how the Company adopted Ind AS.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

3. Significant Accounting Policies:

(a) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

- **Interest Income:**

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

- **Dividend Income:**

Dividend income is recognized when the unconditional right to receive the income is established.

(a) Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. The



present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation for identified components is computed on straight line method based on useful lives, determined based on internal technical evaluation. Freehold land is carried at cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment Properties are depreciated using the straight-line method as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

(c) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

(d) Depreciation and amortization:

Depreciation is provided on the straight-line method over the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

(e) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is: -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current.



(f) Financial assets

Financial assets comprise of cash and cash equivalents.

Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Subsequent Measurement:

- (i) Financial assets measured at amortised cost: Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

- a) Trade receivable
- b) Cash and cash equivalents
- c) Other Financial Asset

Impairment of Financial Assets:

Financial assets are tested for impairment based on the expected credit losses.

De-recognition of Financial Assets:

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(g) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(h) Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value.



Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.

Cost of work-in-progress and finished goods are determined on a weighted average basis. Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks are subsequently measured at amortized cost and short term investments are measured at fair value through statement of profit & loss account.

(j) Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost. A preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability.

Subsequent measurement:

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrow costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

(l) Employee Benefits

Employee benefits are charged to the Statement of Profit and Loss for the year.

Provident Fund

Retirement benefits in the form of Provident Fund are defined contribution scheme and such contributions are recognised, when the contributions to the respective funds are due. There are no other obligation other than the contribution payable to the respective funds.



Gratuity

The employees of the company are covered under Group Gratuity Scheme of Life Insurance Corporation of India. The premium paid thereon is charged to Profit and Loss Account. Adequate provisions have been made in the accounts for gratuity liability. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(m) Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

(n) Leases

As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities



as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Lease-hold land:

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 17 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

(o) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

(p) Fair value measurement

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- i) **Classification of property** The Company determines whether a property is classified as investment property or inventory property:

Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- i) **Classification of leases**

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including,



but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

ii) **Useful lives of depreciable/amortisable assets**

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

iii) **Fair value measurements**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

c) **Recent Amendments**

Standards issued but not yet effective

- a. Ind AS 115-Revenue from Contracts with Customers-The Ministry of Corporate Affairs (MCA) on March 28, 2018 has notified new Indian Accounting Standard as mentioned above .The new standard will come to into force from accounting period commencing on or after April 01, 2018.It replaces existing recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction contract. The standard is likely to affect the measurement, recognition and disclosure of revenue. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company except disclosure. The Company will adopt the Ind AS 115 on the required effective date.
- b. Ind AS 21, The Effect of Changes in Foreign Exchange Rates - The amendments to Ind AS 21 addresses issue to determine the date of transactions for the purpose of determining the exchange rate to be used on initial recognition of related assets, expenses or income when entity has received or paid advances in foreign currencies by incorporating the same in Appendix B to Ind AS 21. The amendment will come into force from accounting period commencing on or after April 01, 2018. The Company has evaluated this amendment and impact of this amendment will not be material.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Notes Forming part of Standalone Financial Statements

33 . Related Party Disclosure

(a) **Name of the Related Parties and related party relationship**

Enterprises owned or significantly influenced by key management personnel or their relatives:

- (i) M/s. Ayushman Merchants Private Limited
- (ii) M/s. Ayushman Solutions Private Limited
- (iii) M/s. Dugar Polymers Limited
- (iv) Defodil Dealcom Pvt Ltd
- (v) Express Vintrade Private Limited



Following are the associates till Jun'16

M/s. Pankaj Polymers Limited	M/s.Aman Tubes Private Ltd
M/s.Pankaj Polyteck pvt Ltd	M/s. Pankaj Polychem (P) Ltd

Key Managerial Personnel

- (i) Mr. Manoj Dugar
- (ii) Mr. Chirag Dugar

Subsidiary Company : M/s Morbido Merchandise Private Limited.

- (b) The following transactions were carried out with related parties in the ordinary course of business during the year:

Figures in Rupees

Sl.No.	Nature of Transaction	Name of the Related Parties	2017-18	2016-17
1	Purchase of Goods	M/s Ayushman Solutions Pvt Ltd	-	20,83,423/-
		M/s Ayushman Merchants Pvt Ltd	38,350/-	-
		Dugar Polymers Limited	14,21,719/-	-
		Du-Luk Polymers Pvt Limited	4,04,394/-	-
		Total	18,64,463/-	20,83,423/-
2	Sale of Assets (net)	M/s Pankaj Polychem (P) Ltd	-	185,00,000/-
		Total	-	185,00,000/-
3	Sale of goods	M/s Pankaj Polychem (P) Ltd	-	44,22,214/-
		M/s Ayushman Merchants Pvt Ltd	6,212.70/-	-
		M/s Ayushman Solutions Pvt Ltd	1,80,20,615/-	-
		Du-Luk Polymers Pvt Limited	1,15,385/-	-
		Express Vintrade Pvt Ltd	14,80,900/-	-
		Dugar Polymers Limited	25,240/-	-
	Total	1,96,48,352/-	44,22,214/-	
4	Investments	M/s Morbido Merchandise Pvt Ltd	-	9,97,000/-
		Total	-	9,97,000/-
5	Reimbursement of TDS	M/s Ayushman Solutions Private Limited	-	58,351/-
		Ayushman Merchants Pvt Limited	-	47,136/-
		Total		1,05,487/-
7	Remuneration	Manoj Dugar	12,00,000/-	12,00,000/-
		Total	12,00,000/-	12,00,000/-
8	Commission Income	Basudeo Enterprises Pvt Ltd	48,72,228/-	-
		Total	48,72,228/-	-



Sl.No.	Nature of Transaction	Name of the Related Parties	2017-18	2016-17	2015-16	
1	Repayment of Advances	Pankaj Polymers Limited	-	3,50,000/-	48,57,155/-	
2	Advance	M/s. Aman Tubes Private Ltd	Nil	6,00,000/-	41,50,000/-	
3	Advance given/(taken)	A. M/s. Morbido Merchandise Pvt Ltd			-	
		Opening Balance	9,33,853/-	-	-	
		Add: Given/(taken) during the year	(32,066,803)/-	61,33,853/-	-	
		Less: Repaid During the year	9,33,853/-	52,00,000/-	-	
		Add: Interest payable/ (receivable)	16,11,065/-	1,48,853/-	-	
		Closing balance	(3,36,77,868)/-	9,33,853/-	-	
		B. Defodil Dealcom Pvt Ltd				
		Opening Balance	-	-	-	
		Add: Given/(taken) during the year	(64,02,000)/-	-	-	
		Less: Repaid During the year	-	-	-	
Add: Interest payable/ (receivable)	15,445	-	-			
Closing balance	64,17,445/-	-	-			

31. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.

