



**M. K. Exim (India) Limited**  
**CIN: L63040RJ1992PLC007111**

Registered Office: G1/150, Garment Zone, E.P.I.P. RIICO Industrial Area, Sitapura, Sanganer, Jaipur-302022.

Phone: +91 141- 3937501, 3937504. Fax: +91-141-3937502

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Web-Site: www.mkexim.com

## NOTICE

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of Members of M k Exim (India) Limited will be held on Monday 24<sup>th</sup> September, 2018 at G1/150, Garment Zone, E.P.I.P., Sitapura, Tonk Road, Jaipur-302022 at 10.00 A.M.to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. The audited financial statements of the Company for the year ended 31st March 2018 together with Report of Auditors and the Board of Directors thereon; and
  - b. The audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with Reports of the Auditors thereon.
2. To appoint a director in place of Shri Dayaram Khanchandani (DIN: 00161546), who retires by rotation and being eligible, offers himself for re appointment.

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to Section 149, 150 and 152 of the Companies Act 2013 and the relevant rules framed thereunder, Shri Laxmikant Ramswaroop Patodia (DIN: 03497821), who was appointed as independent director (additional director) of the Company with effect from 20th June 2018 and whose term expires at this annual general meeting, and in respect of whom a notice has been received from a member proposing his candidature pursuant to section 160 of the Companies Act 2013, be and is hereby appointed as an independent director of the Company for a period of five years from 20th June 2018.”

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

**“RESOLVED THAT** pursuant to Section 149, 150 and 152 of the Companies Act 2013 and the relevant rules framed thereunder, Shri Vishesh Mahesh Nihalani (DIN: 06786707), who was appointed as independent director (additional director) of the Company with effect from 20th June 2018 and whose term expires at this annual general meeting, and in respect of whom a notice has been received from a member proposing his candidature pursuant to section 160 of the Companies Act 2013, be and is hereby appointed as an independent director of the Company for a period of five years from 20th June 2018.”

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

**“RESOLVED THAT** pursuant to section 188 of the Companies Act 2013 and the relevant rules thereunder, approval of members is hereby granted to entering into transactions in the ordinary course of business of the Company for purchase of goods or materials with M/s Laaj International, a related party, of an aggregate value not exceeding Rs. 30,00,00,000 (Rupees thirty crores) in any financial year.

6. **To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution.**

**RESOLVED THAT** pursuant to section 188 of the Companies Act 2013 and the relevant rules thereunder, approval of members is hereby granted to entering into transactions in the ordinary course of business of the Company for sale and export of goods or materials with M/s Square Textiles LLC, Dubai, a related party, of an aggregate value not exceeding Rs. 30,00,00,000 (Rupees thirty crores) in any financial year.

**By order of the Board**

*Prakriti Sethi*

**Place: Jaipur**  
**Date: 24.08.2018**

**Prakriti Sethi**  
**Company Secretary**

**Notes**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE INSTRUMENT APPOINTING THE PROXY/ PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE COMMENCEMENT OF THE AGM i.e. BY 10:AM ON 24<sup>th</sup>SEPTEMBER, 2018.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten per cent (10%), of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for another person or shareholder. Proxies to be effective should be deposited at the registered office of the Company, duly signed and stamped with revenue stamp of Rs.1, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of Companies, Societies etc. must be supported by an appropriate resolution/ authority, as applicable. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid.

2. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
3. The explanatory statement pursuant to section 102 of the Companies Act 2013 (the Act) in respect of special business at item No 3 to 6 of the accompanying notice is annexed herewith.
4. The Register of members and share transfer books of the Company will remain closed from **Tuesday, 18<sup>th</sup> September 2018 to Monday, 24<sup>th</sup> September 2018** (both days inclusive) for the purpose of the annual general meeting.
5. Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Directors seeking re-appointment/appointment at the AGM are provided in annex.-1 of this notice. Requisite declarations have been received from the

Directors seeking re-appointment. The Independent Directors of the Company have been appointed for a term of 5 years in accordance with the relevant provisions of the Companies Act, 2013 and are not eligible to retire by rotation.

6. Members of the Company had approved the appointment of Vimal Agrawal & Associates, Chartered Accountants, (FIRM membership number FRN 004187C), as the Statutory Auditors at the 22nd AGM of the Company which is valid till 27th AGM of the Company. In accordance with the Companies Amendment Act, 2017, which became effective from 7th May 2018, the appointment of Statutory Auditors is not required to be ratified at every AGM.
7. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Beetal Financial & Computer services (P) Ltd, New Delhi by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
8. Members holding shares in physical form are requested to intimate any change of address and are also requested to submit their specimen signature duly attested by their bank to the Company. Members holding shares in electronic form must intimate their depository participants any change in their address.
9. **Nomination facility:** Section 72 of the Act provides for facility to the members for making nomination in respect of the shares held by them in the Company. Members holding shares in single name and who have not registered the nomination should submit to the Company form SH 13 for making nomination. Members holding the shares in electronic form should submit the form to their depository participants. Members can change the nomination by filing form SH14 with the Company (in case of shares held in physical form) or to the depository participant (in case shares are in electronic form)
10. **Updation of members details:** The register of members under the Act and the relevant rules is required to be maintained with additional details such as PAN details, email address, bank details for payment of dividend, etc. A form for capturing these details is appended at the end of this annual report. Members holding shares on physical form are required to submit the filled form to the Company and members holding shares in demat form are requested to submit the form to their respective depository

participants.

11. Electronic copy of the annual report for the year 2017-18 is being sent to those members whose email Ids are registered with the Company/depository participant. Physical copies are being sent to the other members.
12. Electronic copy of the notice of the 26<sup>th</sup> Annual General Meeting of the Company, indicating the process and manner of e-voting along with attendance slips and proxy form are being sent to all those members whose email Ids are registered with the Company/depository participant. To other members, the above are sent in physical form indicating the process and manner of e-voting, in the permitted mode.
13. The Notice of the 26<sup>th</sup> Annual General Meeting and the annual report will also be available at the Company's website [www.mkexim.com](http://www.mkexim.com) which can be downloaded. The physical copies of the above documents will also be available at the Company's registered office at Jaipur for inspection during normal business hours on working days (Monday through Friday). All members are entitled to receive physical form of the above, free of cost, upon making a request to the Company at its registered office or dedicated investor email id: [investoragm@mkexim.com](mailto:investoragm@mkexim.com)

#### 14. Voting through electronic means

In accordance with section 108 of the Act and the relevant rules made thereunder and for the time being in force, the Company is pleased to provide its members the facility of **remote e-voting**, i.e e-voting from a place other than the venue of the AGM to exercise their right to vote at the 26<sup>th</sup> AGM. The voting can be made through the services of Central Depository Services (India) Limited (CDSL)

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 26<sup>th</sup> AGM. The members, who attend the meeting and who have not already cast their vote through e-voting, shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Ms. Anshu Parikh, PCS (Membership no. FCS 9785), as the scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

#### 15. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **<21.09.2018 at 9.00 a.m.>** and ends on **<23.09.2018 at 5.00 p.m.>**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **<17.09.2018>**, may cast their vote electronically. The

e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN Field. Sequence number is printed on address sticker.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA0000001 in the PAN field</li> </ul>
Dividend Bank Details	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p>
OR Date of Birth (DOB)	<p>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of the **M.K. Exim (India) Limited** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(x) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xi) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile**

#### **app while voting on your mobile.**

(xii) Note for Non – Individual Shareholders and Custodians

- ♣ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- ♣ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- ♣ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- ♣ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- ♣ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

**Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.**

16. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the AGM.

17. The Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer such shares of Members of whom dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company

urges all the Members to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 29th September, 2017 (date of last AGM) are available on the website of the Company and on Ministry of Corporate Affairs' website. The Members whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection without any fee at the Registered Office of the Company during working hours on all working days except **Saturdays & Sundays**, up to and including the date of the AGM of the Company.

