



Urbaknitt Fabs Limited

(Formerly known as Pankaj Polypack Limited)

8th ANNUAL REPORT
2018 - 2019

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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.



Corporate Information

Board of Directors

Shri. Manoj Kumar Dugar	–	Chairman & Managing Director
Smt. Renu Dugar	–	Director
Shri. Rajesh Kumar Dugar	–	Director
Shri. Dilip Kumar Surana	–	Director
Shri. Naresh Kathotia	–	Director
Shri. Arvind Surana	–	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 1-8-304to 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
Ranigung, Secunderabad-500003

Secretarial Auditor

M/s. Priya J & Associates

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	–	Chairman
Shri. Dilip Kumar Surana	–	Member
Shri. Naresh Kathotia	–	Member

Company Secretary and Compliance officer

Ms. Deepika Sureka

Chief Financial Officer

Mr. S.B. Sharma

Bankers

State Bank of India
Bible House, Hyderabad

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 8th Annual General Meeting of the members of M/s Urbaknitt Fabs Limited (formally Known as Pankaj Polypack Limited) will be held on Monday, the **30nd day of September 2019 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, 2019 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, 2019 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, 2019 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, 2019 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To re-appoint M/s Luharuka & Associates, Chartered Accountants ,as statutory auditors of the company from the conclusion of the 8th AGM till the 13th AGM of the Company to be held in financial year 2024, and authorise the Board to finalise their remuneration in consultation with the Auditors and in this regard, pass a resolution as an Ordinary Resolution.
3. To appoint a Director in place of Mr. Rajesh C Dugar (DIN: 00730059), 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, Mr. Rajesh Chandanmal Dugar (DIN: 00730059), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

Place: Secunderabad
Date: 03.09.2019

Sd/-
Ms. Deepika Sureka
Compliance Officer



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 Monday, 23rd September 2019 to Monday, 30th September 2019 (both days inclusive).**
4. 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.
5. 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.
6. 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.
7. 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.
8. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting.
9. 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.



10. 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.
11. Electronic copy of the Annual Report for 2018-19 which includes Notice of the 8th 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 2018-19 is being sent in the permitted mode.

12. 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 8th AGM and holding shares as on **cut-off date i.e. Monday, 23rd September 2019**, 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 **Friday, 27th of September 2019 (9.00 a.m. IST) and ends on Sunday, 29th September 2019 (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 Monday, 23rd of September 2019**, 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. Saurabh Poddar, 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 8th 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 (Stock Exchange) where the shares of the Company are listed.

- (ix) The resolutions passed by members through e-voting is / are deemed to have been passed, as if, they have been passed at the AGM.

Annexure to the Notice dated 3rd September 2019

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

Name of Director	Rajesh Chandmal Dugar
Date of Birth	23/11/1973
Qualifications	Graduate
Date of first appointment on the Board	29/08/2016
Relationship with other Directors / Key Managerial Personnel	He is the Brother of Mr. Manoj Kumar Dugar, Chairman and Managing Director of the Company. He is the Brother in law of Mrs. Renu Dugar, Director of the Company.
Number of meetings of the Board attended during the financial year (2018-19)	6(six)
Expertise in specific functional area	Finance and Administration
Profile	As per Attachment
Board membership of other Indian Companies as on March 31,2019	He is the Director of 4 (four) other companies other than this company.
Chairman/member of the Committee of the Board of Directors of the Company	1. Board Member in Urbaknitt Fabs Limited.
Membership of Committees of other Boards as on March 31, 2019	1. Dugar Polymers Limited 2. Ayushman Merchants Private Limited 3. Ayushman Solutions Private Limited. 4. Morbido Merchandise Private Limited
Number of shares held in the company as on March 31, 2019	276975 equity shares of Rs.10/- each constituting to 9% of the paid up capital of the company.

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

Sd/-

Ms. Deepika Sureka

Company Secretary & Compliance Officer

Place: Secundrabad

Date: 03.09.2019



PROFILE OF MR. RAJESH KUMAR DUGAR

Business Achievements : Managing Director of **DUGAR POLYMERS LIMITED**.

He is one of the youngest and leading Industrialist. He looks after "**DUGAR POLYMERS LIMITED** " it is well known group company of "**CHANDANTARA DUGAR GROUP** ".With his potentiality and experience he made Dugar Products reach globally.

He is honoured as :-

- : "**Rasthriya Nirman Ratan Award**", **By Indian Organization** for Business Research & Development For contribution of Individual for National Development & Growth.
- : **Youngest Industrialist of the Year Award** by **Tamilnadu Industries Association**.
- : **National Glory of India Award** by **National Chamber Of Small & Medium Entrepreneur**.
- : **Brahmin Hiteishi Ratna** by **Brahmin International Association**.

Social Achievements : **Managing Trustee** of "**CHANDANTARA FOUNDATION**". He shares his Profit for the cause of poor and needy people and one among the helping hands and making poor children to get good education. Along with the business he also devotes time for development of sports and other various development activities.

- : **Trustee of "Shree Swaminarayan Gurukul Siksha Sansthan", Salvav, Vapi.**
- : **Trustee of Rajasthan Pragati Mandal.**
- : **Trustee of Salasar Hanuman Prachar Mandal.**
- : **Divisional President of "Human Rights Association of India. "**
- : **Vice-President of "Dadra Nagar Haveli Industries Association".**
- : **Vice President of Terapant Sabha, Vapi.**
- : **Governing Body Member of Rogi Kalyan Samiti.**
- : **Executive Committee member of Yuvak Parisad, Ladnun.**
- : He is also associated with many associations, Seva, Trusts and Mandals doing social and cultural activities. He is also associated with **Rotary Club, Rajasthan Mitra Mandal** and so many others.



BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Company's 8th Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2019.

◆ FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2019 is summarized below:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	302.11	1315.77	6726.49	3220.31
Other Income	103.02	92.76	131.47	123.94
Total Income	405.13	1408.53	6857.97	3344.25
EBITDA	82.42	35.65	272.11	151.58
Less: Finance Costs	36.85	20.28	149.73	45.55
Less: Depreciation	28.45	10.00	31.80	12.29
Profit Before Tax, share of profit of joint venture and associate	17.13	4.38	90.57	93.74
Share of profit in joint venture and associate, net of tax	-	-	-	-
Profit Before Tax	17.13	4.38	90.57	93.74
Less: Tax Expenses	0.51	18.26	20.61	41.99
Profit for the year	16.61	(13.88)	69.96	51.75
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	16.61	(13.88)	69.96	51.75
Basic Earnings per share	0.54	-	2.27	1.68
Diluted Earnings per share	0.54	-	2.27	1.68

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. 302.11 lakhs for the FY 2018-19 as compared to Rs. 1315.77 lakhs for the previous FY 2017-18. The Company has made Net Profit of Rs. 16.61 lakhs on standalone basis for the year under review as compared to Net loss of Rs. 13.88 lakhs for the previous year..

◆ TRANSFER TO RESERVES

No amount was transferred to the Reserves for the year ending 31.03.2019.



- ◆ **DIVIDEND:**
The Company has incurred losses during the previous years and does not recommend any dividend for this 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 and is marked as **Annexure-I**.
- ◆ **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 100% of the paid up share capital. The Share Capital of the Company as on March 31, 2019 is Rs. 10.00 lakhs. During the FY 2018-19, the Company achieved a turnover of Rs. 6488.77 lakhs as against the turnover of Rs. 1955.00 lakhs for FY 2017-18 and the profit after tax is Rs. 53.34 lakhs in the FY 2018-19 as against Rs. 65.63 lakhs for FY 2017-18.
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 are 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**
Mr. Manoj Kumar Dugar, Managing Director, is in receipt remuneration of Rs. 12,00,000/- from Morbido Merchandise (P) Ltd., subsidiary company.
- ◆ **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, 2019, 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, 2019 and of the profit 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, 2019;
 - 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. The Corporate Governance is attached to **Annexure-II** to this report.
- ◆ **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 III** 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 2018-19, 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, Mr. Rajesh C Dugar , Non-Executive Director of the Company, retires by rotation at the 8th 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 and Mr. S.B Sharma, Chief Financial Officer 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 were appointed as Auditors of the Company, for a term of 1 (one) years, at the 7th Annual General Meeting held on September 29, 2018. The Company proposes to re-appoint them for a period of 5 years from this ensuing AGM. The Auditors 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 M/s. Priya J & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure IV** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.



◆ **DISCLOSURES:**

Meetings of the Board

Six (6) 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 of 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 of 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 Notes 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. The Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-VII to this report.

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.
 - ◆ 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 2018-19.
 - ◆ 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

Sd/-

Manoj Kumar Dugar

Chairman and Managing Director

DIN: 00352733

Secunderabad, September 3, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

a. Industry Structure & Development

Urbaknitt Fabs Limited (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.

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 ₹ 302.10 lakhs as against 1315.77 lakhs in the previous year. During the Year the company incurred a Net profit before tax of 16.62 lakhs as against a loss of 13.88 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 8 employees on the rolls, as on 31st March 2019.

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. 76,63,991/-).

During the year the company earned a turnover of Rs.302.11 lacs and profit before interest and depreciation is (Rs 82,43,204/-).

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. 42,046/- as against a liability of Rs. 18,26,038/- in previous year, attributable to difference between depreciation as per companies act 2013 and Income Tax Act- 1961



6. Trade Receivables

During the year the company has trade receivables of Rs. 1,47,43,307/- as against Rs 90,80,979/- in previous year.

7. Inventories

During the year the company has inventories are Rs. 2,02,88,844/- as against of Rs. 1,64,88,382/- in previous year.

8. Cash and Cash Equivalents

The opening balance of cash and cash equivalents as at the beginning of the year is Rs 9,29,907/-. The closing balance of Cash and Cash Equivalents is Rs 3,20,686/- held as cash, balances in current account and in deposit accounts.

9. Liabilities

The company has Rs. 3,73,38,602/- as long term liabilities as on 31st March, 2019.

10. Trade Payables

Trade payables at the beginning of the year were at Rs. 1,11,31,373/- and at the end of the year were Rs. 54,23,020/-.

11. Provisions

During the year the company has provisions of Rs 3,34,981/- as against Rs 3,05,889/- in previous year.

III . Results of Operations

1. Income

The Company has generated income from business operations of Rs. 3,02,10,797/-.

2. Other Income- Rs. 1,03,02,499/-

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

3. Net Profit

The company had reported a Net Profit of Rs. 16,61,660/- as against a Net Loss of Rs 13,88,369/- in the previous period.

4. EPS after Exceptions

Positive Earnings per share for the year was 0.54 as against Nil in the previous year.

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 2019, the company employed about 8 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, 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

Sd/-

Manoj Kumar Dugar
Chairman & Managing Director

Sd/-

Renu M Dugar
Director

Place: Secundrabad
Date: 03.09.2019

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.



ANNEXURE II TO DIRECTOR'S REPORT

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 2019, 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 2019 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 2018-19		Whether attended last AGM or not held on 29 th Sept. 2018	No. of Directorships in all other Companies	No. of Committee positions held	
		Held	Attended			Chairman	Member
Mr. Manoj Kumar Dugar	Promoter Managing Director	6	6	Yes	5	Nil	1
Mrs. Renu Dugar	Promoter Non Independent Women Director	6	6	Yes	3	Nil	Nil
Mr. Rajesh Kumar Dugar	Promoter, Non Independent Director	6	6	No	4	Nil	Nil
Mr. Dilip Kumar Surana	Independent Director	6	6	Yes	3	1	3
Mr. Naresh Kathotia	Independent Director	6	6	No	0	1	3
Mr. Arvind Surana	Independent Director	6	6	Yes	3	1	2



- (iv) Six (6) Board Meetings were held during the year 2018-19 and the gap between 2 meetings did not exceed 120 days. The dates on which the Board Meetings held were 23rd May 2018, 14th August 2018, 1st September 2018, 2nd September 2018, 13th November 2018 and 16th January, 2019.