32. Earnings Per Share (EPS)

Figures in Rupees

Particulars	2017-18	2016-17
Net Profit/(loss) after Tax	(13,88,369)/-	41,14,346
Net Profit/ (loss) after Tax available for equity share holders - For Basic and Diluted EPS	(13,88,369)/-	41,14,346
Weighted Average No. Of Equity Shares For Basic/Diluted EPS (No.s)	30,77,500	30,77,500
Nominal Value of Equity Shares	10/-	10/-
Basic/Diluted Earnings Per Equity Share	-	1.34

33. Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	As at 31-03-2018	As at 31-03-2017
	Rupees	Rupees
Contingent Liabilities	-	-
Commitments:		
Guarantees issued by banks	-	-

34. Disclosure required under Section 186(4) of the Companies Act 2013

For details of loans, advances and guarantees given and securities provided to related parties refer **Note 33**

35. CIF Value of Imports

Particulars	2017-18		2016-17	
	USD	INR	USD	INR
Raw Material	37998.59	36,67,356.81/-	2,08,585.59	1,90,33,406
Total	37998.59	36,67,356.81/-	2,08,585.59	1,90,33,406



36. Earnings in Foreign Currency

Particulars	2017-18		2016-17	
	USD	INR	USD	INR
Export Sales(FOB Value)	-	-	1,04,000	70,20,000
Total	-	-	1,04,000	70,20,000

38. Segment Reporting:

The Company has primary business of trading and manufacturing of knitted products, however last year company has traded in garments and disposal wares which has been discontinued. The current operating segment of the company are managed separately and require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the management.

The measurement principles of segments are consistent with those used in Significant Accounting Policies. There are no inter segment transfer.

1. 1. Segment Revenue	2017-18	2016-17
Net Sale / Income from each Segment		
(i) Trading	131,577,649	-
(ii) Disposable Wares (discontinued operations)	-	90,72,551
(iii) Garments	-	91,55,509
(iv) Knitted Products	-	-
Total	131,577,649	182,28,060
2. Segment Results		
Profit(+) / Loss (-) before tax and Interest		
(i) Trading	(66,13,253)	-
(ii) Disposable Wares (discontinued operations)	-	87,45,448
(iii) Garments	-	(42,21,775)
(v) Knitted Products	-	-
Total	(66,13,253)	45,23,673
Less:		
(i) Interest	20,27,925	20,632
(ii) Unallocable expenditure net of unallocable income	(90,78,848)	(1,68,172)
Total Profit Before Tax	4,37,670	46,71,213/-

3. Segment Assets	2017-18	2016-17
(i) Trading	17,947,373/-	-
(ii) Disposable Wares (discontinued operations)	-	-
(iii) Garments	76,21,988/-	76,05,074/-
(iv) Knitted Products	34,647,345/-	15,561,697
(v) Unallocated	24,592,002/-	15,066,212/-
Total	84,808,708/-	38,232,983/-
4. Segment Liabilities		
(i) Trading	11,131,373 /-	-
(ii) Disposable Wares (discontinued operations)	-	-
(iii) Garments	-	-
(iv) Knitted Products	483,560/-	21,10,923/-
(v) Unallocated	50,082,766/-	6,114,678/-
Total	61,697,699/-	8,225,601/-



Note: The Company has disclosed business segment as the Primary segment.

39. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- i. Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- ii. Receivables resulting from other than sale of properties: The firm has established credit limits for customers and monitors their balances on ongoing basis. Credit Appraisal is performed before leasing agreements are entered into with customers. The risk is also marginal due to customers placing significant amount of security deposits for lease and fit out rentals.

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy. Investments of surplus funds are reviewed and approved by the Company's Board of Directors on an annual basis. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2017 is the carrying amounts.

C. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:



Figures in Rupees

Year Ended	On Demand	3 to 12 Months	1 to 5 Years	>5 Years	Total
31-Mar-18					
Borrowings	-	1,43,491	3,89,41,399	-	3,90,84,890
	-	1,43,491	3,89,41,399	-	3,90,84,890
31-Mar-17					
Borrowings	-	1,94,964	5,35,989	-	7,30,953
	-	1,94,964	5,35,989	-	7,30,953
01-Apr-16					
Borrowings	-	-	-	-	-
	-	-	-	-	-

40. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Figures in Rupees

Particulars	31 Mar 2018	31 Mar 2017	31 Mar 2016
Borrowings (Long term and Short term including Current maturity of Long term Borrowings)	3,90,84,890/-	7,30,953/-	-
Note 19			
Other Payable (current and non-current, excluding current maturity of long term borrowings) Note 20, 21, 22 & 24	2,09,71,730/-	75,96,209/-	56,01,006/-
Less Cash and Cash Equivalents	9,29,908/-	2,18,652/-	5,28,807/-
Net Debt	5,91,26,712/-	81,08,510/-	50,72,199/-
Equity Share capital	3,07,75,000/-	3,07,75,000/-	3,07,75,000/-
Other Equity	(76,63,991)/-	(7,67,618)/-	(48,81,964)/-
Total Capital	2,31,11,009/-	3,00,07,382/-	2,58,93,036/-
Capital and Net debt	8,22,37,721/-	3,81,15,892/-	3,09,65,235/-
Gearing ratio (in %)	71.90	21.27	16.38

41. First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31,



2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- (a) Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment and investment property at their previous GAAP carrying value.
- (b) Ind AS 27 requires investments in subsidiaries to be recorded at cost or in accordance with Ind AS 109 in its separate financial statements. However Ind AS 101 provides an option in case the Company decides to measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) at that date. The Company can avail the above exemption and recognize the investment in firms at the previous GAAP carrying amount at the date of transition to Ind AS.