### Explanatory Statement pursuant to section 102 of the Companies Act 2013 Items 3 & 4:

The Three Independent directors, namely, Shri Ashok Patni (DIN:00162153), Shri Kishor Motiyani (DIN:00161589) and Shri Murli Dhar Menghani (DIN:00157301) resigned as independent directors from 20th June 2018. As required under the Companies Act 2013, the Board, on recommendation of the Nomination and Remuneration Committee, approved the appointment of Shri Laxmikant R Patodia and Shri Vishesh M Nihlani as an Additional & Independent Directors on the Board of the Company with effect from June 20th, 2018, subject to the shareholders' approval.

In the opinion of Board, the following independent directors fulfil the conditions specified under the Companies Act, 2013 for such appointment.

The details of Shri Laxmikant R Patodia and Shri Vishesh M Nihlani as required to be given pursuant to the Listing Regulations and the Secretarial Standards, are attached (**Annexure-1**) to the Notice.

The services of Shri Laxmikant R Patodia and Shri Vishesh M Nihlani as independent directors, having industry experience, qualification, integrity and other relevant factors, are beneficial to the Company.

None of the other directors is concerned or interested in the item. The Directors recommend the ordinary resolutions for approval of the members.

#### Item No 5 :

M/s. Laaj International is the leading suppliers of textiles and textile related items which are required by the Company for its business operations in the ordinary course of its business. The price quoted by M/s Laaj International is compared with the prevalent market price and if the prices are found competitive, then only orders are placed. Prior to placement of orders, the Audit Committee is fully apprised about the nature of transactions, prices, terms, etc and it is only after approval of the Audit Committee, orders are placed. The details are also placed before the board meeting.

Shri Manish Dialani, who is the Managing Director of the Company, is the sole proprietor of this firm. Smt. Lajwanti

Dialani, Director, is the relative of Shri Manish Dialani. They are concerned or interested in the said resolution. None of the other directors is interested in the resolution. None of KMPs or their relatives has any interest in the resolution.

Order terms: Orders are placed only after the comparison of the quotations and the Audit Committee is apprised immediately at the next meeting. After approval of the Audit committee, orders are placed.

Credit terms: As per industry standard

Monetary value: Shall not exceed Rs. 30,00,00,000 (Rupees thirty crores) in any financial year.

The share holding of the interested directors in the Company is given below as on 31st March 2018

Name	Number of shares held	% of shareholding
Manish Dialani	653105	9.0955
Lajwanti Dialani	257641	3.5881

Both the interested directors will not vote on this resolution.

#### Item No 6

M/s. Square Textiles, LLC, Dubai, UAE, is the leading importers of textiles and textile related items in Dubai. The Company intends to export its products to the Middle East through M/s. Square Textiles LLC. M/s. Square Textiles is the related party as the relative of the Director Shri Dayaram Khanchandani is the owner of this firm. The price quoted is compared with the prevalent market price and if the prices are found competitive, then only orders are placed. Prior to placement of orders, the Audit Committee is fully apprised about the nature of transactions, prices, terms, etc and it is only after approval of the Audit Committee, orders are placed. The details are also placed before the board meeting.

Order terms: Orders are placed only after the comparison of the quotations and the Audit Committee is apprised immediately at the next meeting. After approval of the Audit committee, orders are placed.

Credit terms: As per industry standard

Monetary value: Shall not exceed Rs. 30,00,00,000 (Rupees thirty crores) in any financial year.

The share holding of the interested directors in the Company is given below as on 31st March 2018

Name of the shareholder	Number of shares	% of holding
Daya Ram Khanchandani	1774590	24.714%

The interested director will not vote on this resolution.

Except Shri Dayaram Khanchandani, none of the other directors is interested in the resolution. None of the KMPs or their relatives has any interest in the resolution.

By order of the Board

Place : Jaipur

Date: 24.08.2018

*Prakriti Sethi*  
Prakriti Sethi  
Company Secretary

## ANNEXURE-1

Information pursuant to the Listing Regulations and Secretarial Standards in respect to Appointment/Re-appointment of Directors

Name of Director	Daya Ram Khanchandani	Laxmikant R Patodia	Vishesh M Nihalani
Category	Non Executive Chairman	Independent Director	Independent Director
DIN	00161546	03497821	06786707
Date of birth And age	15.04.1931 87 years	01.05.1968 50 years	01.01.1985 33 years
Qualification	Matriculate	Graduate	Graduate
Nature of experience /expertise	Vast experience in Finance, production, sales and marketing	Production / Sale Analyst	Finance and Market Analyst
Brief resume	having 60 years' experience in Finance, production, sales and marketing in Fabric and garment fields	I have 30 years' experience in Fabric/Yarn fields	6 Years' experience in Finance/accounts Controlling and market analysis.
Terms and conditions Of appointment /re-Appointment	As non executive chairman liable to retire by rotation	For a period of 5 years Not liable to retire by rotation	For a period of 5 years Not liable to retire by rotation
Number of shares Held in the Company	1774590	NIL	3475
Relationship with Other directors/ KMP	None	None	None
No of board meetings Attended out of 6 Board meetings in the year 2017-18	6	Nil	Nil
Directorship details	Symphony Jewels Pvt. Ltd.	Klick Impex Pvt Ltd.	Pebbles Infra Projects Ltd.

## Directors Report & Management Discussion and analysis

To:

The Members of M K Exim India Limited

Your Directors have pleasure in presenting their 26<sup>th</sup> Annual Report and the audited financial statements for the financial year ended 31<sup>st</sup> March 2018

### 1 Stand alone Financial Results

The summarized financial results for the financial year ended 31st March 2018 are presented below:

Rs. In Lakhs

Details	Financial year ended 31 <sup>st</sup> March 2018	Financial year ended 31 <sup>st</sup> March 2017
Income from operations	1999.00	2841.97
Profit before interest, depreciation and taxation	127.48	134.20
Finance cost	62.54	64.20
Depreciation	29.20	31.11
Profit before tax	35.74	38.89
Taxation	11.16	27.44
Profit after tax	24.58	11.44
Balance brought forward from previous year	975.83	964.39
Less Dividend	---	---
Disposable surplus available after adjustments	1000.41	975.83
Balance carried to balance sheet	1000.41	975.83

The income during the financial year ended 31st March 2018 is Rs. 1999.00 lakhs compared to Rs. 2841.97 lakhs, a decrease of about 30%. The decline was due to sluggish global textiles market and unhealthy competition in export markets. The profit after tax is Rs. 24.58 lakhs for the year under report compared to Rs. 11.44 lakhs for the financial year ended 31st March 2017. The sales by way of exports are Rs. 1909.55 lakhs during the year ended 31st March 2018 compared to Rs. 1914.85 lakhs in the previous year. Export sales constitute about 95% of the total revenue during the year.

### 2 Dividend and Reserves

With a view to conserve the resources for the business of the Company, the Directors do not recommend dividend for the financial year ended 31st March 2018 and the entire surplus is carried to balance sheet.

The Board does not proposed any amount to carry to any

specific reserve

### 3 Share Capital

The paid up equity share capital of the Company as at 31st March 2018 stood at Rs. 718.05 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has it granted any stock options or sweat equity. None of the directors of the Company hold instruments convertible into equity shares during the financial year ended 31st March 2018.

### 4 Analysis & Review

India is the world's second largest producer of textiles and garments after China. It is the world's third largest producer of cotton after China and the USA and the second largest cotton consumer after China. Indian textile industry currently estimated to be US\$108 billion and expected to reach US\$ 209 billion in the year 2021. The

industry is the second largest employment generator after agriculture by employing 45 million people directly and 60 million people indirectly.

The Indian textile industry presently contributes around 14 percent to industrial production, and 4 percent to GDP, 17 percent to the country's exports, and 21 percent employment. India has abundance of natural resources like cotton, jute and silk. Indian products are preferred for their fine designing, embellishment and craft. From the ages the Indian fabric designers and weavers are recognized as one of the best in the world. At present industry is growing at 9-10 percent with Indian economy. Indian textile industry currently possesses a share of 4.7% in world market of textiles and clothing.

### Challenges

The Indian textile industry is highly fragmented and is being dominated by the unorganized sector and small and medium industries. The changing government policies at the state and central government levels are posing major challenges to the textile industry. The tax structure GST (Goods and Service Tax) makes the garments expensive. Another important threat is raising interest rates and labor wages and workers' salaries. There is higher level of attrition in the garment industry.