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 mind set 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. The Company’s Audit Committee comprises of the following Directors of whom 66.66% 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 Naresh Kathotia, Independent Director was heading the Audit Committee as Chairman.



- v. During the year 2018-19 the Audit Committee met Four (4) times on 23rd May 2018, 14th August 2018 ,13th November 2018 and 16th January, 2019. The Statutory auditors and Managing Director were invited for the meetings.. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2018-19	
		Held	Attended
Shri Naresh Kathotia	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

- The standalone audited financial statements for the year ended 31st March 2019.
- 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 8th AGM to the conclusion of the 13th AGM of the Company.
- The Appointment of M/s. Priya J & Associates, Company Secretary as secretarial auditor for the financial year ending 31st March 2019.

6. Nomination and Remuneration Committee

- i. The Nomination and Remuneration Committee was reconstituted as follows :

- Shri Dilip Kumar Surana – Chairman
- Shri Naresh Kathotia – Member
- 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 2018-19, the committee has met on Two(2) occasions on 23rd May 2018 and 16th January, 2019.
- 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, 2019 are given below:**

Name	No. of Shares
Mr. Manoj Kumar Dugar	2,46,200
Mrs. Renu M Dugar	2,15,355
Mr. Rajesh C. Dugar	2,76,975

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 2018-19, the committee has met on Four (4) occasions on 23rd May 2018, 14th August 2018 , 13th November 2018 and 16th January, 2019.
- 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. Manoj Kumar Dugar , Managing Director as the Compliance Officer in the absence of Company Secretary.



- 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 2019.

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 2018-19.

1. General Body Meetings

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

Year	Venue	Date	Time
2017-18	Lions Bhavan, 1-8-179, Lakhapath Building, Behind HDFC Bank, Paradise Circle, Secunderabad-500003	29.09.2018	11.00AM
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

- ii. During the last year, no resolutions have been passed through postal ballot.
- iii. Special Resolutions passed at the last Three Annual General Meetings.
- At the AGM held on 30.09.2016
 - ◆ Appointment of Sri. Rajesh Kumar Duagr as a Director of the Company
 - At the AGM held on 29.09.2017
 - ◆ NIL
 - At the AGM held on 29.09.2018
 - ◆ Approval to Advance Loans, provide guarantee/security and make investment in excess of the prescribed limit.
 - ◆ Approval to Loans to Directors/Interested Parties.
 - ◆ Approval to enter into Related Party Transactions

10. Disclosures

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



During the year 2018-19, your company has entered into any material transaction with its related parties that may not 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 2018-19 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.f 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: 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.

9. 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 Bombay stock exchange at Mumbai where the shares of the Company are listed.

10. Management Discussion and Analysis Report

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



11. General Shareholders information

- a. Date and Time : 30th September, 2019 at 10.00 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, 2018
2nd Quarterly Results - On or before 14th November, 2018
3rd Quarterly Results - On or before 14th February, 2019
Annual Audited Results - On or before 30th May, 2019
- c. Dates of Book Closure : 23.09.2019 to 30.09.2019 (both days inclusive)
- d. Dividend payment date : No dividend was recommended by the Board for FY 2018-19.
- e. Listing on Stock Exchanges : BSE Ltd, Mumbai
The Company has paid its annual listing fees to the stock exchange for the financial year 2018-19.
- f. Stock Code : 534796
- g. Market Price Data : High/Low price quotation in each month of the last financial year 2018-19 on the Stock Exchange, Mumbai is given below:

	The Stock Exchange, Mumbai	
	Share Price	
	High	Low
Apr-18	45.35	37.10
May-18	44.50	34.50
Jun-18	39.30	28.05
Jul-18	34.60	26.00
Aug-18	37.65	34.20
Sep-18	40.50	39.00
Oct-18	49.90	40.00
Nov-18	51.45	43.50
Dec-18	55.00	52.25
Jan-19	50.00	49.65
Feb-19	50.00	47.50
Mar-19	46.00	37.45



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 2019:

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	162220	5.27
5.	Indian Public	980460	31.87
6.	NRIs/OCBs	8116	0.26
7.	HUF's	14728	0.48
8.	Fractional Shares	656	0.02
	Total	3077500	100.00

k. Distribution of Shareholding as on 31st March 2019

S.No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	1051	83.08	1535790.00	4.99
2	5001 - 10000	78	6.17	589300.00	1.91
3	10001 - 20000	58	4.58	818200.00	2.66
4	20001 - 30000	18	1.42	410880.00	1.34
5	30001 - 40000	10	0.79	368690.00	1.20
6	40001 - 50000	16	1.26	719710.00	2.34
7	50001 - 100000	13	1.03	902300.00	2.93
8	100001 & ABOVE	21	1.66	25430130.00	82.63
	Total	1265	100.00	30775000.00	100.00



I. 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. 95.54% of the paid up capital has been dematerialized as on 31.03.2019.

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 Computer share 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.	Managing DirectorUrbaknitt Fabs LimitedPLOT NO 10 &11,MCH No 1-8-304 to 307/10 PATTIGADDA ROAD HYDERABAD- 500 003 Tel : 040-27897743, 27897744Email: info@urbaknitt.com

12. 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 Exchange where the Company's shares are Listed.

13. 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 2018-19.

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director

Sd/-
Renu M Dugar
Director

Place: Secundrabad

Date: 03.09.2019



ANNEXURE III 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:	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 2018-19	Rs 4,56,043/-	NIL	The transaction is at arm's length price
2	Dugar Polymers Limited (KMP are interested)	Purchase of goods	FY 2018-19	Rs 32,155/-	NIL	The transaction is at arm's length price
3	Du-Luk Polymers Private Limited (KMP are interested)	Purchase of goods	FY 2018-19	Rs. 2,75,408/-	NIL	The transaction is at arm's length price
4	M/s. Ayushman Merchants Private Limited (KMP are interested)	Sale of goods	FY 2018-19	Rs 613,41,937/-	NIL	The transaction is at arm's length price
5	Du-Luk Polymers Private Limited (KMP are interested)	Sale of goods	FY 2018-19	Rs. 1,26,651/-	NIL	The transaction is at arm's length price
6	Dugar Polymers Limited (KMP are interested)	Sale of goods	FY 2018-19	Rs 5,71,549/-	NIL	The transaction is at arm's length price
7	Manoj Kumar Dugar, Managing Director	Remuneration	FY 2018-19	Rs 6,00,000/-	NIL	The transaction is at arm's length price

Sd/-

Manoj Kumar Dugar
Chairman & Managing Director

Sd/-

Renu M Dugar
Director

Place: Secundrabad
Date: 03.09.2019



ANNEXURE IV TO DIRECTOR'S REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 2018-19

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

To,
The Members,
Urbaknitt Fabs Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Urbaknitt Fabs Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Urbaknitt Fabs Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Urbaknitt Fabs Limited** ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(not applicable during audit period)**



- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable during audit period)**
- (vi) 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;
- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable during audit period)**
- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable during audit period)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (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.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

We 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.

**For M/s. Priya J & Associates
Practicing Company Secretaries**

**Sd/-
CS Priya Jain
Proprietor
M.No. 48237; C.P No. 17691**

**Place: Hyderabad
Date: 22.05.2019**



ANNEXURE V TO DIRECTOR'S REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and 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	2018-19	2017-18
POWER & FUEL CONSUMPTION Electricity		
a) Purchased		
· Units	137401	136862
· Total Amount (Rs.)	1598136	1878876
· Rate Per Unit (Rs.)	11.63	13.73
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)

		Amount in Rs.	Amount in Rs.
		2018-19	2017-18
A. Research and Developed (R&D)		NIL	NIL
B. Technology absorption, adoption and innovation		NIL	NIL
C. Foreign Exchange Earnings and Outgo:			
Earnings	Nil	Nil
Outgo	Nil	36,67,357

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-
Renu M Dugar
Director
DIN: 00235675

Place: Secundrabad
Date: 03.09.2019



ANNEXURE VI TO DIRECTOR'S REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019

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 FABSLIMITED (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	Wholly Owned Subsidiary	100.00	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	0.34
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) FIIs	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.	137780	5789	143569	4.67	156699	5789	162488	5.28	0.61
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	361068	121590	482658	15.68	377407	119136	496543	16.13	0.45
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	536835	0	536835	17.44	499301	0	499301	16.22	(1.22)
c) Others (specify)									
1. NRI	977	0	977	0.03	936	0	936	0.03	-
2. Clearing Members	1993	0	1993	0.06	0	0	0	0	(0.06)
3. NRI Non-Repatriation	416	0	416	0.01	7180	0	7180	0.23	0.22
Sub-total (B)(2):-	1039039	127379	1166448	37.90	1041523	124925	1166448	37.90	0
Total Public Shareholding (B) = (B)(1)+(B)(2)	1039039	127379	1166448	37.90	1041523	124925	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)	2950121	127379	3077500	100	2952575	124925	3077500	100	-



ii. Shareholding of Promoters/Promoters Group:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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's Name	Shareholding at the beginning of the year		Shareholding 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	45101	1.47	41760	1.36
3	ALLURI SAHADEVA RAJU	34344	1.12	34344	1.12
4	BHAGCHAND MAHESHWARI	28651	0.93	28651	0.93
5	MAYADEVI BIHANI	24890	0.81	24890	0.81
6	ASHOK HUMAD	19250	0.63	19250	0.63
7	GUDIPUDI VEERAMATHA	18000	0.58	18000	0.58
8	GUDIPUDI VENKATESWARA RAO	15000	0.49	18000	0.58
9	A. INDIRA KUMARI	13982	0.45	14106	0.46
10	ISHAN LAMBA	12500	0.41	12500	0.41



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 Share-holding 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): NIL				
	At the End of the year	276975	9.00	276975	9.00
2	Arvind Surana				
	At the beginning of the year	0	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				
	At the End of the year	0	0	0	0
3	Renu Dugar				
	At the beginning of the year	215360	6.99	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): NIL				
	At the End of the year	215360	6.99	215360	6.99
4	Manoj Kumar Dugar				
	At the beginning of the year	256525	8.34	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): NIL				
	At the End of the year	256525	8.34	256525	8.34
5	Naresh Kathotia				
	At the beginning of the year	0	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				
	At the End of the year	0	0	0	0
6	Dilip Kumar Surana				
	At the beginning of the year	0	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				
	At the End of the year	0	0	0	0



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

	Secured Loans exluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	389.41	-	-	389.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	389.41	-	-	389.41
Change in Indebtedness during the financial year				
i) Addition	-	-	-	-
ii) Reduction	16.02	-	-	16.02
Net Change	(16.02)	-	-	(16.02)
Indebtedness at the end of the financial year				
i) Principal Amount	373.39	-	-	373.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	373.39	-	-	373.39

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director:

		Name of MD / WTD / Manager			Total Amount
		Manoj Kumar Dugar (MD)	WTD	Manager	
1.	Gross salary	6,00,000	-	-	6,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	-	-	-



		Name of MD / WTD / Manager			Total Amount
		Manoj Kumar Dugar (MD)	WTD	Manager	
2	Stock Option	0	-	-	-
3	Sweat Equity	0	-	-	-
4	Commission – as % of profit – others, specify...	0	-	-	-
5	Others, please specify	0	-	-	-
	Total (A)	6,00,000	-	-	6,00,000
	Ceiling as per the Act	0	-	-	-

B. Remuneration to others Directors:

		Name of Directors				Total Amount
		Rajesh Kumar Dugar	Dilip Kumar Surana	Naresh Kathotia	Aravind 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

	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	1,03,516	2,89,966
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 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	1,03,516	2,89,966

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	-	-	-	-	-

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-
Renu M Dugar
Director
DIN: 00235675

Place: Secundrabad
Date: 03.09.2019



ANNEXURE VII TO DIRECTOR'S REPORT

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 up to 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, 2013.