The Company has also prepared a reconciliation of equity as at March 31, 2017 and April 1, 2016 under the Previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of balance sheet which is presented below:

Figures in Rupees

Particulars	31-Mar-17	01-Apr-16
Equity under previous GAAP	3,00,07,382	2,58,93,036
Adjustments (net of tax)::		
Others	-	-
Equity under Ind AS	3,00,07,382	2,58,93,036

The Company has prepared a reconciliation of the net profit for the previous year ended March 31, 2017 under the Previous GAAP with the total comprehensive income as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of profit and loss which is presented below:

Figures in Rupees

Particulars	31-Mar-17
Net profit as per previous GAAP	41,14,346
Adjustments (net of tax)::	
Others	-
Net profit as per IND AS	41,14,346
Other Comprehensive Income (net of tax)	-
Total Comprehensive Income as per IND AS	41,14,346

Notes to reconciliations between previous GAAP and Ind AS

Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit/loss to profit/loss as per Ind AS. Further, Indian GAAP profit/loss is reconciled to total comprehensive income as per Ind AS.



42. Previous year's figures have been regrouped and rearranged, wherever found necessary.

As per our report of even date attached

**For Luharuka & Associates
Chartered Accountants,**

**For and on behalf of the board,
Urbaknitt Fabs Limited**

**Rameshchand Jain
Partner**

**Manoj Dugar
Managing Director
& chairman
DIN: 00352733**

Rajesh Kumar Dugar






**Director
DIN: 00730059**

**M. No. 023019
Firm Reg No.01882S**

Place: Secunderabad,
Date : May 23, 2018

**Company Secretary
(Giridhar Reddy)**



URBAKNITT FABS LIMITED CIN:- L17120TG2011PLC072532			
Consolidated Statement of Assets and Liabilities as on 31st March 2018			
(in Rupees)			
ASSETS		As at 31st March, 2018	As at March 31, 2017
Non-current assets			
(a) Property, plant and equipment	5	37,804,605	1,134,029
(b) Capital work in progress		-	15,561,697
(c) Intangible Assets	6	-	5,508,004
(d) Financial Assets			
- Deposits	7	1,034,700	1,069,700
(e) Other non-current assets	8	4,427,798	5,560,415
		43,267,103	28,833,845
Current assets			
(a) Inventories	9	40,759,430	-
(b) Financial assets			
- Trade receivables	10	116,845,794	27,753,705
- Cash and cash equivalents	11	1,673,108	830,775
- Others financial assets	12	11,614,610	447,957
(c) Current tax Assets (Net)	13	102,226	-
(d) Other current assets	14	7,812,052	12,467
		178,807,220	29,044,904
Total assets		222,074,323	57,878,749
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	30,775,000	30,775,000
(b) Other Equity	16	(1,029,473)	(676,479)
Equity attributable to owners		29,745,527	30,098,521
Non-controlling interest	17	23,099	3,410
Sub - Total Equity		29,768,626	30,101,931
LIABILITIES			
Non Current Liabilities			
(a) Financial liabilities			
- Borrowings	18	47,357,240	535,989
Current liabilities			
(a) Financial liabilities			
- Deferred tax liability (NET)	19	1,727,640	(101,564)
- Trade Payables	20	131,316,913	20,708,015
- Other financial liabilities	21	7,907,996	2,071,645
(b) Other current liabilities	22	3,603,621	3,736,186
(c) Provisions	23	392,287	237,408
(d) Current tax Liabilities (Net)	24	-	589,139
		192,305,697	27,776,818
Total liabilities		192,305,697	27,776,818
Total equity and liabilities		222,074,323	57,878,749
Significant accounting policies and key	1 to 4		
See accompanying notes form an Integral part of			
Standalone Financial Statements	32 to 43		
AS PER OUR REPORT OF EVEN DATE ATTACHED		For and on behalf of Urbaknitt Fabs Limited	
For LUHARUKA & ASSOCIATES, Chartered Accountants FR NO.018825		For URBAKNITT FABS LIMITED For URBAKNITT FABS LIMITED	
 (RAMESHCHAND JAIN) Partner M.No. 023019		 Managing Director Manoj Kumar Dugar Managing Director & Chairman (DIN:00352733)	 Director Rajesh Kumar Dugar Director (DIN:00730059)
Place: Secunderabad		 Company Secretary (Giridhar Reddy)	



URBAKNITT FABS LIMITED
CIN:- L17120TG2011PLC072532

Statement of Profit and Loss for the Year Ended 31st March, 2018

Particulars	Note	(in Rupees)	
		For the period ending March 31, 2018	For the period ending March 31, 2017
I Income			
Revenue from operations	25	322,031,093	33,669,608
Other Income	26	12,394,687	301,430
Total Revenue		334,425,780	33,971,038
II Expenses			
Cost of Raw Materials and Components Consumed	27	328,895,200	28,603,689
(Increase)/Decrease in Inventories	28	(31,087,881)	-
Employee benefits expense	29	5,552,348	2,851,311
Finance costs	30	4,555,336	53,501
Depreciation & Amortisation Expense	5	1,229,718	1,178,405
Other expenses	31	15,906,928	5,221,817
Total expenses		325,051,649	37,908,723
III Profit before tax (I-II)		9,374,132	(3,937,686)
IV Tax expense:			
Current Tax		2,368,571	45,000
Deferred Tax		1,912,599	58,965
MAT Credit Entitlement/(Utilised)		1,660	-
Total Tax Expense		83,398	-
V Profit /(Loss) for the period from continuing operation (III-IV)		5,174,699	(4,041,651)
VI Profit /(Loss) for the period from discontinuing operation			8,745,448
VII Tax Expense of discontinuing operation			497,902
VIII Profit /(Loss) for the period from discontinuing operation after tax (VI-VII)			8,247,546
IX Profit /(Loss) for the period after tax (V+VIII)		5,174,699	4,205,895
X Other Comprehensive Income			
A Items that will not be reclassified to profit or loss		-	-
B Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, net of tax (A+B)		-	-
XI Total Other Comprehensive Income for the year (IX+X)		5,174,699	4,205,895
XII Total Comprehensive Income for the year attributable to:		5,174,699	4,205,895
-Owners of the company		5,155,010	4,205,485
-Non-controlling interest		19,689	410
		5,174,699	4,205,895
XIV EARNINGS PER EQUITY SHARE (Face value Rs.10/- each)			
Basic and Diluted		1.68	1.37

Significant accounting policies and key accounting estimates and judgements

1 to 4

See accompanying notes form an integral part of Consolidated Financial Statements.