Although central government is wooing the foreign investors the investment is coming in the textile industry. The Indian textile industry has its own limitations such as accesses to latest technology and failures to meet global standards in the highly competitive export market. There is fierce competition from China, Bangladesh and Sri Lanka in the low price garment market. In the global market tariff and non-tariff barriers coupled with quota is posing major challenge to the Indian textile industry.

The threats to the Company's product includes severe competition both in domestic and international markets leading to pricing pressures of finished goods, inflation, foreign exchange fluctuation, volatility in input cost, cotton crop, interest rates, power cost etc. Government Policies also play major role in the growth of the Industry.

The implementation of Goods and Service Tax (GST) with effect from July, 2017 had mixed impact on trade & commerce during the last fiscal. The impact of GST is particularly stark in the highly fragmented synthetic textile industry, which attracts different GST rates at different stages of production and sales. Working capital cost has gone up as the businesses have to wait for tax refunds to come through. Pending tax refunds have slowed down fresh investment and resulted into liquidity constraints.

The Company is experiencing pressure on margins due to severe competition from other low-cost countries like China. There is also a threat of high inflation rate as the prices of commodities have been increasing. Textiles being a labour intensive industry, rising labour and skilled human resources costs can put pressure on margins

### Business Risks

As stated above, Export sales constitute about 83% of the total revenue during the year. Apart from fierce competition from China, Korea and Indonesia, the volatility of rupee vis a vis US dollars is a major business risk as all export invoices are issued in US Dollars. This is sought to be overcome by appropriate forward contracts.

### Government initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

The Union Ministry of Textiles Government of India along with Energy Efficiency Services Ltd (EESL) has introduced a technology up-gradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.

The Government of India plans to introduce a mega package for the power loom sector, which will include social welfare schemes, insurance cover, cluster development, and up-gradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.

The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.

### 5 Performance highlights

#### (a) Share Capital

The Authorised Share Capital of the Company is 10,00,00,000/- comprising of 1,00,00,000 equity shares of Rs. 10/- each. The paid-up capital of the Company is Rs. 7,18,05,000/-.

#### (b) Loan funds

During the year the Secured Loan of the Company was increased by 8.59%, i.e. from Rs. 426.02 Lakhs to Rs. 462.63 Lakhs, the interest cost reduced during the year.

#### (c) Sales

During the year the turnover of the Company has



decreased by 26%, i.e. from Rs. 2611.27 Lakhs to Rs. 1909.55 Lakhs, the board is making their possible efforts to improve the performance of the company during the current financial year.

### 6 Finance & Accounts

The Company prepares its financial statements in accordance with the requirements of the Companies Act 2013 (hereinafter referred as "the Act" or "Act") and the Generally Accepted Accounting Principles (GAPP) as applicable in India. The financial statements have been prepared on historical cost basis in conformity with the Indian Accounting Standards ("Ind AS"). The estimates and judgments relating to the financial statements are made on a prudent basis so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the financial year ended 31st March 2018. Company has adopted IND-AS during the year 2017-18

### 7 Corporate Social Responsibilities

Section 135 of the Act and the rules made there under relating to corporate social responsibility are not applicable to the Company during the financial year ended 31st March 2018.

### 8 Subsidiaries

Kolba Farm Fab Private Limited is the subsidiary of the Company. The sales of the subsidiary Company were Rs.288.61 Lakhs during the financial year ended 31st March 2018 compared to Rs. 278.02 lakhs in the previous year. The net profit after tax was Rs. 15.34 lakhs during the year under report compared to Rs. 79.62 Lakhs in the previous year.

The salient features of the financial statement of the subsidiary are given in form AOC 1.

### 9 Consolidated Financial Statement

The consolidated financial statements of the Company are prepared in accordance with the relevant accounting standards issue by the Institute of Chartered Accountants of India and form an integral part of this report.

Pursuant to section 129(3) of the Act and the relevant rules made thereunder, a statement containing salient features of the financial statement of the subsidiary company is given in form AOC 1 and forms an integral part of this report.

### 10 Corporate Governance

In terms of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

provisions of corporate governance contained in Regulations 17 to 26, 46(2)(b)(i) and paras C, D and E of Schedule V to the above SEBI regulations are not applicable to the Company.

### 11 Listing of shares in BSE

During the financial year under report, the equity shares continued to be listed at BSE, Which has nationwide trading terminals.

### 12 Extract of Annual Return

The extract of annual return in form MGT 9, as required under section 92 of the Act, as at 31st March 2018, is annexed to this report as Annexure A which forms part of this report.

### 13 Key Managerial Personnel

The key managerial personnel of the Company are given below:

Sr No.	Name	Designation
1	Shri Daya Ram khanchandani	Non executive Chairman
2	Shri Manish Murlidhar Dialani	Managing Director
3	Smt. Lajwanti M Dialani	Whole Time Director
4	Shri Mahaveer Prasad Jain	Chief Financial Officer
5	Ms. Prakriti Sethi	Company Secretary

### 14 Board of Directors

During the F.Y 2017-18, the following changes took place in composition of board of directors:

- Change of designation of Mrs. Lajwanti M Dialani (DIN: 05201148) from non-executive directors to Whole-time directors in AGM held on 29/09/2017
- Change of designation of Shri Dayaram Khanchandani (DIN:00161546) from Whole-time Director to non-executive director in AGM held on 29/09/2017.

Changes in composition of board of directors after financial ended on 31/03/2018 are as follows:

- Appointment

As recommended by the Nomination and Remuneration Committee and as required under the provisions of the Companies Act 2013, the Board has appointed Mr. Laxmikant R Patodia (DIN 03497821) and Mr. Vishesh M Nihalani (DIN 06786707) as independent directors with effect from 20th June 2018.

As per the provisions of the Companies Act, 2013, Independent Directors have been appointed for a period of five years and shall not be liable to retire by rotation. Their appointments require shareholders approval and are included in the notice. The personal details of these directors are given in the annexure to the notice. As per provisions of the Companies Act 2013, the Company is required to have 2 independent

directors on its board.

The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

• Resignation

The Independent directors, namely, Mr. Ashok Patni (DIN 00162153), Mr. Kishor Motiyani (DIN 00161589) and Mr. Murlidhar Menghani (DIN 00157301) resigned from the Board due to personal commitments and reasons with effect from 20th June 2018

In accordance with provisions of section 152 of the Act Shri Daya Ram Khanchandani (DIN 00161546), Non executive Chairman retires by rotation and being eligible offers himself for reappointment.

**15 Number of meetings of the Board**

During the year under report, the board met 6 times on 30.05.2017, 08.08.2017, 21.08.2017, 10.11.2017, 10.02.2018, 07.03.2018

**16 Board Evaluation**

The performance evaluation of the independent directors was completed. The performance evaluation of the Chairman and non-independent directors was carried out by the independent directors and was accepted by the Board. The Board of directors expressed satisfaction of the evaluation process adopted by the Company

**17 Particulars of loans, guarantees or investments by the Company**

During the year, the Company has not given any loan or issued any guarantee in connection with the loan.

**18 Whistle Blower policy/Vigil Mechanism**

The Company has in place a mechanism to report genuine concerns or grievances.

**19 Policy on director's appointment / remuneration /determining qualifications /positive attributes etc**

Company has constituted Nomination and Remuneration Committee and adopted Nomination and Remuneration Policy formulated in compliance with Section 178 of the Companies Act, 2013 read with rules thereunder and of the SEBI (LODR) Regulations, 2015.

The said policy includes criteria for determining qualifications, positive attributes, independence of directors and other matters provided. As on 31st march, 2018 the board had six members, two of whom were executive or whole-time directors (including one woman director), one non executive director and three independent directors.

The said policy of the company on director's appointment

and remuneration, including the criteria for determining qualification, positive attribute, independence of a directors and other matters as required under sub section (3) of section 178 of the companies act, 2013 is available on our website at -

<http://www.mkexim.com/policy/nomination-remuneration-policy>.