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.

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-
Renu M Dugar
Director
DIN: 00235675

Place: Secundrabad

Date: 03.09.2019



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 2018-19.

Place: Secunderabad
Date: 22-05-2019

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, 2019 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/-
S.B Sharma
Chief Financial Officer

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director

Place: Secunderabad
Date: 22-05-2019



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, 2019, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period April 01, 2018 to March 31, 2019.

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: 22-05-2019

M/s. Priya J & Associates
Company Secretaries

Sd/-
CS Priya Jain
Proprietor
M.No. 48237 CP No.17691



INDEPENDENT AUDITOR'S REPORT
To the Members of URBAKNITT FABS LIMITED
Report on the Audit of Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS Standalone financial statements of **URBAKNITT FABS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, 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 notes to the standalone financial statements, including the summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2019, and total comprehensive income (comprising of profit and other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those standards are further described in the 'Auditor's Responsibility for the Audit of the Financial Statements' section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our Audit of The Financial Statements under the provision of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our Audit of Financial Statements of the current period, these matters were addressed in the context of our Audit of the Standalone Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition	
(Refer Note No. 4(a) to the standalone financial statements) Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally	Our audit procedures included the following: <ul style="list-style-type: none"> ● Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'. ● Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.



<p>concluded that as principal, it typically controls the goods or services before transferring them to the customer.</p> <p>The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p> <p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> ● Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms. ● To test cut off selected sample of sales transactions made pre- and post - year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods. ● Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents. ● Performed monthly analytical procedures of revenue by streams to identify any unusual trends. <p>Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p>
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We have determined that there are no other key audit matters to communicate in our report.

Other Information

1. The company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does include the Standalone financial statements and our auditor's report thereon.
2. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
3. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtain in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of management and those charged with the governance for the financial statements.

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the 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.
5. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors Responsibilities for the Audit of Financial Statements.

6. Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
 - ♦ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements system in place and the operating effectiveness of such controls.
 - ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 10. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

11. 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 B" statement on the matters Specified in paragraphs 3 and 4 of the Order.
12. 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 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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 A"; 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

Sd/-

Rameshchand Jain

(Partner)

Membership No.023019

Place: Secunderabad

Date: 22nd May, 2019



Annexure A - to the Auditors' Report

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

1. We have audited the internal financial controls with reference to Standalone Financial Statements of **URBAKNITT FABS LIMITED** ("the Company") as of 31 March 2019 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

2. 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

3. 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.
4. 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.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

6. 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

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Standalone financial statements were operating effectively as at 31 March 2019, 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

Sd/-

Rameshchand Jain

(Partner)

Membership No.023019

Place: Secunderabad

Date: 22nd May, 2019



ANNEXURE - B

referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2019, 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, 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 property held in the name of 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 did not grant any loan to corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('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 debenture.
- (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 provided for managerial remuneration in accordance with 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

Sd/-

Rameshchand Jain

(Partner)

Membership No.023019

Place: Secunderabad

Date: 22nd May, 2019



URBAKNITT FABS LIMITED (Formerly Pankaj Polpack Limited) CIN:- L17120TG2011PLC072532 Statement of Assets and Liabilities as at March 31, 2019			
ASSETS		As at 31st March 2019	As at 31st March 2018
Non-current assets			
(a) Property, plant and equipment	5	3,01,95,997	3,46,47,345
(b) Financial Assets			
- Investments	6	10,19,964	9,97,000
- Deposits	7	9,96,100	9,41,100
(c) Other non-current assets	8	47,80,623	44,27,798
		3,69,92,684	4,10,13,243
Current assets			
(a) Inventories	9	2,02,88,844	1,64,88,382
(b) Financial assets			
- Trade receivables	10	1,47,43,307	90,80,979
- Cash and cash equivalents	11	3,20,686	9,29,908
- Others financial assets	12	28,35,406	1,09,63,739
(c) Current Tax Assets	13	5,23,403	3,93,506
(d) Other current assets	14	57,89,527	59,38,951
		4,45,01,173	4,37,95,466
Total assets		8,14,93,858	8,48,08,708
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	3,07,75,000	3,07,75,000
(b) Other Equity	16	(60,02,331)	(76,63,991)
		2,47,72,669	2,31,11,009
Total Equity		2,47,72,669	2,31,11,009
LIABILITIES			
Non Current Liabilities			
(a) Financial liabilities			
- Borrowings	17	3,73,38,602	3,89,41,399
Current liabilities			
(b) Financial liabilities			
- Trade Payables	18	54,23,020	1,11,31,373
- Other financial liabilities	19	46,96,750	45,59,313
(c) Other current liabilities	20	75,74,230	51,18,646
(d) Deferred tax Liabilities(Net)	21	13,53,606	16,41,079
(e) Provisions	22	3,34,981	3,05,889
		5,67,21,189	6,16,97,699
Total liabilities		5,67,21,189	6,16,97,699
Total equity and liabilities		8,14,93,858	8,48,08,708
Significant accounting policies and key accounting estimates and judgements 1 to 4			
See accompanying notes form an integral part of Standalone Financial Statements 30 to 40			
As per our report of even date attached		For Urbaknitt Fabs Limited	
For Luharuka & Associates			
Chartered Accountants,			
Firm Reg No - 018825			
Sd/- (RAMESHCHAND JAIN) Partner M.No. 023019	Sd/- Manoj Kumar Dugar Managing Director & Chairman (DIN:00352733)	Sd/- Rajesh Kumar Dugar Director (DIN:00730059)	
Place: Secunderabad		Sd/- S.B. Sharma	
Date : 22/05/2019		CFO	



URBAKNITT FABS LIMITED
CIN:- L17120TG2011PLC072532

Statement of Profit and Loss for the Period Ended 31st March, 2019

Particulars	Note	For the Period 31st March, 2019	For the Period 31st March, 2018
I Income			
Revenue from operations	23	3,02,10,797	13,15,77,649
Other Income	24	1,03,02,499	92,76,240
Total Income		4,05,13,296	14,08,53,889
II Expenses			
Cost of Raw Materials and Components Consumed	25	2,98,12,126	13,22,85,106
(Increase)/Decrease in Inventories	26	(91,56,190)	(68,16,833)
Employee benefits expense	27	44,36,262	40,26,780
Finance costs	28	36,85,367	20,27,925
Depreciation & Amortisation Expense	5	28,45,244	10,00,499
Other expenses	29	71,77,815	78,92,742
Total expenses		3,88,00,623	14,04,16,219
III Profit before tax (I-II)		17,12,673	4,37,670
IV Tax expense:			
Current Tax		3,29,518	83,398
Deferred Tax		42,046	18,26,038
Income tax relating to previous year		8,967	-
MAT Credit Entitlement/(Utilised)		3,29,518	83,398
Total Tax Expense		51,013	18,26,038
V Profit /(Loss) for the period after tax (V+VIII)		16,61,660	(13,88,369)
VI 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)		-	-
VII Total Other Comprehensive Income for the year (IX+X)		16,61,660	(13,88,369)
VIII EARNINGS PER EQUITY SHARE			
Basic and Diluted		0.54	-

Significant accounting policies and key accounting estimates and judgements

1 to 4

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

30 to 40

As per our report of even date attached
For Luharuka & Associates
Chartered Accountants,
Firm Reg No - 018825

For and on behalf of the BOD
of Urbaknitt Fabs Limited

Sd/-
(RAMESHCHAND JAIN)
Partner
M.No. 023019

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

Sd/-
Rajesh Kumar Dugar
Director
(DIN:00730059)

Place: Secunderabad
Date : 22/05/2019

Sd/-
S.B. Sharma
CFO



Urbaknitt Fabs Limited
CIN:- L17120TG2011PLC072532
Standalone Cash flow Statement for the Period ended 31st March 2019

		<i>Amount (in Rupees)</i>	
1	PARTICULARS	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit (Loss) before Tax	17,12,673	4,37,670
	Adjustments for Non-Operating Activities:		
	Depreciation	28,45,244	10,00,499
	Loss/ (Profit) on Sale of Assets	(61,732)	
	Sundry Balances writtenoff	-	
	Finance Cost	36,85,367	20,27,925
	Interest Received	(4,57,791)	-
		60,11,087	30,28,424
	Operating Profit before Working Capital Changes	77,23,761	34,66,094
	Adjustments for Working Capital Changes:		
	Inventories	(38,00,462)	(1,64,88,382)
	Trade Receivables	(56,62,328)	(14,75,905)
	Other Assets	85,92,956	(1,64,36,541)
	Provisions	29,092	2,68,481
	Trade Payables	(57,08,353)	90,20,450
	Other financial liabilities	1,37,437	26,52,656
	Other Liabilities	24,55,584	13,82,461
	Cash Generation From Operations	(39,56,074)	(2,10,76,780)
	Direct Taxes Paid (Net)	-1191406	(10,21,043)
	Net Cash from Operating Activities	25,76,280	(1,86,31,729)
B. CASH FLOW FROM INVESTING ACTIVITIES			
	Acquisition of Fixed Assets (including capital work in progress)	(28,38,519)	(1,89,52,118)
	Proceeds from Sale of Fixed Assets	45,06,356	
	Interest Received	4,57,791	
	Payment of Long term advances		
	Investment	(22,964)	
	Net Cash from Investing Activities	21,02,665	(1,89,52,118)
C. CASH FLOW FROM FINANCING ACTIVITIES			
	Interest Paid	(36,85,367)	(20,27,925)
	Proceeds from non current Capital Advances		11,32,617
	Long Term Borrowings from Others	(16,02,797)	3,84,05,410
	Proceeds from loan to subsidiary		7,85,000
	Net Cash from Financing Activities	(52,88,164)	3,82,95,102
	Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)	(6,09,219)	7,11,255
	Cash and Cash Equivalent (Opening)	9,29,908	2,18,652
	Cash and Cash Equivalent (Closing)	3,20,686	9,29,907

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

Firm Reg No - 018825

Sd/-
(RAMESHCHAND JAIN)
Partner
M.No. 023019

Place: Secunderabad
Date : 22/05/2019

For and on behalf of Urbaknitt Fabs Limited

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

Sd/-
Rajesh Kumar Dugar
Director
(DIN:00730059)

Sd/-
S.B. Sharma
CFO



Urbaknitt Fabs Limited
CIN:- L17120TG2011PLC072532

Statement of Changes in Equity for the Year ended 31st March 2019

A. Equity Share capital

Particulars	No of shares	In Rupees
Balance as at 1 April 2017	30,77,500	3,07,75,000
Changes in equity share capital during 2017-18		
Balance as at 31 March 2018	30,77,500	3,07,75,000
Balance as at 1 April 2018	30,77,500	3,07,75,000
Changes in equity share capital during 2018-19		
Balance as at 31 March 2019	30,77,500	3,07,75,000

B. Other equity

(Amount in Rupees)

Reserves and Surplus	Retained Earnings	Total
Balance as at 1 April, 2017 (A)	(7,67,618)	(7,67,618)
Additions during the year:		
Profit for the year	(13,88,369)	(13,88,369)
Adjustment of Goodwill	(55,08,005)	(55,08,005)
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2017-18 (B)	(68,96,373)	(68,96,373)
	-	-
Balance at 31 March 2018 (C=A+B)	(76,63,991)	(76,63,991)
Balance at 1 April 2018 (D)	(76,63,991)	(76,63,991)
Additions during the year:		
Profit for the year	16,61,660	16,61,660
Adjustment of Goodwill	-	-
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2018-19 (E)	16,61,660	16,61,660
Transfer In/Out General Reserve	-	-
Dividends	-	-
Tax on dividends	-	-
Balance as at 31 March 2019 (F=D+E)	(60,02,331)	(60,02,331)

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

Firm Reg No - 018825

Sd/-
(RAMESHCHAND JAIN)

Partner

M.No. 023019

Place: Secunderabad

Date : 22/05/2019

For and on behalf of the BOD

of Urbaknitt Fabs Limited

Sd/-

Manoj Kumar Dugar

Managing Director & Chairman

(DIN:00352733)

Sd/-

Rajesh Kumar Dugar

Director

(DIN:00730059)

Sd/-

S.B. Sharma

CFO



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. 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, 2019, 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 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. Recent accounting pronouncements and Use of estimates and judgments:

a. Use of estimates and judgments: The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

b. Recent accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases.