32 to 48

AS PER OUR REPORT OF EVEN DATE ATTACHED
For LUHARUKA & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN - 01882S)

RAMESHCHAND JAIN
(Partner) (M. No. 023019)



Place: Secunderabad
Date: 23rd May, 2018

For URBAKNITT FABS LIMITED For URBAKNITT FABS LIMITED

For URBAKNITT FABS LIMITED

Managing Director

MANOJ KUMAR DUGAR
DIN: 00352733
MANAGING DIRECTOR

Rajesh Kumar Dugar
DIN: 00730059
Director

Director

Giridhar Reddy
Company Secretary



Urbaknitt Fabs Limited
CIN:L17120TG2011PLC072532
Consolidated Cashflow Statement for the Year ended 31st March, 2018

PARTICULARS	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit (Loss) before Tax	9,374,132
Adjustments for Non-Operating Activities:	
Bad Debts Written off	
Depreciation	1,229,718
Loss/ (Profit) on Sale of Assets	-
Finance Cost (Including Preference dividend)	4,555,336
Interest Received	-
	5,785,054
Operating Profit before Working Capital Changes	15,159,185
Adjustments for Working Capital Changes:	
Inventories	(40,759,430)
Trade Receivables	(89,092,089)
Other Assets	(18,966,238)
Provisions	154,879
Trade Payables	110,608,898
Other financial liabilities	5,836,352
Other Liabilities	(132,565)
Cash Generation From Operations	(32,350,193)
Direct Taxes Paid (Net)	(3,061,596)
Net Cash from Operating Activities	(20,252,604)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Acquisition of Fixed Assets (including capital work in progress)	(22,338,596)
Proceeds from Sale of Fixed Assets	-
Interest Received	-
Net Cash from Investing Activities	(22,338,596)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Interest Paid	(4,555,336)
Other non current assets	1,132,618
Long Term Borrowings from Others	46,821,251
Deposits	35,000
Repayment of Borrowings	-
Net Cash from Financing Activities	43,433,533
Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)	842,333
Cash and Cash Equivalent (Opening)	830,775
Cash and Cash Equivalent (Closing)	1,673,108
Components of cash and cash equivalents	0
Balances with Banks:	
In Current Accounts	
in Deposit Accounts	
Cheques in hand	
Cash on Hand	
Earmarked Balances with Banks:	
Against Unpaid Dividend	
Against Fractional Share Entitlements	

Summary of significant accounting policies

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For **LUHARUKA & ASSOCIATES**
Chartered Accountants

Firm Reg.No - **FOR URBAKNITT FABS LIMITED**
118825


(Ramesh Chand Jain)

(Partner)
(Membership No.023019)

Place:

Date: 23rd May, 2018

For on behalf of Urbaknitt fabs Limited

FOR URBAKNITT FABS LIMITED


Managing Director
Manoj Kumar Dugar
Managing Director & Chairman
(DIN: 00352733)


Rajesh Kumar Dugar
Director
(DIN: 00730059)


(Giridhar Reddy)
Company secretary



Urbaknitt Fabs Limited
CIN:- L17120TG2011PLC072532

Statement of Changes in Equity for the Year ended 31st March 2018

A. Equity Share capital

Particulars	No of shares	In Rupees
Balance as at 1 April 2016	-	-
Changes in equity share capital during 2016-17	1,000,000	1,000,000
Balance as at 31 March 2017	1,000,000	1,000,000
Balance as at 1 April 2017	1,000,000	1,000,000
Changes in equity share capital during 2017-18	-	-
Balance as at 31 March 2018	1,000,000	1,000,000

B. Other equity


(Amount in Rupees)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2016 (A)	(4,881,964)	(4,881,964)
Additions during the year:		
Profit for the year	4,205,485	4,205,485
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2016-17 (B)	4,205,485	4,205,485
Transfer In/Out General Reserve	-	-
Balance at 31 March 2017 (C=A+B)	(676,479)	(676,479)
Balance at 1 April 2017 (D)	(676,479)	(676,479)
Additions during the year:		
Profit for the year	5,155,010	5,155,010
Adjustment of Goodwill	(5,508,005)	(5,508,005)
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2017-18 (E)	(352,994)	(352,994)
Transfer In/Out General Reserve	-	-
Dividends	-	-
Tax on dividends	-	-
Balance as at 31 March 2018 (F=D+E)	(1,029,473)	(1,029,473)

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,


Rameshchand Jain

Partner

M. No. 023019

Firm Reg No.01882S

Place: Secunderabad,

Date :

For URBAKNITT FABS LIMITED


Manoj Dugar

Managing Director &

Chairman

(DIN:00352733)



For Urbaknitt Fabs Limited

For URBAKNITT FABS LIMITED


Rajesh Kumar Dugar

Director

(DIN:00730059)

Director



Note : 5 Property, Plant and Equipment
Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2018. (Amount in Rupees)

Particulars	Freehold Land	Building	Plant & Machinery	Computer	Electrical Installation	Furniture & Fixtures	Vehicles	Office Equipment	Moulds	Grand Total
Gross carrying Value as at April 01, 2016	1,592,591	1,759,382	18,207,045	-	1,760,518	64,808	796,540	98,915	826,400	25,106,199
Additions	-	-	-	225,950	-	-	979,772	-	-	1,205,722
Deletions	1,592,591	1,759,382	18,207,045	-	1,760,518	64,808	796,540	98,915	826,400	25,106,199
Gross carrying Value as at March 31, 2017	-	-	-	225,950	-	-	979,772	-	-	1,205,722
Accumulated depreciation as at April 01, 2016	-	840,440	16,184,034	-	1,672,493	61,570	690,179	41,308	785,080	20,225,104
Depreciation	-	-	-	32,910	-	-	43,894	-	-	76,804
Accumulated depreciation on disposals	-	840,440	16,184,034	-	1,672,493	61,570	695,290	41,308	785,080	20,280,215
Accumulated depreciation as at March 31, 2017	-	-	-	32,910	-	-	38,783	-	-	71,693
Net Carrying Value as at March 31, 2017	-	-	-	193,040	-	-	940,989	-	-	1,134,029
Net Carrying Value as at April 01, 2016	1,592,591	918,942	2,023,011	-	88,025	3,238	106,361	57,607	41,320	4,831,095