**20 Related party transactions**

All transactions entered with related parties for the financial year ended 31st March 2018 were on arm's length basis and in the ordinary course of business under third proviso to section 188(1) of the Act. Hence Details are not given in form AOC 2 as required under section 134(3) (h) of the Act.

Pursuant to section 188 of the Companies Act 2013, a resolution has been included in the notice for approval of members for the transactions with M/s. Laaj International and M/s. Square Textiles LLC, Dubai, UAE in which some directors are interested.

Omnibus approval, wherever required was given for transactions of repetitive nature on half yearly basis. All related party transactions are placed before the Audit Committee and the Board of Directors for approval. All related party transactions entered during the financial year ended 31st March 2018 are disclosed in the notes to accounts.

**21 Significant and material orders passed by the regulators or courts**

There are no significant and material orders passed by the regulators or courts against the Company during the year. There are also no material development which may impact on the business of the Company, from the end of the financial year and the date of this report.

**22 Directors responsibility statement**

To the best of knowledge and belief and according to the information and explanation obtained by them, your directors make the following statement in terms of section 134(3) (c) of the Companies Act 2013:

- (a) That in preparation of the annual accounts for the year ended 31<sup>st</sup> March 2018 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) 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 31<sup>st</sup> March 2018 and of the profit of the Company for the year ended on that date;

- (c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts have been prepared on a going concern basis.
- (e) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 23 Statutory auditors

M/s Vimal Agrawal & Associates, Chartered Accountants, who are statutory auditors of the Company, hold office upto the 27th annual general meeting. Members of the Company had approved the appointment of Vimal Agrawal & Associates, Chartered Accountants, (FIRM membership number FRN 004187C), as the Statutory Auditors at the 22nd AGM of the Company which is valid till 27th AGM of the Company. In accordance with the Companies Amendment Act, 2017, which became effective from 7th May 2018, the appointment of Statutory Auditors is not required to be ratified at every AGM.

### 24 Qualification in the auditor's report

With reference to the Statutory auditor's remarks in regard to Ind AS 19 for Employees Benefits for provision of gratuity, the Directors clarify that the liability for gratuity payable by the Company is being worked out in consultation with LIC and appropriate policy as advised by LIC will be taken in due course, during the current financial year.

### 25 Cost Audit

The provisions of the Companies (Cost Records and Audit) Rules 2014 are not applicable to the Company's operations.

### 26 Secretarial Audit Report

As required under section 204 of the Companies Act 2013, the Secretarial Audit Report from Ms. Anshu Parikh, Practising Company Secretary (FCS:9785, CP: 10686) is annexed to this report as Annexure B which forms part of this report. With reference to the observations of the Secretarial Auditor in her report, we clarify as under:

- 1) With reference to the observation 1 in the report, it is submitted that there was some delay in filing certain forms with ROC. Section 403 of the Companies Act 2013, permits companies to file the forms with additional fees, if there is delay in filing the forms. The Companies paid additional fees to ROC and the ROC

approved these forms.

- ii) With reference to the observation in regard to delay in informing the stock exchange of the developments mentioned in Schedule IIIA of SEBI LODR regulations, there were not any material developments mentioned in the said Schedule III A which had any impact on the price of the shares or giving rise to any unpublished price sensitive information, during the financial year ended 31<sup>st</sup> March 2018.
- iii) With reference to the observations on the appointment of independent directors, we submit that There is no provision in section 149 nor in the Companies (Appointment and Qualifications of Directors) Rules 2014 which says that directors who held the position prior to commencement of Act 2013 shall be appointed under section 149 for a short period taking into account the number of years they were directors prior to commencement of the Act 2013. Neither the said section nor the said rules prescribe any disqualification for appointment if they held the position before 1/4/2014.
- iv) Section 149(5) deals with the composition of the Board with independent directors mentioned in section 149(4). It provides a period of one year from 1/4/14 to achieve the composition It has nothing to do with the continuation of the directors after 1/4/14. The Company, as per its composition of board should have two independent directors. But it had 3 independent directors. Thus the Company has complied with the provisions of the Companies Act 2013 and the relevant rules framed thereunder, in regard to appointment of independent directors.

### 27 Internal control systems and their adequacy

The Company has an effective internal control system commensurate with its size and scale of its operations. The internal audit is entrusted to M/s Madhur & Associates, Chartered Accountants.

The Audit Committee reviews the adequacy and effectiveness of the internal control systems and suggests improvements, wherever required.

### 28 Environments and Safety

The Company's operations do not pose any environment hazards and are conducted in such a manner that safety of all concerned and compliances with environmental regulations are ensured.

### 29 Statutory Information

#### A. Conservation of energy:

- i. The Company has committed to conserve energy,

improve energy efficiency through reduction of wastage and optimum utilisation.

- ii. Steps taken for utilizing alternate sources of energy: Nil
- iii. Capital investment on energy conservation: Nil

**B. Technology Absorption:** The Company has no technology agreement and the issue of technology absorption does not arise.

**C. Foreign exchange earnings and out go.**

Foreign exchange earnings: Rs 1902.36 lakhs

Foreign Exchange outgo Rs. 0.29 lakhs

**30** Details of disclosure pursuant to section 197(12) of the Companies Act 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in Annexure-C which forms part of this report.

**31 Material changes and commitments occurred in terms of section 134(3)(I) of the companies act, 2013**

No significant changes and commitment occurred between the date of the balance sheet and the date of the report.

**32 Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

Pursuant to the disclosure requirements under section 134(3) and rules thereof of the Companies Act, 2013 the Company has constituted internal complaint committee as required under provisions of Sexual Harassment of woman at workplace (prevention, Prohibition & Redressal) Act 2013.

The Company has not received any complaint of sexual harassment during the year under review.

**33 Risk Management policy**

The Company has developed and established a risk management policy/ Plan for the Company which sets out a framework for identification of elements of Risk, if any which in the opinion of the Board may threaten the existence of the Company and has devised a proper system of risk management and internal compliance and control through its Board, Audit Committee, KMP's and other Senior personnel of the Company.

**34 Audit Committee**

The Audit committee has been constituted to meet the requirements of the provisions of the Companies Act, 2013, rules and regulations as may be prescribed. The members of the Audit Committee have requisite financial and management expertise.

Composition of the Committee as on 31.03.2018 as follows:-

S.No	Name of Members	Designation
1	Mr. MurliDhar Menghani	Chairman
2	Mr. Ashok Patni	Members
3	Mr. Kishor Motiyani	Members

During the year under report, the committee met 4 times on 30.05.2017, 08.08.2017, 10.11.2017, 10.02.2018. The recommendations made by the Audit committee during the year were accepted by the Board

**35 Nomination and remuneration committee and stakeholders committee**

The company has complied with section of regulation 178 regarding constitution of Nomination and remuneration committee and stakeholders committee

**36 Acknowledgment**

The Directors wish to place on record their appreciation of the contribution made by the employees at all levels.

The Directors also to wish to thank the Company's customers and banks for their continued support and faith reposed in the Company.

Place : Jaipur

Date: 24.08.2018

By order of the Board  
Daya Ram Khanchandani  
Chairman  
DIN: 00161546

**Annexure A**  
**FORM NO MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31<sup>st</sup> March 2018

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

**I Registration & Other Details**

- 1 CIN : L63040RJ1992PLC007111
- 2 Registration Date : 31.12.1992
- 3 Name of the Company : M.K.EXIM (INDIA) LIMITED
- 4 Category/sub category : Non government company limited by shares
- 5 Address of the registered office : G1/150, Garment Zone, EPIP, Sitapura,  
Tonk Road, Jaipur-302022 Rajasthan  
Phone: +91 141 3937500  
Email: mkexim@hotmail.com
- 6 Whether listed Company : Yes
- 7 Name and address of the RTA : Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Center,  
Near Dada Harsukhdas Mandir,  
New Delhi – 110 062  
Tel: (011) 2996 1281/82  
Fax: (011) 2996 1284  
Email: beetalrta@gmail.com

**II Principal business activities of the Company**

(All the business activities contributing 10% or more of the turnover of the Company shall be stated)

Sr. No	Name and description of main products/services	NIC code of the products/services	% to total turnover of the Company
1	Dyed Fabrics	540702	100