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS



The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The effect on adoption of Ind AS 116 would be insignificant in the financial statements.

- A. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- B. Amendment to Ind AS 12 – Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.



C. Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not have any impact on account of this amendment

4. Significant Accounting Policies:

(a) Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company.

Other income:

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.



(g) 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.

(h) 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.

(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 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 borrowing 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 recognized, 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 Company has not created any gratuity fund. However 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.



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 of April 01, 2017	-	-	-	2,25,950	-	-	9,79,772	-	-	12,05,722
Additions	-	-	2,71,85,306	1,32,485	57,23,258	5,43,057	1,07,236	8,22,472	-	3,45,13,814
Deletions	-	-	-	-	-	-	-	-	-	-
Gross carrying Value as at March 31, 2018	-	-	2,71,85,306	3,58,435	57,23,258	5,43,057	10,87,008	8,22,472	-	3,57,19,536
Accumulated depreciation as at April 01, 2017	-	-	-	32,910	-	-	38,783	-	-	71,693
Depreciation	-	-	3,69,946	75,160	2,77,775	36,890	1,02,577	1,38,149	-	10,00,499
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	-	3,69,946	1,08,070	2,77,775	36,890	1,41,360	1,38,149	-	10,72,192
Net Carrying Value as at March 31, 2018	-	-	2,68,15,360	2,50,365	54,45,483	5,06,167	9,45,648	6,84,323	-	3,46,47,345
Net Carrying Value as at April 01, 2017	-	-	-	1,93,040	-	-	9,40,989	-	-	11,34,030

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2019

Particulars	Freehold Land	Building	Plant & Machinery	Computer	Electrical Installation	Furniture & Fixtures	Vehicles	Office Equipment	Moulds	Grand Total
Gross carrying Value as at April 01, 2018	-	-	2,71,85,306	3,58,435	57,23,258	5,43,057	10,87,008	8,22,472	-	3,57,19,537
Additions	-	-	25,46,150	-	1,46,998	-	-	1,45,371	-	28,38,519
Disposals	-	-	48,06,572	47,250	-	-	-	1,50,000	-	50,03,822
Gross carrying Value as at March 31, 2019	-	-	2,49,24,884	3,11,185	58,70,256	5,43,057	10,87,008	8,17,843	-	3,35,54,234
Accumulated depreciation as at April 01, 2018	-	-	3,69,948	1,08,070	2,77,775	36,890	1,41,359	1,38,149	-	10,72,191
Depreciation	-	-	18,53,463	1,12,694	5,68,338	51,590	1,01,628	1,57,531	-	28,45,244
Accumulated depreciation on disposals	-	-	4,77,085	32,453	-	-	-	49,660	-	5,59,198
Accumulated depreciation as at March 31, 2019	-	-	17,46,326	1,88,311	8,46,113	88,480	2,42,987	2,46,019	-	33,58,236
Net Carrying Value as at March 31, 2019	-	-	2,31,78,558	1,22,874	50,24,144	4,54,577	8,44,021	5,71,824	-	3,01,95,997

URBAKNITT FABS LIMITED

Notes forming part of the Standalone Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

6. Investments

Particulars	As at 31st March, 2019	As at 31st March, 2018
Equity Instruments (Unquoted-at cost) (In Subsidiary Co.)		
Morbido Merchandise Private Limited (C.Y 100000 Equity shares, P.Y 99700 Equity Shares of Rs 10/- each fully paid up)	10,19,964	9,97,000
Total	10,19,964	9,97,000

7. Deposits

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
Rent Deposit	5,64,500	5,64,500
Water Deposit	1,600	1,600
Electricity Deposit	3,75,000	3,75,000
Other deposit	55,000	
Total	9,96,100	9,41,100

8. Other non-current assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
Capital Advances	47,05,800	44,27,798
Other Advances	74,823	
Total	47,80,623	44,27,798

9. Inventory

Particulars	As at 31st March, 2019	As at 31st March, 2018
(As valued and certified by the management)		
Finished Goods	99,03,674	38,23,451
Work-in-Progress/at job work	60,69,349	29,93,381
Raw Material	43,15,821	96,71,549
Total	2,02,88,844	1,64,88,382

10. Trade Receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Considered Good	1,47,43,307	90,80,979
Considered Doubtful	-	-
Total (A)	1,47,43,307	90,80,979
Less : Provision for doubtful debts & Advances (B)	-	-
Total (A-B)	1,47,43,307	90,80,979

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 31st March, 2019	As at 31st March, 2018
Cash in Hand	1,92,996	2,76,906
Balances with Banks In Current Accounts	1,27,690	6,53,002
Total	3,20,686	9,29,908

12. Other Financial Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
Advance for raw material	26,03,444	1,08,06,845
Advances to others	2,18,302	3,129
Other Advances	13,660	1,53,766
	-	-
Total	28,35,406	1,09,63,739

13. Current Tax Assets (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
TDS Receivable	8,52,921	4,76,904
(Less): Provision for Income Tax	(3,29,518)	(83,398)
Total	5,23,403	3,93,506

14. Other Current Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
Balances with Government Authorities	57,70,609	59,38,951
Interest Receivable from TSSPDCL	18,918	
Total	57,89,527	59,38,951

15. Equity Share Capital

Particulars	As at March 31st, 2019		As at March 31st, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorized Capital 50,00,000 equity shares of Rs. 10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and Paid-up Capital 3077500 equity shares of Rs. 10/- each fully paid up	30,77,500	3,07,75,000	30,77,500	3,07,75,000

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, 2019		As at March 31st, 2018	
	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	30,77,500	3,07,75,000	30,77,500	3,07,75,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,77,500	3,07,75,000	30,77,500	3,07,75,000

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

Name of the shareholder	As at March 2019		As at March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Tara Devi Dugar	3,69,325	12.00%	3,69,325	12.00%
Renu R Dugar	3,00,362	9.76%	3,00,362	9.76%
Balram Chainrai & Anita Chainrai Advani	2,94,000	9.55%	2,94,000	9.55%
Rajesh Kumar Dugar	2,76,975	9.00%	2,76,975	9.00%
Manoj Kumar Dugar	2,56,525	8.34%	2,56,525	8.34%
Divay Dugar	2,46,255	8.00%	2,46,255	8.00%
Chirag Dugar	2,46,250	8.00%	2,46,250	8.00%
Renu M Dugar	2,15,360	7.00%	2,15,360	7.00%
Total	22,05,052		22,05,052	

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.

16. Other equity

(Amount in Rupees)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2017 (A)	(7,67,618)	(7,67,618)
Additions during the year:		
Profit for the year	(13,88,369)	(13,88,369)
Other Comprehensive Income (net of tax)	(55,08,005)	(55,08,005)
Total Comprehensive Income for the year 2017-18 (B)	(68,96,373)	(68,96,374)
Balance at 31 March 2018 (C=A+B)	(76,63,991)	(76,63,992)
Balance at 1 April 2018 (D)	(76,63,991)	(76,63,991)
Additions during the year:		
Profit for the year	16,61,660	16,61,660
Adjustment of Goodwill	-	-
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2018-19 (E)	16,61,660	16,61,660
Balance as at 31 March 2019 (F=D+E)	(60,02,331)	(60,02,331)

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 of dividend.



17. Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Vehicle Loan from bank (against hypothecation of vehicle) (repayable in equal 60 number of instalment at an average rate of 9.61%)	4,57,151	6,00,642
Loan from Subsidiary Company	3,06,32,071	3,20,66,803
Loan from Body corporate From Related party	64,07,274	64,17,445
The above loan has been taken from related party (Defodeal Dealcom Private Limited)		
	3,74,96,496	3,90,84,890
Less: Current maturities of vehicle loan disclosed in Note 21 (B)	1,57,894	1,43,491
Total (A-B)	3,73,38,602	3,89,41,399

18. Trade payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
For Goods & Services		
- Total Outstanding dues of Micro and Small Enterprises		
- Total Outstanding dues Other than Micro and Small Enterprises	54,23,020	1,11,31,373
	54,23,020	1,11,31,373

19: Other Financial Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Vehicle Loan (repayable in equal 60 number of instalment at an average rate of 9.61%)		
- From Bank	1,57,894	1,43,491
Book Overdraft	1,25,465	-
Creditors for expenses	35,18,599	30,17,712
Creditors for Capital Goods	7,44,860	12,66,255
Statutory dues payable	1,49,932	1,31,855
Total	46,96,750	45,59,313

20: Other Current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance from Customers	79,634	8,57,581
Interest Payable to Subsidiary Company	48,44,596	16,11,065
Other Liabilities	26,50,000	26,50,000
Total	75,74,230	51,18,646

21. Deferred Tax Liability (Net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A)Deferred Tax (Asset)/Liability at the beginning of the year	17,93,675	(32,363)
Less: Deferred Tax (Asset)/ Liability for the year, on account of depreciation	42,046	18,26,038
Less: (B) MAT Credit Entitlement	(4,82,114)	(1,52,596)
Total (A-B)	13,53,606	16,41,079

22: Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Expenses	3,34,981	3,05,889
Total	3,34,981	3,05,889



23. Revenue from operations

Particulars	For the Period ending 31st March, 2019	For the period ending 31st March, 2018
Sales of Finished goods	2,93,75,974	1,35,38,260
Sales of Traded goods	6,75,776	11,69,02,177
Sales-Others	3,43,578	12,55,000
Less: Discount	(1,84,531)	(1,17,788)
Total	3,02,10,797	13,15,77,649

24: Other Income

Particulars	For the Period ending 31st March, 2019	For the period ending 31st March, 2018
Commission	82,59,561	90,78,848
Other interest	4,57,791	
Discount Income	15,23,415	
Foreign Exchange Gain (Net)	-	1,97,392
Profit on sale of Asset	61,732	-
Total	1,03,02,499	92,76,240

