

The BSE Ltd.  
Corporate Relationship Department,  
First Floor, New Trading Ring,  
Rotunda Building, P. J. Towers, Dalal Street, Mumbai

May 23, 2016

Dear Sir,

Sub: **Standalone and Consolidated Audited Financial Results for the year ended March 31, 2016 - Regulation 33(3)(d) read with regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Ref: **Company Code - 532732**

Apropos the captioned subject enclosed is a copy of Form A alongwith the Standalone and Form A alongwith Consolidated Audited Financial results of the Company for the year ended March 31, 2016 duly reviewed by the Audit Committee and which were considered and approved by the Board of Directors of the Company in their meeting held on May 23, 2016. {The aforesaid Board Meeting commenced at 3.30 p.m and concluded at 5 p.m.}

The accompanying statement of audited results of the company for the year ended March 31, 2016 include the audited financial results of the quarter ended March 31, 2016 which have been reviewed by the statutory auditors M/s. N.A.Shah Associates, Chartered Accountants and M/s. Jain & Trivedi, Chartered Accountants. The Audit Report of the statutory auditors on standalone and consolidated financial results are enclosed herewith.

This is for your information and records pursuant to Regulation 33(3)(d) read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find the same in order and acknowledge receipt.

Thanking you,  
Yours faithfully,  
For KEWAL KIRAN CLOTHING LIMITED.

ABHINAV WARANGE  
VICE PRESIDENT- LEGAL & COMPANY SECRETARY

Encl: a/a

**STATEMENT OF STANDALONE / CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2016**

		Quarter Ended			Year Ended		(Rs in Lakhs)
		31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15	Year Ended
		Standalone					31-Mar-16
							Consolidated
							(refer note 2)
		Audited	Audited	Audited	Audited	Audited	Audited
Particulars							
1	a. Net Sales	12,539	9,543	10,395	45,305	40,514	45,305
	b. Other Operating Income	126	76	79	431	318	431
	<b>Total Income from operation</b>	<b>12,665</b>	<b>9,619</b>	<b>10,474</b>	<b>45,736</b>	<b>40,832</b>	<b>45,736</b>
2	<b>Expenditure</b>						
	a. (Increase)/Decrease in stock	(1,001)	77	412	(1,298)	576	(1,298)
	b. Consumption of raw materials	5,803	3,779	3,943	19,729	16,035	19,729
	c. Purchase of trading goods	481	321	330	1,122	1,291	1,122
	d. Personnel cost	1,160	1,288	1,186	5,107	4,531	5,108
	e. Depreciation / Amortization	116	100	91	416	374	416
	f. Manufacturing and operating expenses	1,238	906	731	4,251	3,390	4,251
	g. Administrative and other expenses	700	561	500	2,528	2,025	2,530
	h. Selling and distribution expenses	880	970	557	3,889	3,333	3,889
	<b>Total Expenditure</b>	<b>9,377</b>	<b>8,002</b>	<b>7,750</b>	<b>35,744</b>	<b>31,555</b>	<b>35,747</b>
3	<b>Profit from operation before Other Income, Finance cost &amp; Exceptional Item (1-2)</b>	<b>3,288</b>	<b>1,617</b>	<b>2,724</b>	<b>9,992</b>	<b>9,277</b>	<b>9,989</b>
4	<b>Other Income</b>	<b>167</b>	<b>87</b>	<b>372</b>	<b>694</b>	<b>798</b>	<b>695</b>
5	<b>Profit before Finance cost &amp; Exceptional Item (3+4)</b>	<b>3,455</b>	<b>1,704</b>	<b>3,096</b>	<b>10,686</b>	<b>10,075</b>	<b>10,684</b>
6	<b>Finance cost</b>	<b>91</b>	<b>84</b>	<b>51</b>	<b>333</b>	<b>266</b>	<b>333</b>
7	<b>Profit after Finance cost but before Exceptional Item (5-6)</b>	<b>3,364</b>	<b>1,620</b>	<b>3,045</b>	<b>10,353</b>	<b>9,809</b>	<b>10,351</b>
8	<b>Exceptional Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Profit from Ordinary Activities before tax (7-8)</b>	<b>3,364</b>	<b>1,620</b>	<b>3,045</b>	<b>10,353</b>	<b>9,809</b>	<b>10,351</b>
10	<b>Tax Expenses</b>	<b>1,185</b>	<b>553</b>	<b>904</b>	<b>3,558</b>	<b>3,184</b>	<b>3,558</b>
11	<b>Profit from Ordinary Activities after tax (9-10)</b>	<b>2,179</b>	<b>1,067</b>	<b>2,141</b>	<b>6,795</b>	<b>6,625</b>	<b>6,793</b>
12	<b>Extra ordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13	<b>Net Profit for the Period (11-12)</b>	<b>2,179</b>	<b>1,067</b>	<b>2,141</b>	<b>6,795</b>	<b>6,625</b>	<b>6,793</b>
14	<b>Paid up Equity Capital (Face Value of Rs. 10/- each)</b>	<b>1,233</b>	<b>1,233</b>	<b>1,233</b>	<b>1,233</b>	<b>1,233</b>	<b>1,233</b>
15	<b>Reserves excluding revaluation reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,641</b>	<b>30,748</b>	<b>28,641</b>
16	<b>Earnings Per Share (EPS) in Rs. (Not Annualized)</b>						
	a. Basic & Diluted EPS before extra ordinary items	17.68	8.65	17.37	55.13	53.75	55.09
	b. Basic & Diluted EPS after extra ordinary items	17.68	8.65	17.37	55.13	53.75	55.09