**III Particulars of holding, subsidiary and associate companies: As per AOC-1**

## IV Shareholding pattern

## Shareholding pattern

Category of shareholders	No of shares held at the beginning of the year (1/4/2017)				No of shares held at the end of the year (31/03/2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>									
<b>1 Indian</b> Individual/HUF Bodies Corporate Any other	1909630	0	1909630	26.5947	1774645	0	1774645	24.7148	-1.8799
<b>Sub total (A)(1)</b>	1909630	0	1909630	26.59	1774645	0	1774645	24.7148	-1.8799
<b>2 Foreign</b> NRIs Individuals Bodies Corporate Any other	0	50000	50000	0.6963	0	0	0	0	-0.6963
<b>Sub total (A)(2)</b>	0	50000	50000	0.6963	0	0	0	0	-0.6963
<b>Total shareholding of promoter (A)=(A)(1)+(A)(2)</b>	1909630	50000	1959630	27.291	1774645	0	1774645	24.7148	-2.5762
<b>B Public shareholding</b>									
<b>1 Institutions</b> Mutual Funds/UTI Banks/FI FIIs Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub total (B)(1)</b>	0	0	0	0	0	0	0	0	0
<b>2 Non Institutions</b>									
Bodies Corporate Indian	950158	0	950158	13.2325	897633	0	897633	12.501	-0.7315
Overseas									
Individuals Individuals holding nominal share capital upto Rs. 2 lakh	906605	371125	1277730	17.7944	813958	365625	1179583	16.4276	1.3668
Individuals holding nominal capital in excess of Rs. 2 lakh	2830906	0	2830906	39.4249	3111002	55000	3166002	44.0917	4.6668
Clearing members	2000	0	2000	0.0279	0	0	0	0	-0.0279
NRI-NON-REPAT.	2000	0	2000	0.0279	2750	0	2750	0.0383	0.01
NRI-REPAT.	300	72000	72300	1.0069	300	72000	72300	1.0069	0
Others (specify) HUF	85776	0	85776	1.1946	87587	0	87587	1.2198	0.0252
<b>Sub Total (B)(2)</b>	4777745	443125	5220870	72.709	4913230	492625	5405855	75.2852	2.5762
<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>	4777745	443125	5220870	72.709	4913230	492625	5405855	75.2852	2.5762
<b>Grand total (A)+(B)</b>	6687375	493125	7180500	100	6687875	492625	7180500	100	0

## ii Shareholding of Promoters

Sr. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Daya Ram Khanchandani	1774590	24.714	0	1774590	24.714	0	0
2	Shyam Khanchandani	10	0.00	0	10	0.00	0	0
3	Pushpa Khanchandani	10	0.00	0	10	0.00	0	0
4	Nitin Khanchandani	135000	1.8801	0	15	0.00	0	-1.880
5	Rakhi Khanchandani	20	0.00	0	20	0.00	0	0
6	Latesh Shroff	50000	0.69	0	0	0.00	0	-0.69

## iii Change in promoters' shareholding

Sr No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding During the year	
		No of shares	% of total shares	No of shares	% of total shares
<b>1</b>	<b>Daya Ram Khanchandani</b>				
	At the beginning of the year	1774590	24.714	1774590	24.714
	Changes during the year	0	0	1774590	24.714
	At the end of the year	1774590	24.714	1774590	24.714
<b>2</b>	<b>Shyam Khanchandani</b>				
	At the beginning of the year	10	0.00	10	3.97
	Changes during the year	-	-	10	0.00
	At the end of the year	10	0.00	10	0.00
<b>3</b>	<b>Pushpa Khanchandani</b>				
	At the beginning of the year	10	0.00	10	1.98
	Changes during the year	-	-	10	0.00
	At the end of the year	10	0.00	10	0.00
<b>4</b>	<b>Nitin Khanchandani</b>				
	At the beginning of the year	135000	1.8801	135000	1.8801
	Changes during the year	(134985)	(1.880)	15	0.00
	At the end of the year	15	0.00	15	0.00
<b>5</b>	<b>Rakhi Khanchandani</b>				
	At the beginning of the year	20	0.00	20	0.00
	Changes during the year	-	-	20	0.00
	At the end of the year	20	0.00	20	0.00
<b>6</b>	<b>Latesh Shroff</b>				
	At the beginning of the year	50000	0.69	50000	0.69
	Changes during the year	(50000)	(0.69)	0	0.00
	At the end of the year	0	0.00	0	0.00

## iv Shareholding pattern of top 10 shareholders (Other than directors/promoters)

SR NO	NAME OF TOP 10 SHAREHOLDER	AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR			AT THE END OF THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES	DATE OF CHANGE	NO. OF SHARES	% OF TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES
1	VASANT BHADRA BHANUSHALI	358880	4.998	31-Mar-17	358880	4.998	358880	4.998
2	MURLI DIALANI	0	0	28-Dec-17	134985	1.8799		
				06-Mar-18	354985	4.9437	354985	4.9437
3	JAINAM SHARE CONSULTANTS PVT. LTD	317767	4.4254	31-Mar-17	317767	4.4254		
				09-Jun-17	317942	4.4279		
				16-Jun-17	317767	4.4254		
				01-Dec-17	317760	4.4253	317760	4.4253
4	SURYABHAN EKNATH DHURPATE	317690	4.4243	31-Mar-17	317690	4.4243	317690	4.4243
5	ALLWIN MULTITRADE PRIVATE LIMITED	222712	3.1016	31-Mar-17	222712	3.1016	222712	3.1016
6	SUNNY KHANCHANDANI	435000	6.0581	31-Mar-17	435000	6.0581		
				06-Mar-18	215000	2.9942	215000	2.9942
7	AZAD KUMAR TRIPATHI	52398	0.7297	31-Mar-17	52398	0.7297		
				09-Jun-17	102398	1.4261		
				13-Oct-17	104403	1.454		
				10-Nov-17	112003	1.5598		
				17-Nov-17	114043	1.5882		
				24-Nov-17	114943	1.6008	114943	1.6008
8	LATIN MANHARLAL SECURITIES PVT. LTD.	100000	1.3927	31-Mar-17	100000	1.3927	100000	1.3927
9	MEGHNA ORGANISERS PRIVATE LIMITED	100000	1.3927	31-Mar-17	100000	1.3927	100000	1.3927
10	ANAND SETHI	100000	1.3927	31-Mar-17	100000	1.3927	100000	1.3927
11	RESHMA DIALANI	99978	1.3923	31-Mar-17	99978	1.3923	99978	1.3923

**Notes:**

All changes are due to sale of shares.

The above information is based on the weekly beneficiary position received from Depositories.



## V Shareholding of Directors and key managerial personnel

Sr. No	Name	Share holding at the Beginning of the year		Cumulative shareholding During the year	
		No of shares	% of total shares	No of shares	% of total shareholding
1	<b>Shri Daya Ram Khanchandani – Non Executive Chairman</b>				
	At the beginning of the year	1774590	24.714	1774590	24.714
	Changes during the year	-	-	1774590	24.714
	At the End of the year	1774590	24.714	1774590	24.714
2	<b>Shri Manish Murlidhar Dialani–Managing Director</b>				
	At the beginning of the year	653105	9.0955	653105	9.0955
	Changes during the year	-	-	653105	9.0955
	At the End of the year	653105	9.0955	653105	9.0955
3	<b>Smt Lajwanti Murlidhar Dialani- Whole-time Director</b>				
	At the beginning of the year	257641	3.5881	257641	3.5881
	Changes during the year	-	-	257641	3.5881
	At the End of the year	257641	3.5881	257641	3.5881
4	<b>Smt Prakriti Sethi – Company Secretary</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the End of the year	-	-	-	-

## V Indebtedness

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

Rs. In Lakhs

Particulars	Secured loans Excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1 Principal amount	426.02	NIL	NIL	426.02
2 Interest due but not paid	NIL	NIL	NIL	NIL
3 Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (1+2+3)</b>	426.02	NIL	NIL	426.02
<b>Change in indebtedness during the financial year</b>				
Addition	96.11	NIL	NIL	96.11
Reduction	59.50	NIL	NIL	59.50
Net change	36.61	NIL	NIL	36.61
<b>Indebtedness at the end of the financial year</b>				
1 Principal amount	462.63	NIL	NIL	462.63
2 Interest due but not paid	NIL	NIL	NIL	NIL
3 Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (1+2+3)</b>	462.63	NIL	NIL	462.63