25: Cost of Raw Materials and Components Consumed

Particulars	For the Period ending 31st March, 2019	For the period ending 31st March, 2018
Opening Stock of raw material	96,71,549	-
Add:- Purchase of Raw Materials & Traded Goods	2,44,56,398	14,07,61,553
Add:- Purchase-others	-	11,95,101
(Less):- Closing Stock of Raw Material	43,15,821	(96,71,549)
Raw Material Consumed	2,98,12,126	13,22,85,106

26: (Increase)/Decrease in Inventories

Particulars	For the Period ending 31st March, 2019	For the period ending 31st March, 2018
Increase/Decrease in stock of Finished Goods & Semi-finished Goods		
Inventories (at close)		
Finished Goods	99,03,674	38,23,451
Work-in-Progress	60,69,349	29,93,381
Total (A)	1,59,73,023	68,16,833
Inventories (at opening)		
Finished Goods	38,23,451	-
Work-in-Progress	29,93,381	-
Total (B)	68,16,833	-
Total (A-B)	91,56,190	68,16,833

27. Employee benefit expenses

Particulars	For the Period ending 31st March, 2019	For the period ending 31st March, 2018
Salaries and Wages	38,36,262	28,26,780
Directors Remuneration	6,00,000	12,00,000
Total	44,36,262	40,26,780



28. Finance cost

Particulars	For the Period ending 31st March, 2019	For the period ending 31st March, 2018
Bank Charges	15,986	7,184
Interest on car loan	51,473	64,653
Interest paid on loan from Subsidiary Company	35,92,813	19,38,926
Interest to Others	25,095	17,162
Total	36,85,367	20,27,925

29. Other expenses

Particulars	For the Period ending 31st March, 2019	For the period ending 31st March, 2018
Electricity and Fuel	15,98,136	15,28,991
Business, Sales Promotion and Advertisement	1,22,940	4,98,735
Director Sitting fees	-	12,500
Consumables Stores and Spares Consumed	4,89,199	2,73,460
Professional and Consultancy Charges	231,369	287,642
Insurance	75,872	87,526
Repairs & Maintenance	-	-
-Buildings	-	2,99,097
-Others	5,19,944	4,19,486
Printing & Stationery	56,363	2,29,886
Rates, Taxes and Duties	300	1,02,566
Audit Fees	68,500	60,000
Inward Carriage	700	6,96,093
Freight Outward	9,75,837	1,74,247
Postage Telegrams & Telephones	25,396	22,283
Annual Issuer Fees (CDSL)	4,08,821	2,69,872
Travelling Expenses	1,72,901	5,29,401
Rent Paid	17,00,400	16,79,280
Miscellaneous Expenses	7,31,137	7,21,677
Total	71,77,814	78,92,742

Notes Forming part of Standalone Financial Statements

30. 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) M/s. Defodil Dealcom Private Ltd

Key Managerial Personnel

- (i) Mr. Manoj 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	2018-19	2017-18
1	Purchase of Goods	M/s Ayushman Merchants Pvt Ltd	4,56,043/-	38,350/-
		Dugar Polymers Limited	32,155/-	14,21,719/-
		Du-Luk Polymers Pvt Limited	2,75,408/-	4,04,394/-
		Total	7,63,606/-	18,64,463/-
2	Sale of Goods	M/s Ayushman Merchants Pvt Ltd	13,41,937/-	6,212.70/-
		M/s Ayushman Solutions Pvt Ltd	-	1,80,20,615/-
		Du-Luk Polymers Pvt Limited	1,26,651/-	1,15,385/-
		Express Vintrade Pvt Ltd	-	14,80,900/-
		Dugar Polymers Limited	5,71,549/-	25,240/-
Total	20,40,137/-	1,96,48,352/-		
3	Investments	M/s Morbido Merchandise Pvt Ltd	22,963/-	-
		Total	22,963/-	-
4	Remuneration	Manoj Dugar	6,00,000/-	12,00,000/-
		Total	6,00,000/-	12,00,000/-
5	Commission Income	Basudeo Enterprises Pvt Ltd	-	48,72,228/-
		Total	-	48,72,228/-

Sl.No.	Nature of Transaction	Name of the Related Parties	2018-19	2017-18
1	Repayment of Advances	Pankaj Polymers Limited		-
2	Advance	M/s. Aman Tubes Private Ltd		Nil
3	Advance given/(taken)	A. M/s. Morbido Merchandise Pvt Ltd		
		Opening Balance (including interest payable)	(3,36,77,868)	9,33,853
		Add: Given/(taken) during the year	1,68,65,268	(32,066,803)
		Less: Repaid During the year	1,83,00,000	9,33,853
		Add: Interest payable / (receivable)	32,33,530	16,11,065
		Closing balance	3,54,76,666	(3,36,77,868)
		B. Defodil Dealcom Pvt Ltd		
		Opening Balance	64,17,445	-
		Add: Given/(taken)during the year		(64,02,000)
		Less: Repaid During the year	31,770	-
Add: Interest payable/ (receivable)	21,599	15,445		
Closing balance	64,07,274	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	2018-19	2017-18
Net Profit/(loss) after Tax	16,61,660/-	(13,88,369)/-
Net Profit/ (loss) after Tax available for equity share holders - For Basic and Diluted EPS		(13,88,369)/-
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	0.54	-

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

Particulars	As at 31-03-2019 Rupees	As at 31-03-2018 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	2018-19		2017-18	
	USD	INR	USD	INR
Raw Material	-	-	37998.59	36,67,356.81/-
Total	-	-	37998.59	36,67,356.81/-

36. Earnings in Foreign Currency

Particulars	2018-19		2017-18	
	USD	INR	USD	INR
Export Sales(FOB Value)			-	-
Total			-	-

37. Segment Reporting:

The Company has primary business of trading and manufacturing of knitted products and chemicals, which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

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

38. 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 2019 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-19					
Borrowings	-	1,57,894	3,73,38,602	-	3,74,96,496/-
	-	1,57,894	3,73,38,602	-	3,74,96,496/-
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
01-Apr-17					
Borrowings	-	1,94,964	5,35,989	-	7,30,953
	-	1,94,964	5,35,989	-	7,30,953

39. 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 2019	31 Mar 2018	31 Mar 2017
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) Note 19	3,74,96,496/-	3,90,84,890/-	7,30,953/-
Other Payable (current and non-current, excluding current maturity of long term borrowings) Note 20, 21, 22 & 24	1,83,52,239/-	2,09,71,730/-	75,96,209/-
Less Cash and Cash Equivalents	3,20,686/-	9,29,908/-	2,18,652/-
Net Debt	5,55,28,049/-	5,91,26,712/-	81,08,510/-
Equity Share capital	3,07,75,000/-	3,07,75,000/-	3,07,75,000/-
Other Equity	(60,02,331)/-	(76,63,991)/-	(7,67,618)/-
Total Capital	1,99,78,673/-	2,31,11,009/-	3,00,07,382/-
Capital and Net debt	8,03,00,718/-	8,22,37,721/-	3,81,15,892/-
Gearing ratio (in %)	69.15	71.90	21.27

40. 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,

Sd/-
Rameshchand Jain
Partner
M.No. 023019
Firm Reg No.01882S
Place: Secunderabad
Date: 14-05-2019

Sd/-
Manoj Dugar
Managing Director & Chairman
DIN: 00352733

For and on behalf of the board
Urbaknitt Fabs Limited

Sd/-
Rajesh Kumar Dugar
Director
DIN: 00730059
Sd/-
S.B. Sharma
Chief Financial Officer



Independent Auditors' Report on Consolidated Financial Statements

To the Members of **URBAKNITT FABS LIMITED**

Report on the Consolidated Ind AS Financial Statements

Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of **URBAKNITT FABS LIMITED** (herein after referred to as "The Holding Company") and one of its subsidiary **MORBIDO MERCHANDISE PRIVATE LIMITED** (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2019, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement, the consolidated statement of change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of other financial information of the subsidiary, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2019, and their consolidated profit including other comprehensive Income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Basis For Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those standards are further described in the 'Auditor's Responsibility for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, in accordance with ethical requirement that are relevant to our audit of consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants and are relevant provision of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our Audit of Consolidated Financial Statements of the current period. These matters were addressed in the context of our Audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>(Refer Note No.4(a) to the Consolidated financial statements)</p> <p>Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.</p> <p>The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p> <p>Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates. • Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms. • To test cut off selected sample of sales transactions made pre- and post - year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods. • Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents. • Performed monthly analytical procedures of revenue by streams to identify any unusual trends. • Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does include the Consolidated financial statements and our auditor's report thereon.



6. Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtain in the audit or other wise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility and those charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the group are responsible for overseeing the company's financial reporting process of the Group.

Auditors Responsibilities for the audit of Consolidated Financial Statements.

11. Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

16. As required by section 143(3) of the Act, we report, to the extent applicable 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 of aforesaid consolidated financial statements.
 - b. In our opinion proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the group company.
 - c. The Consolidated Balance Sheet, the Consolidated 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 relevant books of account and records maintained for the purpose of preparation of 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors of Holding Company as on March 31, 2019, and taken on record by the Board of Directors of Holding Company and the report of the statutory auditors of subsidiary company, incorporated in India, none of the directors of the Group Companies, incorporated in India, is disqualified as on March 31, 2019 from being appointed as a directors in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; 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 consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, to the consolidated financial statements
 - (ii) The Group did not have any long-term contracts including derivative contracts as at March 31, 2019; as such the question of commenting on any material foreseeable losses thereon does not arise
 - (iii) There has been no delaying in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company and its Subsidiary Company, incorporated in India.

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

Sd/-
Rameshchand Jain
(Partner)
Membership No.023019

Place: Secunderabad
Date: 22nd May, 2019



Annexure - A to the Auditors' Report

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of **URBAKNITT FABS LIMITED** ("the Holding Company") and one of its subsidiary company, **MORBIDO MERCHANDISE PRIVATE LIMITED** (together referred to as "the Group"), which are company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

6. 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

7. 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

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Luharuka & Associates
Chartered Accountants
Firm Reg No:- 018825