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SIGNED FOR IDENTIFICATION BY  
  
**N. A. SHAH ASSOCIATES**  
MUMBAI





**NOTES:**

- 1 The above audited results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 23rd May, 2016.
- 2 The Company has voluntarily presented consolidated financial results for the year ended 31st March 2016 though not required under regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulation, 2015. Except investment in a joint venture, there are no subsidiaries / associates of the company. As financial year 2015-16 is the first year of presenting consolidated financial statements, previous year figures are not disclosed in accordance with provisions of Accounting standard-21 "Consolidated Financial Statements.
- 3 In view of Company's nature of business, revenue is unevenly spread through out the year hence result for the quarter is not representative for revenue and profit of the entire year.
- 4 Tax expenses include current tax, deferred tax and adjustment of taxes for the previous period if any. Figures for current quarter includes adjustment of taxes for the previous year of Rs.2.04 lakhs.
- 5 The Board declared fourth interim dividend for the year 2015-16 of Rs.7 (P.Y. Rs 3) per equity share on 9th March 2016. The record date for the payment of fourth interim dividend was 19th March 2016. For the financial year 2015-16, the Board of Directors declared and paid an interim dividend of Rs. 58.50 (also includes special dividend of Rs.35) per equity share of Rs. 10 each, amounting to total dividend of Rs 8,677.97 lakhs including Corporate dividend tax of Rs 1,467.82 lakhs. In the previous year 2014-15, the Company had paid interim dividends aggregating to Rs.23.50 per equity share.
- 6 The Board of Directors have recommended a payment of final dividend of Rs.1.5 per equity share of Rs. 10/- each for the financial year ended 31st March 2016. The payment is subject to the approval of shareholders at the Annual General Meeting of the Company. In the previous year 2014-15, the Company had paid final dividend of Rs.1.50 per equity share.
- 7 The Company is engaged in the business of manufacturing and marketing of Apparels & trading of Lifestyle Accessories/Products. The Company is also generating power from Wind Turbine Generator. The power generated from the same is predominantly used for captive consumption. However, the operation of Wind Turbine Segment is within the threshold limit stipulated under AS - 17 "Segment Reporting" and hence it does not require disclosure as a separate reportable segment.