**VI Remuneration of directors and key managerial personnel**

A Remuneration to Managing Director, whole time Director and/or Manager/CFO:

Rs. In lacs

Sr. No.	Name of the MD/WTD/Manager	Total 2017-18	Total 2016-17	% of Increase during the year 2017-18
1	Prakriti Sethi - Company Secretary	2.04	1.80	13.33%
2	Manish Murlidhar Dialani - MD	5.40	2.40	125%
3	Lajwanti Murlidhar Dialani-WTD	3.00	0.00	0
4	Daya Ram Khanchandani - Director	0.93	1.86	(50%)
5	Mahaveer Prasad Jain -Chief Financial Officer	2.15	1.82	18.13%

B Remuneration to other directors: Nil

**VII Penalties/punishment/compounding of offences:**Not applicable

Place : Jaipur

Date: 24.08.2018

By order of the Board  
**Daya Ram Khanchandani**  
 Chairman  
 DIN: 00161546

## Annexure B

**ANSHU PARIKH**  
**Company Secretary**  
**F-109, Pratibha-1 Complex,**  
**Opp. Gandhi Gram Railway Station,**  
**Ashram Road, Ahmedabad-380009**  
**Mob: +91-9887658618. E-mail: parikhanshu26@gmail.com**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2018**

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

**To,**  
**The Members,**  
**M.K. Exim (India) Limited**  
**CIN: L63040RJ1992PLC007111**  
**Registered Office: G1/150, Garment Zone, E.P.I.P.**  
**RIICO Industrial Area, Sitapura, Sanganer,**  
**Jaipur-302022.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M.K. Exim (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the M.K Exim (India) Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company as made available to me and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of

Secretarial Audit for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under: (Not applicable as no such events occurred during the financial year under review)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment: (Not applicable as no such events occurred during the financial year under review)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board Of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not applicable for the period under review.
  - (d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: Not applicable for the period under review.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable for the period under review.

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client: Not applicable as the Company is not registered as Registrar to Issue and Share Transfer agent during the financial year under review)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable for the period under review; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable for the period under review.

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) as issued and notified by the Institute Of Company Secretaries Of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations & 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 subject to the following observations:

1. During the period under review the company lapsed e- filing of prescribed form under section 117 read with section 179 and applicable rules thereof regarding Appointment of KMP and e-filing of Return of cessation of KMP during the reporting period.  
During the audit of reporting period it was observed that company had lapsed e-filing of some e-return with concerned ROC/ authorities within specified time limit. However, such e-return has been filed by company with applicable additional fees, wherever applicable.
2. Company has lapsed to make some disclosures in Board report pursuant to section 134(3) and 177 and applicable rules thereof, of the Companies Act, 2013 during the reporting period and Company lapsed/delayed to make some disclosure under schedule III part A of LODR, 2015.

I further report that

The composition of the board of directors relevant with independent directors was not in accordance to Section 149 (10)/(11) of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 during the reporting period, as the Independent Directors are continuing their office from before the Companies Act, 2013. Although company has appointed new independent directors w.e.f 20/06/2018 subject to approval in ensuing AGM.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

All the decisions of the Board and Committees thereof were carried out with requisite majority.

I further report that, based on the Compliance mechanism processes as explained by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and authorised departmental compliance officers of the Company and taken on record by the Board of Directors at their duly convened meeting(s), I am of opinion that there are adequate system and processes in place in the company commensurate with the size and its operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place : Jaipur**

**Date: 18.08.2018**

**SD/-  
Anshu Parikh  
Company Secretary**

**FCS:9785  
CP No.: 10686**

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

**Annexure to Secretarial Audit Report**

To,  
The Members,  
M.K. Exim (India) Limited  
CIN: L63040RJ1992PLC007111  
Jaipur.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

1. The compliance of the provisions of all laws, rules, regulations, standards applicable to the M. K. Exim (India) Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices, we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

**Place : Jaipur**  
**Date: 18.08.2018**

**SD/-**  
**Anshu Parikh**  
**Company Secretary**

**FCS:9785**  
**CP No.: 10686**

## ANNEXURE-C

M. K. EXIM (INDIA) LIMITED  
(CIN: L63040RJ1992PLC007111)

- (A) The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of 197(12) of the Companies Act 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014.

Sr No	Requirements	Disclosure															
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31 <sup>st</sup> March 2018	Manish Dialani 251.39% Lajwanti Dialani 139% Dayaram Khanchandani 43.44 %															
2	Percentage increase in remuneration of each director and CEO in the financial year ended 31 <sup>st</sup> March 2018	Manish Dialani 125% Lajwanti Dialani Remuneration paid during the year was Rs. 3,00,000 as against nil last financial year Dayaram Khanchandani -49.83%															
3	The percentage increase of in the median remuneration of employees in the financial year.	18%															
4	The number of permanent employees on the roll of the Company	13															
5	The explanation on the relationship between average increase in remuneration and the Company performance	The average increase in remuneration was in line with the increase in the profitability of the Company															
6	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Having regard to the factors such as size of the operations of the Company, its profitability and the managerial remuneration paid by similar companies in the same group of industry, the Nomination & Remuneration Committee recommended the increase in remuneration of the managerial personnel which was approved by the Board of Directors of the Company.															
7	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the financial year ended 31 <sup>st</sup> March 2018 <table border="1"> <tr> <td>KMP</td> <td>against PBT</td> <td>Against operations</td> </tr> <tr> <td>MD</td> <td>22%</td> <td>0.2%</td> </tr> <tr> <td>WTD</td> <td>12%</td> <td>0.15%</td> </tr> <tr> <td>CFO</td> <td>8.73%</td> <td>0.10%</td> </tr> <tr> <td>CS</td> <td>8.29%</td> <td>0.10%</td> </tr> </table>	KMP	against PBT	Against operations	MD	22%	0.2%	WTD	12%	0.15%	CFO	8.73%	0.10%	CS	8.29%	0.10%
KMP	against PBT	Against operations															
MD	22%	0.2%															
WTD	12%	0.15%															
CFO	8.73%	0.10%															
CS	8.29%	0.10%															
8	The key parameters for any variable component of remuneration availed by the directors	There are no variable components in the remuneration of directors															
9	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	No employee received remuneration in excess of the highest paid director during the year.															
10	Variations in the market capitalization of the Company, price earning ratio as the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	<b>Capitalisation:</b> (Rupees in lakhs) <table border="1"> <tr> <td>31/3/1018</td> <td>31/03/2017</td> </tr> <tr> <td>575.15</td> <td>527.76</td> </tr> </table> <b>Price earning ratio:</b> <table border="1"> <tr> <td>31/03/2018</td> <td>31/03/2017</td> </tr> <tr> <td>23.56</td> <td>49.00</td> </tr> </table>	31/3/1018	31/03/2017	575.15	527.76	31/03/2018	31/03/2017	23.56	49.00							
31/3/1018	31/03/2017																
575.15	527.76																
31/03/2018	31/03/2017																
23.56	49.00																
11	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes. The remuneration paid is as per the remuneration policy of the Company															

- (B) There were no employees who were In receipt of the remuneration which in the aggregate was not less than Rs. 1,02,00,000 per annum or in part of year who were in receipt of remuneration which in aggregate was not less than Rs. 8,50,000 p.m. Hence no details are shown as required under section 197(12) of the Act and the relevant rules made thereunder.