Sd/-
Rameshchand Jain
(Partner)
Membership No.023019

Place: Secunderabad
Date: 22nd May, 2019



URBAKNITT FABS LIMITED			
CIN:- L17120TG2011PLC072532			
Consolidated Statement of Assets and Liabilities as at 31st March 2019			
ASSETS		As at 31st March, 2019	As at 31st March, 2018
Non-current assets			
(a) Property, plant and equipment	5	3,30,92,749	3,78,04,605
(b) Financial Assets			
- Deposits	6	12,59,257	10,34,700
(c) Other non-current assets	7	47,80,623	44,27,798
		3,91,32,629	4,32,67,103
Current assets			
(a) Inventories	8	3,21,02,260	4,07,59,430
(b) Financial assets			
- Trade receivables	9	15,57,25,480	11,68,45,794
- Cash and cash equivalents	10	9,94,277	16,73,108
- Others financial assets	11	1,23,56,999	1,16,14,610
(c) Current tax Assets (Net)	12	62,685	1,02,226
(d) Other current assets	13	81,63,841	78,12,052
		20,94,05,540	17,88,07,220
		24,85,38,169	22,20,74,323
Total assets			
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	3,07,75,000	3,07,75,000
(b) Other Equity	15	59,66,351	(10,29,474)
Equity attributable to owners		3,67,41,351	2,97,45,526
Non-controlling interest	16	-	23,099
Sub - Total Equity		3,67,41,351	2,97,68,626
LIABILITIES			
Non Current Liabilities			
(a) Financial liabilities			
- Borrowings	17	2,52,68,054	4,73,57,240
Current liabilities			
(a) Financial liabilities			
- Deferred tax liability (NET)	18	14,55,352	17,27,640
- Trade Payables	19	17,54,46,605	13,13,16,913
- Other financial liabilities	20	64,93,952	79,07,996
(b) Other current liabilities	21	27,35,534	36,03,621
(c) Provisions	22	3,97,320	3,92,287
(d) Current tax Liabilities (Net)	23	-	-
		21,17,96,818	19,23,05,697
		21,17,96,818	19,23,05,697
Total liabilities		21,17,96,818	19,23,05,697
Total equity and liabilities		24,85,38,169	22,20,74,323
Significant accounting policies and key	1 to 4		
See accompanying notes form an integral part of			
Standalone Financial Statements	31 to 42		
As per our report of even date attached		For and on behalf of Urbaknitt Fabs Limited	
For Luharuka & Associates			
Chartered Accountants,			
Firm Reg No - 01882S			
Sd/- (RAMESHCHAND JAIN) Partner M.No. 023019	Sd/- Manoj Kumar Dugar Managing Director & Chairman (DIN:00352733)	Sd/- Rajesh Kumar Dugar Director (DIN:00730059)	
Place: Secunderabad Date : 22/05/2019		Sd/- S.B. Sharma CFO	



URBAKNITT FABS LIMITED
CIN:- L17120TG2011PLC072532

Consolidated Statement of Profit and Loss for the Period Ended 31st March, 2019

Particulars	Note	For the period ending March 31, 2019	For the period ending March 31, 2018
I Income			
Revenue from operations	24	67,26,49,934	32,20,31,093
Other Income	25	1,31,47,680	1,23,94,687
Total Revenue		68,57,97,614	33,44,25,780
II Expenses			
Cost of Raw Materials and Components Consumed and Traded goods	26	62,86,92,810	32,88,95,200
(Increase)/Decrease in Inventories	27	33,01,442	(3,10,87,881)
Employee benefits expense	28	83,77,933	55,52,348
Finance costs	29	1,49,73,178	45,55,336
Depreciation & Amortisation Expense	5	31,80,691	12,29,718
Other expenses	30	1,82,14,382	1,59,06,928
Total expenses		67,67,40,435	32,50,51,649
III Profit before tax (I-II)		90,57,180	93,74,132
IV Tax expense:			
Current Tax		22,49,518	23,68,571
Deferred Tax		57,233	19,12,599
Income tax pertaining to previous year		84,257	1,660
MAT Credit Entitlement/(Utilised)		3,29,518	83,398
Total Tax Expense			
V Profit /(Loss) for the period after tax (V+VIII)		69,95,690	51,74,699
VI 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)			-
VII Total Other Comprehensive Income for the year (IX+X)		69,95,690	51,74,699
VIII Total Comprehensive Income for the year attributable to:		69,95,690	51,74,699
-Owners of the company		69,95,690	51,55,010
-Non-controlling interest			19,689
		69,95,690	51,74,699
IX EARNINGS PER EQUITY SHARE (Face value Rs.10/- each)			
Basic and Diluted		2.27	1.68

Significant accounting policies and key accounting estimates and judgements

1 to 4

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

31 to 42

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

Firm Reg No - 018825

Sd/-
(RAMESHCHAND JAIN)
Partner
M.No. 023019

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

For and on behalf of the BOD
of Urbaknitt Fabs Limited

Sd/-
Rajesh Kumar Dugar
Director
(DIN:00730059)

Place: Secunderabad
Date : 22/05/2019

Sd/-
S.B. Sharma
CFO



Urbaknitt Fabs Limited
CIN:- L17120TG2011PLC072532
Consolidated Cash flow Statement for the Period ended 31st March 2019

		<i>Amount (in Rupees)</i>	
1	PARTICULARS	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit (Loss) before Tax	90,57,180	93,74,132
	Adjustments for Non-Operating Activities:		
	Bad Debts Written off		
	Depreciation	31,80,691	12,29,718
	Loss/ (Profit) on Sale of Assets	(61,732)	
	Finance Cost (including Preference dividend)	1,49,73,178	45,55,336
	Interest Received	(40,06,667)	
		1,40,83,470	57,85,054
	Operating Profit before Working Capital Changes	2,31,40,650	1,51,59,186
	Adjustments for Working Capital Changes:		
	Inventories	86,57,170	(4,07,59,430)
	Trade Receivables	(3,88,79,665)	8,90,92,089
	Other Assets	(12,78,053)	(1,89,31,238)
	Provisions	5,033	1,54,879
	Trade Payables	4,41,29,692	11,06,08,898
	Other financial liabilities	(14,14,044)	58,36,352
	Other Liabilities	(8,91,051)	(1,32,565)
	Cash Generation From Operations	1,03,29,061	(3,23,15,193)
	Direct Taxes Paid (Net)	(26,87,740)	(30,61,596)
	Net Cash from Operating Activities	7,07,81,971	(2,02,17,604)
B. CASH FLOW FROM INVESTING ACTIVITIES			
	Acquisition of Fixed Assets (including capital work in progress)	(29,13,458)	(2,23,30,596)
	Proceeds from Sale of Fixed Assets	45,06,356	
	Interest Received	40,08,667	
	Net Cash from Investing Activities	56,01,565	(2,23,30,596)
C. CASH FLOW FROM FINANCING ACTIVITIES			
	Interest paid	(1,49,73,178)	(45,55,336)
	Other non current assets		11,32,618
	Long Term Borrowings from others	(2,20,89,186)	4,68,21,251
	Deposits		
	Repayment of Boowings		
	Net Cash from Financing Activities	(3,70,62,364)	4,33,98,533
	Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)	(6,78,832)	8,42,333
	Cash and Cash Equivalent (Opening)	16,73,108	8,30,775
	Cash and Cash Equivalent (Closing)	9,97,107	16,73,108
Components of cash and cash equivalents			
	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		

As per our report of even date attached

For and on behalf of Urbaknitt Fabs Limited

For **Luharuka & Associates**

Chartered Accountants,

Firm Reg No - 018825

Sd/-
(RAMESHCHAND JAIN)

Partner
M.No. 023019

Place: Secunderabad
Date : 22/05/2019

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

Sd/-
Rajesh Kumar Dugar
Director
(DIN:00730059)

Sd/-
S.B. Sharma
CFO



Urbaknitt Fabs Limited
CIN:- L17120TG2011PLC072532

Statement of Changes in Equity for the Year ended 31st March 2019

A. Equity Share capital

Particulars	No of shares	In Rupees
Balance as at 1 April 2017	-	-
Changes in equity share capital during 2017-18	30,77,500	30,77,500
Balance as at 31 March 2018	30,77,500	30,77,500
Balance as at 1 April 2018	30,77,500	30,77,500
Changes in equity share capital during 2018-19	-	-
Balance as at 31 March 2019	30,77,500	30,77,500

B. Other equity

(Amount in Rupees)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2017 (A)	(6,76,479)	(6,76,479)
Additions during the year:		-
Profit for the year	51,55,010	51,55,010
Other Comprehensive Income (net of tax)	(55,08,005)	(55,08,005)
Total Comprehensive Income for the year 2017-18 (B)	(3,52,995)	(3,52,995)
Transfer In/Out General Reserve	-	-
Balance at 31 March 2018 (C=A+B)	(10,29,474)	(10,29,474)
Balance at 1 April 2018 (D)	(10,29,474)	(10,29,474)
Additions during the year:		-
Profit for the year	69,95,690	69,95,690
Adjustment for Acquisition of Minority Shares	135	135
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income for the year 2018-19 (E)	69,95,825	69,95,825
Transfer In/Out General Reserve	-	-
Dividends	-	-
Tax on dividends	-	-
Balance as at 31 March 2019 (F=D+E)	59,66,351	59,66,351

As per our report of even date attached

For Luharuka & Associates

Chartered Accountants,

Firm Reg No - 018825

Sd/-
(RAMESHCHAND JAIN)

Partner
M.No. 023019

Place: Secunderabad
Date : 22/05/2019

For Urbaknitt Fabs Limited

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

Sd/-
Rajesh Kumar Dugar
Director
(DIN:00730059)

Sd/-
S.B. Sharma
CFO



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. 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, 2019, 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 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. Recent accounting pronouncements and Use of estimates and judgments:

a. Use of estimates and judgments: The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

b. Recent accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases.

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:



- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The effect on adoption of Ind AS 116 would be insignificant in the financial statements.

- A. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- B. Amendment to Ind AS 12 – Income taxes :** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

- C. Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.



The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not have any impact on account of this amendment

4. Significant Accounting Policies:

(a) Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company.

Other income:

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.



(g) 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.

(h) 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.

(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 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 borrowing 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 Company has not created any gratuity fund. However 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.



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 of April 01, 2017	-	-	-	2,25,950	-	-	9,79,772	-	-	12,05,722
Additions	-	-	2,71,85,306	1,60,027	57,23,258	5,43,057	34,54,297	8,34,347	-	3,79,00,293
Deletions	-	-	-	-	-	-	-	-	-	-
Gross carrying Value as at March 31, 2018	-	-	2,71,85,306	3,85,977	57,23,258	5,43,057	44,34,069	8,34,347	-	3,91,06,015
Accumulated depreciation as at April 01, 2017	-	-	-	32,910	-	-	38,783	-	-	71,692
Depreciation	-	-	3,69,949	77,884	2,77,775	36,890	3,27,566	1,39,654	-	12,29,718
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	-	3,69,949	1,10,794	2,77,775	36,890	3,66,349	1,39,654	-	13,01,410
Net Carrying Value as at March 31, 2018	-	-	2,68,15,357	2,75,183	54,45,483	5,06,167	40,67,720	6,94,693	-	3,78,04,605
Net Carrying Value as at April 01, 2017	-	-	-	1,93,040	-	-	9,40,989	-	-	11,34,029

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2019

Particulars	Freehold Land	Building	Plant & Machinery	Computer	Electrical Installation	Furniture & Fixtures	Vehicles	Office Equipment	Moulds	Grand Total
Gross carrying Value as at April 01, 2018	-	-	2,71,85,306	3,85,977	57,23,258	5,43,057	44,34,069	8,34,347	-	3,91,06,015
Additions	-	-	25,46,150	-	1,46,998	-	-	2,20,310	-	29,13,458
Disposals	-	-	48,06,572	47,250	-	-	-	1,50,000	-	50,03,822
Gross carrying Value as at March 31, 2019	-	-	2,49,24,884	3,38,727	58,70,256	5,43,057	44,34,069	9,04,657	-	3,70,15,651
Accumulated depreciation as at April 01, 2018	-	-	3,69,948	1,10,794	2,77,775	36,890	3,66,349	1,39,654	-	13,01,410
Depreciation	-	-	18,53,463	1,21,416	5,68,338	51,590	4,18,868	1,67,015	-	31,80,691
Accumulated depreciation on disposals	-	-	4,77,085	32,453	-	-	-	49,660	-	5,59,198
Accumulated depreciation as at March 31, 2019	-	-	17,46,326	1,99,757	8,46,113	88,480	7,85,217	2,57,010	-	39,22,902
Net Carrying Value as at March 31, 2019	-	-	2,31,78,558	1,38,970	50,24,144	4,54,577	36,48,852	6,47,648	-	3,30,92,749

URBAKNITT FABS LIMITED

Notes forming part of the Consolidated Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

6 Deposits

Consolidated

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good)		
Rent Deposit	6,58,100	6,58,100
Water Deposit	1,600	1,600
Other Deposit	2,24,557	
Electricity Deposit	3,75,000	3,75,000
Total	12,59,257	10,34,700

7 Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good)		
Capital Advances	47,05,800	44,27,798
Other Advances	74,823	
Less: Provision for Doubtful Advances	-	-
Total	47,80,623	44,27,798

8 Inventory

Particulars	As at March 31, 2019	As at March 31, 2018
(As valued and certified by management)		
Finished Goods	99,03,674	38,23,451
Work-in-Progress/at job work	60,69,349	29,93,381
Stock of Raw Material	43,15,821	96,71,549
Stock In Trade	1,18,13,416	2,42,71,048
Total	3,21,02,260	4,07,59,430

9 Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Considered Good	15,57,25,480	11,68,45,794
Considered Doubtful	-	-
Total (A)	15,57,25,480	11,68,45,794
Less : Provision for doubtful debts & Advances	-	-
Total (A-B)	15,57,25,480	11,68,45,794

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.