**Segment wise Reporting Revenue, Result and Capital Employed (Audited)**

Particulars	Quarter Ended			Year Ended		(Rs. In Lakhs)
	31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15	Year Ended
	Standalone					Consolidated (refer note 2)
<b>1 Segment Revenue :</b> (Net Sales/Income from Operation)						
- Apparel & Lifestyle Accessories/Products	12,665	9,612	10,474	45,734	40,832	45,734
- Other/Reconciling Item	14	21	21	70	62	70
- Less: Inter Segment Revenue	(14)	(14)	(21)	(68)	(62)	(68)
<b>Total</b>	<b>12,665</b>	<b>9,619</b>	<b>10,474</b>	<b>45,736</b>	<b>40,832</b>	<b>45,736</b>
<b>2 Segment Result :</b>						
- Apparel & Lifestyle Accessories/Products	3,304	1,619	2,710	9,995	9,229	9,995
- Other/Reconciling Item	8	15	15	48	41	48
<b>Total</b>	<b>3,312</b>	<b>1,634</b>	<b>2,725</b>	<b>10,043</b>	<b>9,270</b>	<b>10,043</b>
Less: Interest & Finance charges	78	74	49	289	232	289
Add: Other unallocable income net of unallocable expenditure	130	60	369	599	771	597
<b>Profit before Tax</b>	<b>3,364</b>	<b>1,620</b>	<b>3,045</b>	<b>10,353</b>	<b>9,809</b>	<b>10,351</b>
<b>3 Capital Employed :</b> (Segment Assets - Segment Liabilities)						
- Apparel & Lifestyle Accessories/Products	14,498	12,121	11,386	14,498	11,386	14,498
- Other/Reconciling Item	150	148	156	150	156	150
- Corporate (Unallocated)*	15,226	16,686	20,439	15,226	20,439	15,226
<b>Total</b>	<b>29,874</b>	<b>28,955</b>	<b>31,981</b>	<b>29,874</b>	<b>31,981</b>	<b>29,874</b>

\*Standalone results Includes Cash & Cash Equivalents, Deposits offered as security, Accrued Interest, Investments in units of liquid mutual fund earmarked against business progressive fund, Investments in units of mutual funds of Rs.14,817 lakhs (31st Dec 2015 Rs 16,940 lakhs, 31st March 2015 Rs.20,779 Lakhs) and is net off borrowings.

\* Consolidated results Includes Cash & Cash Equivalents, Deposits offered as security, Accrued Interest, Investments in units of liquid mutual fund earmarked against business progressive fund, Investments in units of mutual funds of Rs. 14,867 lakhs and is net off borrowings.

SIGNED FOR IDENTIFICATION BY  
N. A. SHAH ASSOCIATES  
MUMBAI



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Statement of Assets & Liabilities (Audited)

(Rs. in Lakhs)

Particulars	As at	As at	As at
	31-Mar-16	31-Mar-15	31-Mar-16
	Standalone		Consolidated (refer note 2)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Capital	1,233	1,233	1,233
Reserves & Surplus	28,641	30,748	28,641
Sub total- Shareholders' Funds	29,874	31,981	29,874
<b>Non-Current Liabilities</b>			
Other Long-Term Liabilities	1,714	987	1,714
Long-term Provisions	19	51	0
Sub total- Non Current liabilities	1,727	1,038	1,714
<b>Current Liabilities</b>			
Short-term borrowings	2,889	1,135	2,889
Trade Payables	4,688	3,045	4,689
Other Current Liabilities	1,375	1,822	1,375
Short-term Provisions	1,834	2,028	1,834
Sub total -Current Liabilities	10,786	8,030	10,786
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,386</b>	<b>41,049</b>	<b>42,374</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	6,261	5,821	6,261
Non Current Investments	5,876	14,096	5,635
Deferred Tax Assets(Net)	50	118	50
Long-Term Loans And Advances	901	793	906
Other Non-Current Assets	4	43	4
Sub total- Non Current Assets	13,092	20,871	12,856
<b>Current Assets</b>			
Current Investments	9,916	3,715	9,965
Inventories	5,573	4,041	5,573
Trade Receivables	10,897	7,743	10,897
Cash & Bank Balances	2,475	4,317	2,475
Short-Term Loans & Advances	328	210	329
Other Current Assets	105	152	279
Sub total- Current Assets	29,294	20,178	29,518
<b>TOTAL ASSETS</b>	<b>42,386</b>	<b>41,049</b>	<b>42,374</b>