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2018

Particulars	Freehold Land	Building	Plant & Machinery	Computer	Electrical Installation	Furniture & Fixtures	Vehicles	Office Equipment	Moulds	Grand Total
Gross carrying Value as at April 01, 2017	-	-	-	225,950	-	-	979,772	-	-	1,205,722
Additions	-	-	27,185,306	160,027	5,723,258	543,057	3,454,297	834,347	-	37,910,293
Disposals	-	-	-	-	-	-	-	-	-	-
Gross carrying Value as at March 31, 2018	-	-	27,185,306	385,977	5,723,258	543,057	4,434,069	834,347	-	39,106,015
Accumulated depreciation as at April 01, 2017	-	-	-	32,910	-	-	38,783	-	-	71,692
Depreciation	-	-	369,949	77,884	277,775	36,890	327,566	139,654	-	1,229,718
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	-	369,949	110,794	277,775	36,890	366,349	139,654	-	1,301,410
Net Carrying Value as at March 31, 2018	-	-	26,815,357	275,184	5,445,483	506,167	4,067,720	694,693	-	37,804,605

FOR URBANKNITT FABRS LIMITED

FOR URBANKNITT FABRS LIMITED

Managing Director

Director



Urbaknitt Fabs Limited 2017-18 Notes Forming Part of the Consolidated Financial Statements

Note : 6 Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the Year Ended 31st March 2018

(Amount in Rupees)

Particulars	Goodwill	Grand Total
Gross carrying Value as at April 01, 2016	11,016,009	11,016,009
Additions	-	-
Disposals	-	-
Gross carrying Value as at March 31, 2017	11,016,009	11,016,009
Accumulated depreciation as at April 01, 2016	5,508,005	5,508,005
Depreciation	-	-
Accumulated depreciation on disposals	-	-
Accumulated depreciation as at March 31, 2017	5,508,005	5,508,005
Net Carrying Value as at March 31, 2017	5,508,005	5,508,005
Net Carrying Value as at April 01, 2016	6,609,605	5,508,005

Particulars	Goodwill	Grand Total
Gross carrying Value as at April 01, 2017	11,016,009	11,016,009
Additions	-	-
Disposals	-	-
Gross carrying Value as at March 31, 2018	11,016,009	11,016,009
Accumulated depreciation as at April 01, 2017	5,508,005	5,508,005
Adjustment for the Year	5,508,005	5,508,005
Accumulated depreciation on disposals	-	-
Accumulated depreciation as at March 31, 2018	11,016,009	11,016,009
Net Carrying Value as at March 31, 2018	-	-



For URBAKNITT FABS LIMITED


Managing Director

For URBAKNITT FABS LIMITED


Director



URBAKNITT FABS LIMITED
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

7 Deposits **Consolidated**

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(Unsecured, Considered Good)		
Rent Deposit	658,100	693,100
Water Deposit	1,600	1,600
Electricity Deposit	375,000	375,000
Total	1,034,700	1,069,700

8 Other non-current assets

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(Unsecured, Considered Good)		
Capital Advances	4,427,798	5,560,415
Less: Provision for Doubtful Advances	-	-
Total	4,427,798	5,560,415

9 Inventory

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(As valued and certified by management)		
Finished Goods	3,823,451	-
Work-in-Progress/at job work	2,993,381	-
Stock of Raw Material	9,671,549	-
Stock In Trade	24,271,048	-
Total	40,759,430	-

10 Trade Receivables

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Considered Good	116,845,794	27,753,705
Considered Doubtful	-	-
Total (A)	116,845,794	27,753,705
Less : Provision for doubtful debts & Advances	-	-
Total (A-B)	116,845,794	27,753,705

No trade or other receivables are due from directors or other officers of the company.
Further, no trade or other receivables are due from firms or private companies in which any director is a partner or director or member.

11 Cash and Cash Equivalents

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Cash in Hand	670,048	369,169
Balances with Banks	-	-
In Current Accounts	1,003,060	461,606
Total	1,673,108	830,775

12 Other Financial Assets

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(Unsecured, Considered Good)		
Advance for raw material	10,806,845	-
Advances to others	3,129	15,290
Other Advances	536,903	314,426
Commission Receivable	267,733	118,241
Total	11,614,610	447,957

13 Current Tax Assets (Net)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
TDS Receivable	670,797	22,961
Advance Tax	1,800,000	-
(Less): Provision for Income Tax	(2,368,571)	(612,100)
	102,226	(589,139)

14 Other Current Assets

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(Unsecured, Considered Good)		
Balances with Government Authorities	7,812,052	12,467
Total	7,812,052	12,467

For URBAKNITT FABS LIMITED

R.K.
Director

For URBAKNITT FABS LIMITED

Wojm
Managing Director



15. Equity Share Capital

(Amount in Rupees)

Particulars	As at March 31st, 2018		As at March 31st, 2017		As at April 1st, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized Capital						
50,000 equity shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
Issued, Subscribed and Paid-up Capital						
3077500 equity shares of Rs. 10/- each fully paid up	3,077,500	30,775,000	3,077,500	30,775,000	3,077,500	30,775,000

a) Terms / rights attached to Equity Shares

The company has only one class of issued equity shares having a par value of Rs.10/- per share. Each shareholder is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of Shares Outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31st, 2018		As at March 31st, 2017		As at April 1st, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity Shares of Rs.10/- each fully paid up						
Shares outstanding at the beginning of the year	3,077,500	30,775,000	3,077,500	30,775,000	3,077,500	30,775,000
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	3,077,500	30,775,000	3,077,500	30,775,000	3,077,500	30,775,000

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 2018		As at March 2017		As at April 2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Tara Devi Dugar	369,325	12.00%	369,325	12.00%	369,325	12.00%
Renu R Dugar	300,362	9.76%	300,362	9.76%	300,362	9.76%
Balram Chaitrai & Antra Chaitrai Advani	294,000	9.55%	294,000	9.55%	294,000	9.55%
Rajesh Kumar Dugar	276,975	9.00%	276,975	9.00%	276,975	9.00%
Manoj Kumar Dugar	256,525	8.34%	256,525	8.34%	256,525	8.34%
Divya Dugar	246,250	8.00%	246,250	8.00%	246,250	8.00%
Chirag Dugar	215,360	7.00%	215,360	7.00%	215,360	7.00%
Renu M Dugar	215,360	7.00%	215,360	7.00%	215,360	7.00%
Total	2,205,052		2,205,052		2,205,052	

The shareholding information has been extracted from the records of the Company including register of shareholders/ members and is based on legal ownership of shares.