10 Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in Hand	4,76,349	6,70,048
Balances with Banks In Current Accounts	-	-
	5,17,928	10,03,060
Total	9,94,277	16,73,108

11 Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good)		
Advance for raw material	1,15,69,168	1,08,06,845
Advances to others	2,18,302	3,129
Other Advances	41,115	5,36,903
Commission Receivable	5,28,413	2,67,733
Total	1,23,56,999	1,16,14,610

12 Current Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
TDS Receivable	12,12,203	6,70,797
Advance Tax	11,00,000	18,00,000
(Less): Provision for Income Tax	(22,49,518)	(23,68,571)
	62,685	1,02,226

13 Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered Good)		
Balances with Government Authorities	81,44,923	78,12,052
Interest Receivable from TSSPDCL	18,918	
Total	81,63,841	78,12,052



14. Equity Share Capital

Particulars	As at March 31st, 2019		As at March 31st, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorized Capital 50,00,000 equity shares of Rs. 10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and Paid-up Capital 3077500 equity shares of Rs. 10/- each fully paid up	30,77,500	3,07,75,000	30,77,500	3,07,75,000

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, 2019		As at March 31st, 2018	
	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	30,77,500	3,07,75,000	30,77,500	3,07,75,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,77,500	3,07,75,000	30,77,500	3,07,75,000

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

Name of the shareholder	As at March 2019		As at March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Tara Devi Dugar	3,69,325	12.00%	3,69,325	12.00%
Renu R Dugar	3,00,362	9.76%	3,00,362	9.76%
Balram Chainrai & Anita Chainrai Advani	2,94,000	9.55%	2,94,000	9.55%
Rajesh Kumar Dugar	2,76,975	9.00%	2,76,975	9.00%
Manoj Kumar Dugar	2,56,525	8.34%	2,56,525	8.34%
Divay Dugar	2,46,255	8.00%	2,46,255	8.00%
Chirag Dugar	2,46,250	8.00%	2,46,250	8.00%
Renu M Dugar	2,15,360	7.00%	2,15,360	7.00%
Total	22,05,052		22,05,052	

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.



15 Other Equity

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April, 2017 (A)	(6,76,479)	(6,76,479)
Additions during the year:		-
Profit for the year	51,55,010	51,55,010
Other Comprehensive Income (net of tax)	(55,08,005)	(55,08,005)
Total Comprehensive Income for the year 2017-18 (B)	(3,52,995)	(3,52,995)
Transfer In/Out General Reserve		-
Balance at 31 March 2018 (C=A+B)	(10,29,474)	(10,29,474)
Balance at 1 April 2018 (D)	(10,29,474)	(10,29,474)
Additions during the year:		-
Profit for the year	69,95,690	69,95,690
Adjustment for Acquisition of Minority Shares	135	135
Other Comprehensive Income (net of tax)		-
Total Comprehensive Income for the year 2018-19 (E)	69,95,825	69,95,825
Transfer In/Out General Reserve		-
Dividends		-
Tax on dividends		-
Balance as at 31 March 2019 (F=D+E)	59,66,351	59,66,351

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

16 Non- controlling interest

Particulars	As at March 31, 2019	As at March 31, 2018
Minority Interest		
-Share of Capital opening profit	3,000	3,000
-Share of Current Year's Profit	20,099	410
Adjustment for acquisition of Minority shares	-	19,689
	(23,099)	
Total	-	23,099

17 Borrowings

Particulars	Consolidated	
	As at March 31, 2019	As at March 31, 2018
Secured		
Vehicle Loan from bank (against hypothecation of vehicle) (repayable in equal 60 number of instalment at an average rate of 9.61%)	22,17,223	28,02,280
Loan from Others	91,19,596	4,51,40,017
Loan from Related Party	1,45,68,060	
Loan from Subsidiary Co.	3,06,32,071	3,20,66,803
Less: Loan From Holding co.	(3,06,32,071)	(3,20,66,803)
Total (A)	2,59,04,879	4,79,42,297
(B) Less: Current maturities of vehicle loan disclosed in Note	6,36,825	5,85,056
Total (A-B)	2,52,68,054	4,73,57,240



18 Deferred tax liability (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Deferred tax liability	-	-
Opening Balance	86,560	
Add: Deferred tax for the year	18,50,907	18,80,235
(B) MAT Credit Entitlement	(4,82,114)	(1,52,596)
Total (A-B)	14,55,352	17,27,639

19 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
For Goods & Services		
- Total Outstanding dues of Micro and Small Enterprises	-	-
- Total Outstanding dues Other than Micro and Small Enterprises	17,54,46,605	13,13,16,913
Total	17,54,46,605	13,13,16,913

20 Other Current Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Vehicle Loan		
- From Bank	6,36,825	5,85,056
Bank OD	1,25,465	
Creditors for expenses	46,13,996	55,25,699
Statutory Remittances	3,72,806	5,30,985
Creditors for Capital Goods	7,44,860	12,66,255
Total	64,93,952	79,07,996

21 Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customers	79,634	8,57,581
Other Liabilities	26,50,000	26,50,000
Rent Payable	5,900	96,040
Interest Payable to Subsidiary Company	48,44,596	16,11,065
Less: Interest Receivable from Holding Company	(48,44,596)	(16,11,065)
Total	27,35,534	36,03,621

22 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits	3,97,320	3,92,287
Total	3,97,320	3,92,287

23 Current Tax Liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax		
Less: TDS Receivable		
Less: Advance Tax		
Total	-	-



24 Revenue from operations

Consolidated

Particulars	For the period ending March 31, 2019	For the period ending March 31, 2018
Sales of Finished goods	67,18,15,111	20,39,91,704
Sales of Traded goods	6,75,776	11,69,02,177
Sales-Others	3,43,578	12,55,000
Less: Trade Discount	(1,84,531)	(1,17,788)
Total	67,26,49,934	32,20,31,093

25 Other Income

Particulars	For the period ending March 31, 2019	For the period ending March 31, 2018
Commission	86,68,933	96,74,974
Other Income	15,23,415	5,900
Interest	24,85,252	-
Foreign Exchange Gain (Net)	4,08,348	27,13,812
profit on Sale of Machinery	61,732	-
Total	1,31,47,680	1,23,94,687

26 Cost of Raw Materials and Components Consumed and Traded goods

Particulars	For the period ending March 31, 2019	For the period ending March 31, 2018
Opening Stock	96,71,549	-
Add:- Purchase of Raw Materials & Traded Goods	62,33,37,082	33,73,71,648
Add:- Purchase-others	-	11,95,101
Less:- Closing Stock of Raw Material	43,15,821	(96,71,549)
Total	62,86,92,810	32,88,95,200

27 (Increase)/Decrease in Inventories

Particulars	For the period ending March 31, 2019	For the period ending March 31, 2018
Increase/Decrease in stock of Finished Goods & Semi-finished Goods		
Inventories (at close)		
Finished Goods	99,03,674	38,23,451
Work-in-Progress/at job work	60,69,349	29,93,381
Stock in trade	1,18,13,416	2,42,71,048
Total (A)	2,77,86,439	3,10,87,881
Inventories (at opening)		
Finished Goods	2,80,94,500	-
Work-in-Progress/at job work	29,93,381	-
Scrap/Wastage	-	-
Total (B)	3,10,87,881	-
Total (A-B)	(33,01,442)	3,10,87,881

28 Employee benefit expenses

Particulars	For the period ending March 31, 2019	For the period ending March 31, 2018
Salaries and Wages	50,77,933	37,52,348
Contribution to PF and ESI	-	-
Directors Remuneration	33,00,000	18,00,000
Total	83,77,933	55,52,348



29 Finance cost

Particulars	For the period ending March 31, 2019	For the period ending March 31, 2018
Bank Charges	54,777	1,78,635
Interest on car loan	51,473	64,653
Interest to Others	1,48,66,928	43,12,048
Interest on Statutory Liability	-	-
Interest paid on loan from Subsidiary Company	35,92,813	19,38,926
Less: Interest from Holding Company	(35,92,813)	(19,38,926)
Total	1,49,73,178	45,55,336

30 Other expenses

Particulars	For the period ending March 31, 2019	For the period ending March 31, 2018
Electricity and Fuel	15,98,136	15,28,991
Business, Sales Promotion and Advertisement	4,20,652	7,74,513
Conveyance	-	15,000
Director Sitting fees	-	12,500
Consumables Stores and Spares Consumed	4,89,199	2,73,460
Professional and Consultancy Charges	2,31,369	2,87,642
Insurance	18,95,165	3,71,094
Repairs & Maintenance	-	-
-Buildings	-	2,99,097
-Others	5,37,217	4,19,486
Printing & Stationery	2,75,689	2,93,246
Rates, Taxes and Duties	34,16,463	3,62,409
Inward Carriage	700	13,38,396
Freight Outward	17,76,257	1,74,247
Postage Telegrams & Telephones	56,956	49,714
Annual Issuer Fees (CDSL)	4,08,821	2,69,872
Audit fees	1,28,500	1,00,000
Donations	10,000	31,000
Commission	-	46,08,005
Discount Allowed	19,81,780	-
Travelling Expenses	10,85,000	11,18,496
Rent Paid	29,83,800	23,63,280
Miscellaneous Expenses	9,18,677	12,16,479
Total	1,82,14,382	1,59,06,928

Notes Forming part of Consolidated Financial Statements

31. 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) M/s. Defodil Dealcom Private Limited
- (v) M/s. Morbido Merchandise Private Limited
- (vi) M/s. Du-Luk Polymers Private Limited
- (vii) M/s. Express Vintrade private Limited

Key Managerial Personnel

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



(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	2018-19	2017-18
1	Purchase of Goods	M/s Ayushman Solutions Pvt Ltd		-
		M/s Ayushman Merchants Pvt Ltd	49,44,967/-	8,56,75,387/-
		Dugar Polymers Limited	32,155/-	14,21,719/-
		Du-Luk Polymers Pvt Limited	2,75,408/-	4,04,394/-
		Total	52,52,530/-	8,75,01,500/-
		Ayushman Merchants Pvt Ltd	39,21,27,564/-	15,17,020.7/-
		M/s Ayushman Solutions Pvt Ltd		1,80,20,615/-
		Du-Luk Polymers Pvt Limited	1,26,651/-	1,15,385/-
		Express Vintrade Pvt Ltd		14,80,900/-
		Dugar Polymers Limited	5,71,549/-	25,240/-
Total	39,28,25,764/-	2,11,59,160/-		
3	Investments	M/s Morbido Merchandise Pvt Ltd	22,963/-	-
		Total	22,963/-	-
4	Remuneration	Mr. Manoj Dugar	18,00,000/-	12,00,000/-
		Mr. Chirag Dugar	9,00,000/-	6,00,000/-
		Total	27,00,000/-	18,00,000/-
5	Commission Income	Basudeo Enterprises Pvt Ltd	-	48,72,228/-
		Total	-	48,72,228/-

Sl.No.	Nature of Transaction	Name of the Related Parties	2018-19	2017-18
1..	Advance given/Taken	A. Ayushman Merchants Pvt Ltd		
		Opening Balance	1,88,23,896/-	Nil
		Add: Given/(taken)during the year	20,64,59,100/-	9,47,10,101
		Less: Repaid During the year	9,30,11,830/-	7,62,10,101
		Add: Interest payable/ (receivable)	50,14,286/-	3,23,896
		Closing balance	13,72,85,452/-	1,88,23,896
		B. Defodil Dealcom Pvt Ltd		
		Opening Balance	64,17,445/-	-
		Add: Given/(taken)during the year		(64,02,000)/-
		Less: Repaid During the year	31,770/-	-
Add: Interest payable/ (receivable)	21,599/-	15,445		
Closing balance	64,07,274/-	64,17,445/-		

32. 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.