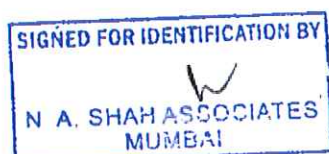
- 9 During the current quarter, other income includes Rs. 36 lakhs which represents reversal of provision for share of loss in Joint venture provided in earlier years which is no longer required based on the audited accounts of the joint venture for the year ended 31st March 2016.
- 10 Figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the 3rd quarter of the relevant financial year.
- 11 Previous period's figures have been regrouped /rearranged wherever necessary, to conform to current period classification.

Place: Mumbai  
Date: 23rd May, 2016

For and on behalf of the Board of Directors

*Kewalchand P. Jain*

sd/-  
Kewalchand P. Jain  
Chairman & Managing Director  
Din No. 00029730





**FORM A**

(Regulation 33(3)(d) of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1	Name of the Company	Kewal Kiran Clothing Limited
2	Standalone Annual Financial Statements for the year ended	31 <sup>st</sup> March 2016
3	Type of Audit observation	Un Modified Report
4	Frequency of Observation	Not Applicable
5	Signed by	
	Mr. Kewalchand P. Jain (DIN - 00029730) Chairman & Managing Director	<i>Kewalchand P. Jain</i>
	Mr. Bhavin Sheth Chief Financial Officer	<i>Bhavin Sheth</i>
	M/s Jain & Trivedi Statutory Auditor Firm Reg. No. 113496W  Mr. Satish Trivedi (Partner) Membership No. 38317	<i>Satish Trivedi</i>
	M/s N.A. Shah Associates Joint Statutory Auditor Firm Reg. No. 116560W  Mr. Sandeep Shah (Partner) Membership No. 37381	<i>Sandeep Shah</i>
	C.A. Mr. Yogesh A. Thar Audit Committee Chairman DIN - 02687466	<i>Yogesh A. Thar</i>

Date: May 23, 2016

**FORM A**

(Regulation 33(3)(d) of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1	Name of the Company	Kewal Kiran Clothing Limited
2	Consolidated Annual Financial Statements for the year ended	31 <sup>st</sup> March 2016
3	Type of Audit observation	Un Modified Report
4	Frequency of Observation	Not Applicable
5	Signed by	
	Mr. Kewalchand P. Jain (DIN - 00029730) Chairman & Managing Director	<i>Kewalchand P. Jain</i>
	Mr. Bhavin Sheth Chief Financial Officer	<i>Bhavin Sheth</i>
	M/s Jain & Trivedi Statutory Auditor Firm Reg. No. 113496W  Mr. Satish Trivedi (Partner) Membership No. 38317	<i>Satish Trivedi</i>
	M/s N.A. Shah Associates Joint Statutory Auditor Firm Reg. No. 116560W  Mr. Sandeep Shah (Partner) Membership No. 37381	<i>Sandeep Shah</i>
	C.A. Mr. Yogesh A. Thar Audit Committee Chairman DIN - 02687466	<i>Yogesh A. Thar</i>

Date:- May 23, 2016

Auditor's Report on quarterly standalone financial results and year to date results of Kewal Kiran Clothing Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors,  
Kewal Kiran Clothing Limited.

**Report on quarterly standalone financial results**

We have audited the quarterly standalone financial results of Kewal Kiran Clothing Limited ('the Company') for the quarter ended 31<sup>st</sup> March 2016 and the year to date results for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Management's Responsibility for Standalone Financial Statements**

These quarterly standalone financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management.

**Auditors Responsibility**

Our responsibility is to express an opinion on these standalone financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

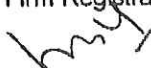
We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

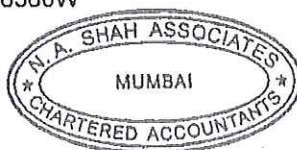
**Opinion**

In our opinion and to the best of our information and according to the explanations given to us these quarterly standalone financial results as well as the year to date financial results:

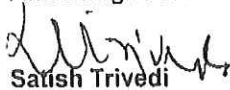
- I. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- II. give a true and fair view of the net profit and other financial information for the quarter ended 31<sup>st</sup> March 2016 as well as the year to date results for the period from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016.