FOR URBAKNITT FABS LIMITED

FOR URBAKNITT FABS LIMITED

Managing Director

Director



15. Equity Share Capital

(Amount in Rupees)

Particulars	As at March 31st, 2018		As at March 31st, 2017		As at April 1st, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized Capital 50,00,000 equity shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
Issued, Subscribed and Paid-up Capital 3,07,500 equity shares of Rs. 10/- each fully paid up	3,07,500	30,775,000	3,07,500	30,775,000	3,07,500	30,775,000

a) Terms / rights attached to Equity Shares

The company has only one class of issued equity shares having a par value of Rs. 10/- per share. Each shareholder is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of Shares Outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31st, 2018		As at March 31st, 2017		As at April 1st, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity Shares of Rs. 10/- each fully paid up						
Shares outstanding at the beginning of the year	3,077,500	30,775,000	3,077,500	30,775,000	3,077,500	30,775,000
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	3,077,500	30,775,000	3,077,500	30,775,000	3,077,500	30,775,000

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 2018		As at March 2017		As at April 2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Tara Devi Dugar	369,325	12.00%	369,325	12.00%	369,325	12.00%
Renu R Dugar	300,362	9.76%	300,362	9.76%	300,362	9.76%
Balram Chahrai & Anita Chahrai Advani	294,000	9.55%	294,000	9.55%	294,000	9.55%
Rajesh Kumar Dugar	276,975	9.00%	276,975	9.00%	276,975	9.00%
Manoj Kumar Dugar	256,525	8.34%	256,525	8.34%	256,525	8.34%
Divay Dugar	246,255	8.00%	246,255	8.00%	246,255	8.00%
Chirag Dugar	246,250	8.00%	246,250	8.00%	246,250	8.00%
Renu M Dugar	215,360	7.00%	215,360	7.00%	215,360	7.00%
Total	2,205,052		2,205,052		2,205,052	

The shareholding information has been extracted from the records of the Company including register of shareholders/ members and is based on legal ownership of shares.

FOR URBAKNITT FABS LIMITED

FOR URBAKNITT FABS LIMITED

Managing Director

Director



URBAKNITT FABS LIMITED

Notes forming part of the Consolidated Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

16 Other Equity

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2016 (A)	(4,881,964)	(4,881,964)
Additions during the year:		
Profit for the year	4,205,485	4,205,485
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2016-17 (B)	4,205,485	4,205,485
Transfer In/Out General Reserve	-	-
Balance at 31 March 2017 (C=A+B)	(676,479)	(676,479)
Balance at 1 April 2017 (D)	(676,479)	(676,479)
Additions during the year:		
Profit for the year	5,155,010	5,155,010
Adjustment of Goodwill	(5,508,005)	(5,508,005)
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2017-18 (E)	(352,994)	(352,994)
Transfer In/Out General Reserve	-	-
Dividends	-	-
Tax on dividends	-	-
Balance as at 31 March 2018 (F=D+E)	(1,029,473)	(1,029,473)

Description of nature and purpose of reserve is as follows

Retained Earnings: Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration

17 Non- controlling interest

Particulars	As at March 31, 2018	As at March 31, 2017
Minority Interest		
-Share of Capital	3,000	3,000
-opening profit	410	-
-Share of Current Year's Profit	19,689	410
Total	23,099	3,410

18 Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Vehicle Loan from bank (against hypothecation of vehicle) (repayable in equal 60 number of instalment at an average rate of 9.61%)	2,802,260	730,953
Loan from Others	45,140,017	-
Loan from Subsidiary Co.	32,066,803	-
Less: Loan From Holding co.	(32,066,803)	-
Total (A)	47,942,297	730,953
(B) Less: Current maturities of vehicle loan disclosed in Note	585,056	194,964
Total (A-B)	47,357,240	535,989

19 Deferred tax liability (NET)

Particulars	As at March 31, 2018	As at March 31, 2017
(A) Deferred tax liability	-	-
Opening Balance	-	-
Add: Deferred tax for the year	1,880,236	(32,363)
(B) MAT Credit Entitlement	(152,596)	(69,198)
Total (A-B)	1,727,640	(101,561)



For URBAKNITT FABS LIMITED


Managing Director

For URBAKNITT FABS LIMITED


Director



20 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
For Goods & Services		
- Total Outstanding dues of Micro and Small Enterprises	-	-
- Total Outstanding dues Other than Micro and Small Enterprises	131,316,913	20,708,015
Total	131,316,913	20,708,015

21 Other Current Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current Maturities of Vehicle Loan		
- From Bank	585,056	194,964
Bank OD	-	1,030,055
Créditors for expenses	5,525,699	636,315
Statutory Remittances	530,985	74,908
Créditors for Capital Goods	1,266,255	135,404
Total	7,907,996	2,071,645

22 Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from Customers	857,581	1,086,186
Interest Payable to Others	-	-
Other Liabilities	2,650,000	2,650,000
Rent Payable	96,040	-
Interest Payable to Subsidiary Company	1,611,065	-
Less: Interest Receivable from Holding Company	(1,611,065)	-
Total	3,603,621	3,736,186

23 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits	392,287	237,408
Total	392,287	237,408

24 Current Tax Liabilities (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Income Tax		589,139
Less: TDS Receivable		-
Less: Advance Tax		-
Total		589,139