33. Earnings Per Share (EPS)

Figures in Rupees

Particulars	2018-19	2017-18
Net Profit after Tax	69,95,690	51,74,699
Net Profit after Tax available for equity share holders - For Basic and Diluted EPS	69,95,690	51,74,699
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	2.27	1.68

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

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

35. 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 32**.

36. CIF Value of Imports

Particulars	2018-19	2017-18
Raw material / Traded Goods		10,03,39,896.96/-
Machinery		36,67,356.81/-
Total		10,40,07,252/-

37. Earnings in Foreign Currency

Particulars	2018-19		2017-18	
	USD	INR	USD	INR
Export Sales	-	-	-	-
Commission Earned				5,96,126/-
Total				5,96,126/-

38. Segment Reporting:

The Company has primary business of trading and manufacturing of knitted products and chemicals, which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical 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-19					
Borrowings	-	6,36,825/-	2,52,68,054/-		2,59,04,879/-
	-	6,36,825/-	2,52,68,054/-		2,59,04,879/-
31-Mar-18					
Borrowings	-	5,85,056/-	4,73,57,240/-		4,79,42,297/-
	-	5,85,056/-	4,73,57,240/-		4,79,42,297/-
31-Mar-17					
Borrowings	-	1,94,967/-	5,35,989/-		7,30,953/-
	-	1,94,967/-	5,35,989/-		7,30,953/-
	-	-	-	-	-

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 2019	31 Mar 2018
Borrowings (Long term and Short term including Current maturity of Long term Borrowings) Note 18	2,59,04,879/-	4,79,42,297/-
Other Payable (current and non-current, excluding current maturity of long term borrowings) Note 20, 21, 22 & 23	18,49,17,739/-	14,26,35,761/-
Less Cash and Cash Equivalents	9,94,277/-	16,73,108/-
Net Debt	20,98,28,341	18,89,04,950/-
Equity Share capital	3,07,75,000/-	3,07,75,000/-
Other Equity	59,66,351/-	(10,29,473)/-
Total Capital	3,67,41,351/-	2,97,45,527/-
Capital and Net debt	24,65,69,692/-	21,86,50,477
Gearing ratio (in %)	60.54	86.39



41. Salient features of the financial statement of subsidiaries/ associate companies

Part "A": Subsidiary

Name of the Subsidiary	Morbido Merchandise Pvt Limited	
	2018-19	2017-18
1. Share Capital	10,00,000/-	10,00,000/-
2. Reserves & Surplus	1,19,88,644/-	66,54,618/-
3. Total Assets	20,40,01,659/-	17,22,31,764/-
4. Total Liabilities	20,40,01,659/-	17,22,31,764/-
5. Investments	-	-
6. Turnover	64,24,39,137/-	19,04,53,444/-
7. Profit before taxation	73,44,503/-	89,36,462/-
8. Provision for taxation	19,20,000/-	22,85,173/-
9. Profit after taxation	53,34,026/-	65,63,068/-
10. Proposed Dividend	-	-
11. % of shareholding	100	99.70

Note:The above mentioned Subsidiary has reporting period as same as holding company.The above mentioned Subsidiary is not a foreign subsidiary company.

PART "B" : Associates

There are no Associates

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

Sd/-
Rameshchand Jain
Partner
M.No. 023019
Firm Reg No.01882S

Sd/-
Manoj Dugar
Managing Director & Chairman
DIN: 00352733

Sd/-
Rajesh Kumar Dugar
Director
DIN: 00730059

Place: Secunderabad
Date: 22-05-2019



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": Subsidiary

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

Sl.No.	Particulars	Details
1.	Name of the subsidiary	M/S. Morbido Merrchandise Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
4.	Share capital	10,00,000
5.	Reserves & surplus	1,19,88,644
6.	Total assets	20,40,01,659
7.	Total Liabilities	20,40,01,659
8.	Investments	NIL
9.	Turnover	64,24,39,137
10.	Profit before taxation	73,44,503
11.	Provision for taxation	20,10,476
12.	Profit after taxation	53,34,026
13.	Proposed Dividend	NIL
14.	% of shareholding	100



Part "B": Associates and Joint Ventures

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

Sl.No.	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	N.A
	Extend of Holding%	N.A
3.	Description of how there is significant influence	N.A
4.	Reason why the associate is not consolidated	N.A
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	N.A
6.	Profit/Loss for the year	N.A
	i. Considered in Consolidation	N.A
	ii. Not Considered in Consolidation	N.A

Sd/-
Manoj Kumar Dugar
Chairman & Managing Director
DIN: 00352733

Sd/-
Renu M Dugar
Director
DIN: 00235675

Place: Secundrabad
Date: 22.05.2019



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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)

I/We hereby record my/our presence at the **EIGHTH 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 Monday, 30th day of September 2019 and at any adjournment thereof.

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

Folio No./Client ID : _____

No. of Shares Held : _____

Notes:

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. In case 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 of 2019



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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 (formally 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/ Client Id: DP ID:

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

- Name: Address:
 E-mail Id:
 Signature: or failing him
- Name: Address:
 E-mail Id:
 Signature: or failing him
- Name: Address:
 E-mail Id:
 Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **8th 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 Monday, the 30th day of September 2019 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO	RESOLUTION
1.	To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2019 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, 2019 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 8 th Annual General Meeting until the conclusion of the 13 th Annual General Meeting and authorize the Board of Directors of the Company to fix their remuneration.
3.	To appoint a Director in place of Mr. Rajesh C Dugar who retires by rotation and, being eligible, seeks re-appointment.

Signed this ____ day of September 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix Re.1/- Revenue Stamp

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

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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

Form No. MGT-12

POLLING PAPER

(Pursuant to Section 109(5) of the Companies Act 2013 and Rule 21(1)(C) 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
1.	To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2019 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, 2019 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 8 th Annual General Meeting until the conclusion of the 13 th Annual General Meeting and authorize the Board of Directors of the Company to fix their remuneration.				
3.	To appoint a Director in place of Mr. Rajesh C Dugar who retires by rotation and, being eligible, seeks re-appointment.				

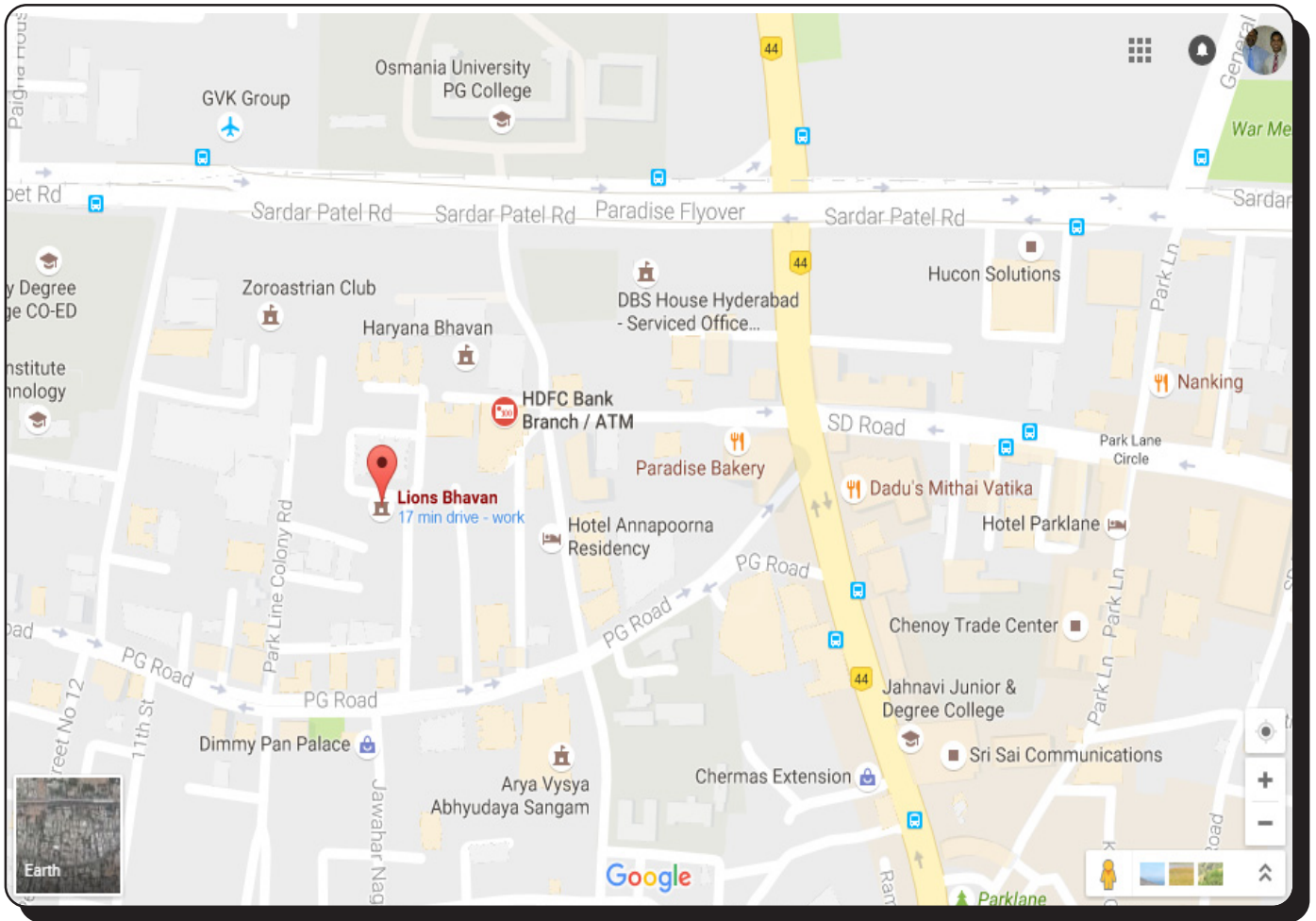
Place:

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,
MCH No 1-8-304 To 307, Pattigadda Road
Hyderabad- 500 003.

Phones: +91 40 66494900

E-mail: www.urbaknitt.com