For N. A. Shah Associates  
Chartered Accountants  
Firm Registration no. 116560W

  
Sandeep Shah  
Partner  
Membership No. 37381  
Place: Mumbai  
Date: 23 MAY 2016



For Jain & Trivedi  
Chartered Accountants  
Firm's Registration No. 113496W

  
Satish Trivedi  
Partner  
Membership No.: 38317  
Place: Mumbai  
Date:





## **INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF KEWAL KIRAN CLOTHING LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Kewal Kiran Clothing Limited (hereinafter referred to as "the Holding Company") and its jointly controlled company (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group including its jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These respective financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a





## **INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF KEWAL KIRAN CLOTHING LIMITED**

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 Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the auditor (one of us) of the jointly controlled company in terms of their report referred to in paragraph of 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and its consolidated cash flows for the year ended on that date.

### **Other Matter**

The accompanying consolidated financial statements include company's proportionate share of assets of Rs. 228.89 lacs and liabilities of Rs. 0.35 lacs as at 31<sup>st</sup> March 2016, and total revenue of Rs.0.13 lacs and net cash inflow of Rs.0.03 lacs for the year ended on that date, in respect of one jointly controlled company. The financial statement of jointly controlled company have been audited by one of us, whose financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled company, and our report in terms of section 143 (3) of the Act, in so far as it relates to the aforesaid jointly controlled company, is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

### **Report on Other Legal and Regulatory Requirements**

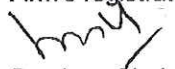
1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS  
TO THE MEMBERS OF KEWAL KIRAN CLOTHING LIMITED**

- e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of the jointly controlled company which is incorporated in India, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to adequacy of internal financial controls system over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report given in Annexure I; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the report of auditor of jointly controlled company:
- The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 2.29 (a) to the consolidated financial statements;
  - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund in case of jointly controlled company.

**For N. A. Shah Associates**  
Chartered Accountants  
Firm's registration number 116560W

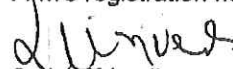
  
**Sandeep Shah**  
Partner

Membership number 37381  
Place of signature: Mumbai  
Date:

23 MAY 2016



**For Jain & Trivedi**  
Chartered Accountants  
Firm's registration number 113496W

  
**Satish Trivedi**  
Partner  
Membership number 38317  
Place of signature: Mumbai  
Date:

23 MAY 2016





## Kewal Kiran Clothing Limited

Annexure I to Independent Auditor's Report for the year ended 31<sup>st</sup> March 2016

[Referred to in paragraph 1 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

### Report on the Internal Financial Controls under section 143(3)(i) of the Act

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2016, we have audited the internal financial controls over financial reporting of Kewal Kiran Clothing Limited ("the Holding company") and its jointly controlled company, as of that date.

#### Management's Responsibility for Internal Financial Controls

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

#### 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the auditor (one of us) of the jointly controlled company in terms of their report referred to in paragraph of 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial control over financial reporting.



## Kewal Kiran Clothing Limited

Annexure I to Independent Auditor's Report for the year ended 31<sup>st</sup> March 2016

[Referred to in paragraph 1 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

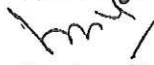
### Opinion

In our opinion, the Holding Company and its jointly controlled company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

### Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a jointly controlled company is based on corresponding reports of the auditor of such company.

For N. A. Shah Associates  
Chartered Accountants  
Firm's registration number 116560W

  
Sandeep Shah  
Partner

Membership number 37381

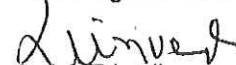
Place of signature: Mumbai

Date:

23 MAY 2016



For Jain & Trivedi  
Chartered Accountants  
Firm's registration number 113496W

  
Satish Trivedi  
Partner

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Date:

23 MAY 2016