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

(Rs.in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Kolba Farm Fab Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	43.20
5.	Reserves & surplus	436.61
6.	Total assets	615.10
7.	Total Liabilities	615.10
8.	Investments	6.55
9.	Turnover	297.87
10.	Profit before taxation	22.20
11.	Provision for taxation	6.86
12.	Profit after taxation	15.34
13.	Proposed Dividend	Nil
14.	% of shareholding	90%

**Notes:**

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year. NIL

**Part "B": Associates and Joint Ventures**

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

Name of associates/Joint Ventures	NIL
1. Latest audited Balance Sheet Date	NIL
2. Shares of Associate/Joint Ventures held by the company on the year end	NIL
2.1 No.	NIL
2.2 Amount of Investment in Associates/Joint Venture	NIL
2.3 Extend of Holding%	NIL
3. Description of how there is significant influence	NIL
4. Reason why the associate/joint venture is not consolidated	NIL
5. Net worth attributable to shareholding as per latest audited Balance Sheet	NIL
6. Profit/Loss for the year	NIL
6.1 Considered in Consolidation	NIL
6.2 Not Considered in Consolidation	NIL

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which have been liquidated or sold during the year. NIL



**M/S Vimal Agrawal & Associates**  
Chartered Accountants

Opp. Rambhawan Dharmshala,  
M. D. Road, Jaipur 302004  
Ph.: 0141-2600551

## **INDEPENDENT AUDITORS' REPORT**

**To the members of M.K. EXIM (INDIA) LIMITED**

**Report on the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying Consolidated financial statements of **M.K. EXIM (INDIA) LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, Consolidated statement of changes in equity and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information ("hereinafter referred to as the Consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March, 2018; and its profit, statement of changes in equity and cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 provisions of the Companies Act, 2013 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.

### **Responsibilities of Management for Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for preparation of these consolidated 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 and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The holding company's Board of Directors is also responsible for ensuring accuracy of record including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies including its subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its subsidiary and for preventing and detecting frauds and other irregularities ; the selection and application of appropriate accounting policies ; making judgements 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 has been used for the purpose of preparation of the consolidated financial statements by Directors of the Holding company, as aforesaid.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

*Ind AS-19, for Employees Benefits, in respect of Provision for Gratuity. The Provision for Gratuity provided by the company is inadequate and its effect on liabilities and profit of the Company is unascertainable. Further, requisite disclosures are not made in respect of retirement benefits.*

Our opinion is not modified in respect of this matter.

### Other Matter

We did not audit the financial statements of its subsidiary Kolba Farm Fab Private Limited reflecting total assets of Rs. 615.11 lacs, total revenue of Rs.297.87 lacs, net profit of Rs.15.34 lacs and net cash flow amounting to Rs. (-)12.46 lacs for the year ended on that date, as considered in consolidated financial statements and our report in terms of sub sections 3 & 11 of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based only on the report of other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and financial statements certified by the management.

### Report on Other Legal and Regulatory Requirements -

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

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law have been kept by the holding company and its subsidiary including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books of the Holding Company and the report of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated

statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with relevant books of account maintained by holding company and its subsidiary relating to the preparation of Consolidated Financial Statements.

- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors of the Holding Company and the report of statutory auditors of subsidiary company, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding company and its subsidiary and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g. With respect to the other matter 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 Group does not have any pending litigation which would impact its financial position.
  - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For Vimal Agrawal & Associates**  
**Chartered Accountants**  
**(FRN: 004187C)**  
**SD/-**

**Place: Jaipur**  
**Dated: 30<sup>th</sup> May, 2018**

**(V. K. Agrawal)**  
**Partner**  
**M.No.071627**



**M/S Vimal Agrawal & Associates  
Chartered Accountants**

Opp. Rambhawan Dharmshala,  
M. D. Road, Jaipur 302004  
Ph.: 0141-2600551

## **ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph in the Independent Auditors' Report of even date to the members of M.K. Exim (India) Limited on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2018.**

### **Report on the Internal Financial Controls under Cause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of M.K. Exim (India) Limited ("the Holding Company") & its subsidiary company as of 31<sup>st</sup> March, 2018 in the conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor' 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 deemed to be prescribed under section 143 (10) of the Act 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 ICAI. 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 and 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 judgement, 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 other auditors in terms of their report 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
  - i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - ii. 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

- iii. Provide reasonable assurance regarding prevention of 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 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<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

- 9. Our aforesaid reports under section 143(3)(i) of the Act adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company, is based on the corresponding report on the auditors of subsidiary company. Our opinion is not qualified in respect of this matter.

**For Vimal Agrawal & Associates  
Chartered Accountants  
(FRN: 004187C)  
SD/-**

**Place: Jaipur  
Dated: 30<sup>th</sup> May, 2018**

**(V. K. Agrawal)  
Partner  
M.No.071627**

**M.K.EXIM (INDIA) LIMITED**  
(CIN: L63040RJ1992PLC007111)  
G-1/150, GARMENT ZONE, E.P.I.P.  
SITAPURA, JAIPUR

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018**

	NOTES	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017	AS AT 1st April, 2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
PROPERTY, PLANT AND EQUIPMENTS	1	4,74,96,660	5,63,42,963	6,09,29,479
CAPITAL WORK-IN-PROGRESS		-	-	-
INTANGIBLE ASSETS		-	-	-
INTANGIBLE ASSETS UNDER DEVELOPMENT		-	-	-
<b>FINANCIAL ASSETS</b>				
INVESTMENTS	2	6,56,000	6,56,000	6,56,000
LOANS	3	6,14,233	90,21,480	86,52,808
OTHER NON-CURRENT ASSETS	4	87,18,738	75,83,425	88,95,576
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,74,85,631</b>	<b>7,36,03,868</b>	<b>7,91,33,863</b>
<b>CURRENT ASSETS</b>				
INVENTORIES	5	3,59,87,627	4,49,61,663	2,77,95,559
<b>FINANCIAL ASSETS</b>				
INVESTMENTS		-	-	-
TRADE RECEIVABLES	6	14,11,16,909	39,27,48,417	53,70,65,670
CASH AND CASH EQUIVALENTS	7	10,77,462	27,00,018	45,83,443
LOANS	8	7,26,83,542	8,09,009	8,09,009
OTHER FINANCIAL ASSETS		-	-	-
OTHER CURRENT ASSETS	9	68,27,208	2,98,814	32,361
<b>TOTAL CURRENT ASSETS</b>		<b>25,76,92,748</b>	<b>44,15,17,921</b>	<b>57,02,86,042</b>
<b>TOTAL ASSETS</b>		<b>31,51,78,379</b>	<b>51,51,21,789</b>	<b>64,94,19,905</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
EQUITY SHARE CAPITAL	10	7,18,05,000	7,18,05,000	7,18,05,000
OTHER EQUITY	11	16,70,82,582	16,32,43,106	15,49,79,312
NON CONTROLLING INTEREST		47,98,153	46,44,734	38,53,738
<b>TOTAL EQUITY</b>		<b>24,36,85,735</b>	<b>23,96,92,840</b>	<b>23,06,38,050</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
<b>FINANCIAL LIABILITIES</b>				
BORROWINGS	12	18,99,342	1,19,83,710	2,62,17,024
PROVISIONS				
DEFERRED TAX LIABILITIES (NET)	13	1,11,484	9,59,690	14,22,022
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>20,10,826</b>	<b>1,29,43,400</b>	<b>2,76,39,046</b>
<b>CURRENT LIABILITIES</b>				
<b>FINANCIAL LIABILITIES</b>				
BORROWINGS	14	4,26,04,462	3,61,21,490	3,86,34,746
TRADE PAYABLES	15	1,25,28,561	21,83,69,929	34,59,39,513
OTHER FINANCIAL LIABILITIES	16	93,41,718	32,41,240	21,16,175
OTHER CURRENT LIABILITIES	17	35,34,078	26,00,830	28,94,704
PROVISIONS	18	14,73,000	21,52,060	15,57,672
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,94,81,819</b>	<b>26,24,85,549</b>	<b>39,11,42,809</b>
<b>TOTAL LIABILITIES</b>		<b>7,14,92,645</b>	<b>27,54,28,949</b>	<b>41,87,81,855</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,51,78,379</b>	<b>51,51,21,789</b>	<b>64,94,19,905</b>

SIGNIFICANT ACCOUNTING POLICIES  
SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our report of even date annexed For and on behalf of the Board  
For Vimal Agrawal & Associates  
Chartered Accountants