For URBAKNITT FABs LIMITED


Managing Director

For URBAKNITT FABs LIMITED


Director



URBAKNITT FABS LIMITED
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

25 Revenue from operations

Particulars	Consolidated	
	For the period ending March 31, 2018	For the period ending March 31, 2017
Sales of Finished goods	203,991,704	33,669,608
Sales of Traded goods	116,902,177	-
Sales-Others	1,255,000	-
Less: Trade Discount	(117,788)	-
Total	322,031,093	33,669,608

26 Other Income

Particulars	For the period ending March 31, 2018	For the period ending March 31, 2017
	Commission	9,674,974
Discount Received	5,900	-
Interest	-	183,189
Foreign Exchange Gain (Net)	2,713,812	-
Total	12,394,687	301,430

27 Cost of Raw Materials and Components Consumed

Particulars	For the period ending March 31, 2018	For the period ending March 31, 2017
	Opening Stock	-
Add:- Purchase of Raw Materials & Traded Goods	337,371,648	28,603,689
Add:- Purchase-others	1,195,101	-
Less:- Closing Stock of Raw Material	(9,671,549)	-
Total	328,895,200	28,603,689

28 (Increase)/Decrease in Inventories

Particulars	For the period ending March 31, 2018	For the period ending March 31, 2017
	Increase/Decrease in stock of Finished Goods & Semi-finished Goods	-
Inventories (at close)		
Finished Goods	3,823,451	-
Work-in-Progress/at job work	2,993,381	-
Stock in trade	24,271,048	-
Total (A)	31,087,881	-
Inventories (at opening)		
Finished Goods	-	-
Work-in-Progress/at job work	-	-
Scrap/Wastage	-	-
Total (B)	-	-
Total (A-B)	31,087,881	-

29 Employee benefit expenses

Particulars	For the period ending March 31, 2018	For the period ending March 31, 2017
	Salaries and Wages	3,752,348
Contribution to PF and ESI	-	-
Directors Remuneration	1,800,000	1,400,000
Total	5,552,348	2,851,311

30 Finance cost

Particulars	For the period ending March 31, 2018	For the period ending March 31, 2017
	Bank Charges	178,635
Interest on car loan	64,553	-
Interest to Others	4,312,048	20,632
Interest paid on loan from Subsidiary Company	1,938,926	-
Less: Interest from Holding Company	(1,938,926)	-
Total	4,555,336	53,501

31 Other expenses

Particulars	For the period ending March 31, 2018	For the period ending March 31, 2017
	Electricity and Fuel	1,528,991
Business, Sales Promotion and Advertisement	774,513	147,535
Conveyance	15,000	18,500
Director Sitting fees	12,500	-
Consumables Stores and Spares Consumed	273,460	-
Professional and Consultancy Charges	287,642	500,958
Repairs & Maintenance	371,094	-
-Buildings	299,097	-
-Others	419,486	379,349
Printing & Stationery	293,246	50,117
Rates, Taxes and Duties	362,409	183,964
Inward Carriage	1,338,396	710,440
Freight Outward	174,247	-
Postage Telegrams & Telephones	49,714	15,153
Annual Issuer Fees (CDSL)	269,872	-
Subscription Fees	-	1,062,676
Audit fees	100,000	97,750
Donations	31,000	-
Commission	4,608,005	-
Foreign exchange fluctuation	-	159,620
Travelling Expenses	1,118,495	1,103,713
Rent Paid	2,363,280	51,750
Miscellaneous Expenses	1,216,479	740,292
Total	15,906,928	5,221,817



For URBAKNITT FABS LIMITED

bat
Director

For URBAKNITT FABS LIMITED

Wojan
Managing Director



32. Financial Instruments by Category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximates of fair values:

(Rupees in Lakhs)

Particulars	Carrying value		Fair value	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
(i) Deposits	1,034,700	1,069,700	1,034,700	1,069,700
(ii) Other non-current assets	4,427,798	5,560,415	4,427,798	5,560,415
Total Financial Assets	5,462,498	6,630,115	5,462,498	6,630,115
(i) Borrowings	47,357,240	535,989	47,357,240	535,989
Total Financial Liabilities	47,357,240	535,989	47,357,240	535,989

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



For URBAKNITT FABS LIMITED

[Signature]
Managing Director

For URBAKNITT FABS LIMITED

[Signature]
Director



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URBAKNITT FABS LIMITED

(Formally known as PANKAJ POLPACK LIMITED)

Regd. Office: Plot No 10 &11, MCH No 1-8-304 to 307/10 Pattigadda Road

Hyderabad-- 500 003 Tel : +91 40 27909001

E-mail : info@urbaknitt.com: Website : www.urbaknitt.com

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

/We hereby record my/our presence at the SEVENTH ANNUAL GENERAL MEETING of the Company, at IIIrd Floor, Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad- 500 003, at 11.00 A.M. on Saturday, the 29th day of September 2018 and at any adjournment thereof.

Shareholders/Proxy's Full Name (In Block Letters): _____

Folio No./Client ID : _____

No. of Shares Held : _____

Note:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip/Proxy from as the case may be meeting and handover at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.
3. A Proxy need not be a member of the company.
4. Incase of joint holders, the vote of the senior who tends a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

Signature of the Shareholder(s)/Proxy's: _____

Signed thisday of2018



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URBAKNITT FABS LIMITED

(Formerly known as PANKAJ POLPACK LIMITED)

Regd. Office: Plot No 10 & 11, MCH No 1-8-304 to 307/10 Pattigadda Road

Hyderabad-- 500 003 Tel : +91 40 27909001

E-mail : info@urbaknitt.com: Website : www.urbaknitt.com

Form No. MGT-11

PROXY FORM

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

CIN: L55101TG2011PLC072532

Name of the company: URBAKNITT FABS LIMITED

(formaly known as PANKAJ POLYPACK LIMITED

Registered office: Plot No 10 & 11, MCH No 1-8-304 to 307/10 Pattigadda Road, Hyderabad, Telangana - 500003

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ DP Id-Client Id::

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

1. Name: _____
Address: _____
E-mail Id: _____
Signature: _____ or failing him;
2. Name: _____
Address: _____
E-mail Id: _____
Signature: or failing him;
3. Name: _____
Address: _____
E-mail Id: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the SEVENTH ANNUAL GENERAL MEETING of the company, to be held on the IIIrd Floor, Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad- 500 003, at 11.00 A.M. on Saturday, the 29th day of September 2018 and at any adjournment thereof in respect of such resolutions as are indicated below:



SNO	RESOLUTION
1.	To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon .
2.	To appoint M/s. Luharuka & Associates, Chartered Accountants, Hyderabad (Reg. No.01882S) as Statutory Auditors of the Company to hold office from conclusion of 7th Annual General Meeting until the conclusion of the 12th Annual General Meeting and authorize the Board of Directors of the Company to fix their remuneration.
3.	To appoint a Director in place of Mrs. Renu Dugar (DIN: 00235675), who retires by rotation and, being eligible, seeks re-appointment.
4.	Advance Loans, provide guarantee/security and make investment in excess of the prescribed limit.
5.	Loans to Directors/Interested Parties.
6.	Approval For Related Party Transactions:

Signed this day of 2018.

Signature of shareholder(s): _____

Signature of Proxy holder(s): _____



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



URBAKNITT FABS LIMITED

(Formerly known as PANKAJ POLPACK LIMITED)

Regd. Office: Plot No 10 & 11, MCH No 1-8-304 to 307/10 Pattigadda Road Hyderabad— 500 003

Tel : +91 40 27909001

E-mail : info@urbaknitt.com; Website : www.urbaknitt.com

**Form No. MGT-12
POLLING PAPER**

(Pursuant to Section 109(5) of the Companies Act 2013 and Rule 21(1)© of the Companies (Management and Administration) Rules, 2014)

S.No	Particulars	Details
1	Name of the First Named Shareholder (in block letters)	
2	Postal Address	
3	Registered Folio No/Client ID)	
4	Class of Share	Equity
5.	No of Shares held	

I Hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner :

Resolution No	Matter of Resolution	I assent to the resolution	Assent to No of shares	I dissent from the resolution	Dissent to No of shares
	To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon .				
	To appoint M/s. Luharuka & Associates, Chartered Accountants, Hyderabad (Reg. No.01882S) as Statutory Auditors of the Company to hold office from conclusion of 7 th Annual General Meeting until the conclusion of the 12 th Annual General Meeting and authorize the Board of Directors of the Company to fix their remuneration.				
	To appoint a Director in place of Mrs. Renu Dugar (DIN: 00235675), who retires by rotation and, being eligible, seeks re-appointment.				
	Advance Loans, provide guarantee/security and make investment in excess of the prescribed limit.				
	Loans to Directors/Interested Parties.				
	Approval For Related Party Transactions:				

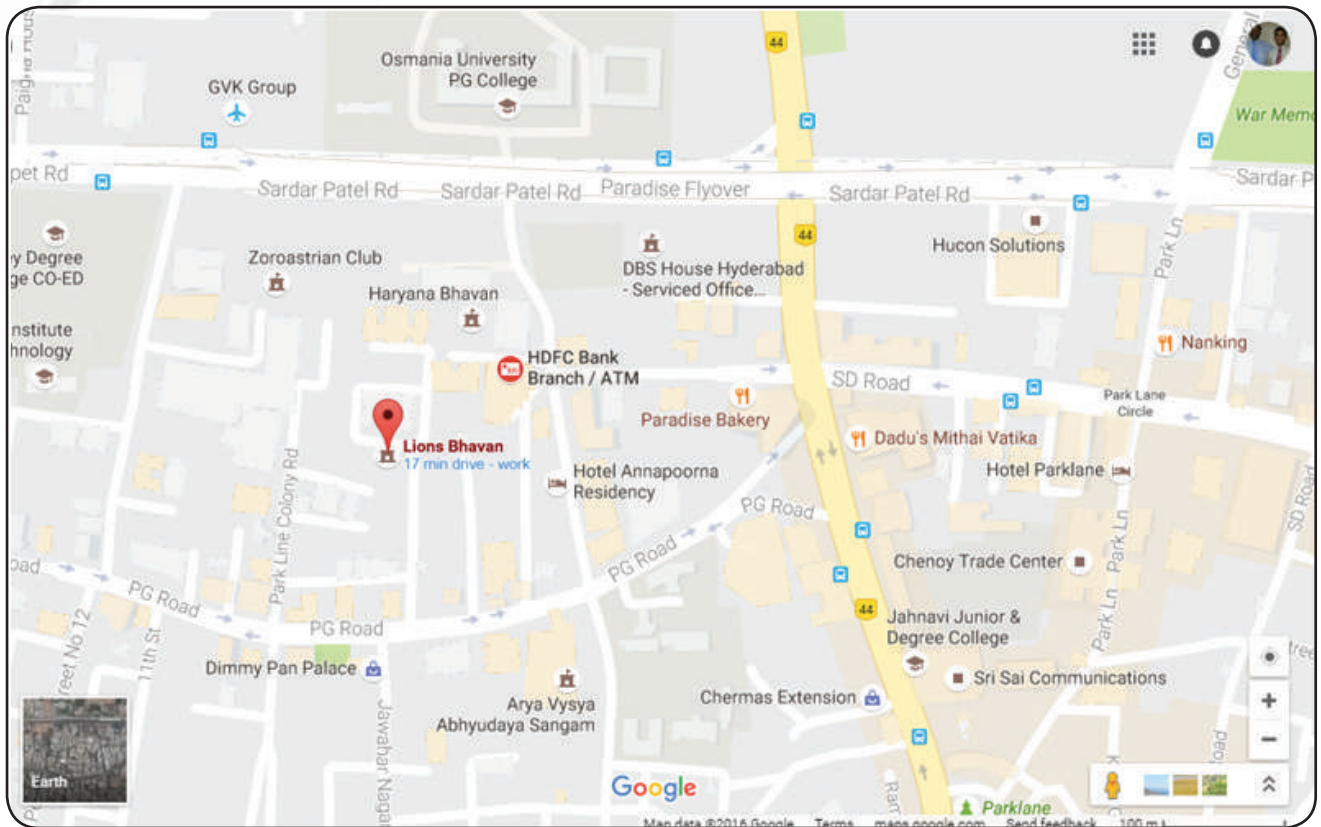
Place:

Date:

Signature of Shareholder/ Proxy



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URBAKNITT FABS LIMITED

Formerly known as PANKAJ POLYPACK LIMITED

Regd. Office: Shyam Arihant, Plot No 10 &11,

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