SD/- (V. K. Agrawal) Partner	SD/- ( Lajwanti M Dialani) Whole Time Director DIN : 05201148	SD/- (Manish M Dialani) Managing Director DIN : 05201121	SD/- (M.P. Jain) CFO	SD/- ( Prakriti Sethi) Company Secretary
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Place : Jaipur  
Date : 30th May, 2018

M.K.EXIM (INDIA) LIMITED  
(CIN: L63040RJ1992PLC007111)  
G-1/150, GARMENT ZONE, E.P.I.P.  
SITAPURA, JAIPUR  
CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2018

	NOTES	2017-18	2016-17
<b>INCOME</b>			
<b>REVENUE FROM OPERATION</b>			
SALE OF PRODUCT	19	19,09,54,839	26,11,26,924
INCOME FROM SERVICES	20	2,91,00,572	2,79,82,017
		<b>22,00,55,411</b>	<b>28,91,08,941</b>
OTHER INCOME	21	96,31,553	2,87,96,730
<b>TOTAL INCOME</b>		<b>22,96,86,964</b>	<b>31,79,05,671</b>
<b>EXPENSES</b>			
COST OF MATERIAL CONSUMED	22	-	-
PURCHASE OF STOCK IN TRADE	23	16,36,49,785	27,18,59,306
CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE	24	89,74,036	(1,71,66,104)
EMPLOYEE BENEFITS EXPENSES	25	1,43,69,585	1,08,57,815
FINANCE COST	26	75,22,320	88,01,227
DEPRECIATION/AMORTISATION AND DEPLETION EXPENSES	1	83,71,635	96,65,531
OTHER EXPENSES	27	2,10,04,599	2,10,48,480
<b>TOTAL EXPENSES</b>		<b>22,38,91,959</b>	<b>30,50,66,255</b>
<b>PROFIT BEFORE TAX</b>		<b>57,95,005</b>	<b>1,28,39,416</b>
TAX EXPENSES:-			
CURRENT TAX		26,97,315	28,63,852
DEFERRED TAX		(8,48,205)	(4,62,332)
INCOME TAX FOR EARLIER YEARS		47,000	(13,83,106)
<b>PROFIT FOR THE YEAR</b>		<b>39,92,895</b>	<b>90,54,790</b>
<b>OTHER COMPREHENSIVE INCOME:-</b>			
(i) ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS		-	-
(ii) INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS (PREVIOUS YEAR RS. NIL )		-	-
(iii) ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS		-	-
(iv) INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>39,92,895</b>	<b>90,54,790</b>
<b>NET PROFIT ATTRIBUTABLE TO:-</b>			
A OWNERS OF THE COMPANY		<b>38,39,476</b>	<b>82,63,794</b>
B NON CONTROLLING INTEREST		<b>1,53,419</b>	<b>7,90,996</b>
<b>OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>			
A OWNERS OF THE COMPANY		-	-
B NON CONTROLLING INTEREST		-	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>			
A OWNERS OF THE COMPANY		<b>38,39,476</b>	<b>82,63,794</b>
B NON CONTROLLING INTEREST		<b>1,53,419</b>	<b>7,90,996</b>
<b>EARNINGS PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH</b>			
BASIC (RS.)		0.5347	1.1509
DILUTED (RS.)		0.5347	1.1509

SIGNIFICANT ACCOUNTING POLICIES

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our report of even date annexed  
For Vimal Agrawal & Associates  
Chartered Accountants

For and on behalf of the Board

SD/-  
(V. K. Agrawal)  
Partner

SD/-  
( Lajwanti M Dialani)  
Whole Time Director  
DIN : 05201148

SD/-  
(Manish M Dialani)  
Managing Director  
DIN : 05201121

SD/-  
(M.P. Jain)  
CFO

SD/-  
( Prakriti Sethi)  
Company Secretary

Place : Jaipur

Date : 30th May, 2018

M.K.EXIM (INDIA) LIMITED  
(CIN: L63040RJ1992PLC007111)  
G-1/150, GARMENT ZONE, E.P.I.P.  
SITAPURA, JAIPUR

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

CASH FLOW FROM OPERATIVE ACTIVITES (A)	Year Ended 31.03.18	Year Ended 31.03.17
<b>Net Profit before tax</b>	57.95	128.39
<b>Adjustments for:</b>		
Deferred Tax Liability	(8.48)	(1.13)
Depreciation	83.72	96.65
Interest Expenses	50.30	88.01
Gratuity	2.01	0.72
Loss on Sale of Fixed Assets	19.84	0.00
<b>Operating Profit before working capital changes</b>	<b>205.34</b>	<b>312.64</b>
<b>Adjustment for:</b>		
Increase/Decrease in Inventories	89.75	(165.37)
Increase/Decrease Sundry Debtors & Other receivable	1727.86	1436.81
Increase/Decrease in Current liabilities	(2008.22)	(1292.79)
Increase/Decrease in Loans & Advances	80.00	0.00
<b>Cash Generated From Operating activites</b>	<b>94.73</b>	<b>291.29</b>
Interest paid	(37.67)	(64.20)
Tax Paid	(25.01)	(15.88)
<b>Net Cash Flow from Operating Activities</b>	<b>32.05</b>	<b>211.21</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		
Purchases of Fixed Assets	(16.53)	(50.79)
Sale of Fixed Assets	1.44	0.00
Interest Income	0.69	0.00
Proceeds from Govt. Grant	7.89	0.00
Decrease/Increase in Investment/Other Non Current Assets	(6.65)	(13.12)
<b>Net Cash used In Investing Activities</b>	<b>(13.16)</b>	<b>(63.91)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES ( C)</b>		
Increase/Decrease in Secured Loans	(22.47)	(142.33)
Decrease in Unsecured Loan	0.00	0.00
Share application Money	0.00	0.00
Preliminary Exp.	0.00	0.00
Interest on Bank Loan	(12.63)	(23.81)
<b>Net Cash From Financing Activities</b>	<b>(35.10)</b>	<b>(166.14)</b>
<b>Net Increase ( Decrease ) In cash &amp; cash equivalents ( A+B+C )</b>	<b>(16.21)</b>	<b>(18.84)</b>
Opening cash and cash equivalents	26.99	45.83
Closing cash and cash equivalents	10.78	26.99

As per our report of even date annexed  
For Vimal Agrawal & Associates  
Chartered Accountants

For and on behalf of the Board

SD/-  
(V. K. Agrawal)  
Partner

SD/-  
( Lajwanti M Dialani)  
Whole Time Director  
DIN : 05201148

SD/-  
(Manish M Dialani)  
Managing Director  
DIN : 05201121

SD/-  
(M.P. Jain)  
CFO

SD/-  
( Prakriti Sethi)  
Company Secretary

Place : Jaipur  
Date : 30th May, 2018

**M.K.EXIM (INDIA) LIMITED**  
**(CIN: L63040RJ1992PLC007111)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST MARCH, 2018**

**A. EQUITY SHARE CAPITAL**

BALANCE AT THE BEGINNING OF THE REPORTING PERIOD i.e. 01 APRIL, 2016	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR 2016-17	BALANCE AT THE END OF THE REPORTING PERIOD i.e. 31 MARCH, 2017	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR 2017-18	BALANCE AT THE END OF THE REPORTING PERIOD i.e. 31 MARCH, 2018
7,18,05,000	-	7,18,05,000	-	7,18,05,000

**B. OTHER EQUITY**

	RESERVE & SURPLUS				OTHER COMPREHENSIVE INCOME	TOTAL
	CAPITAL RESERVE	SECURITY PREMIUM	GENERAL RESERVE	RETAINED EARNINGS		
<b>AS ON 31 MARCH 2017</b>						
BALANCE AT THE BEGINNING OF THE REPORTING PERIOD i.e. 01 APRIL, 2016	38,08,845	5,34,82,300	-	9,76,88,167	-	15,49,79,312
TOTAL COMPREHENSIVE INCOME FOR THE YEAR						
TRANSFER TO / (FROM) RETAINED EARNINGS				82,63,794		
BALANCE AT THE END OF THE REPORTING PERIOD i.e. 31 MARCH, 2017	38,08,845	5,34,82,300		10,59,51,961	-	16,32,43,106

<b>AS ON 31 MARCH 2018</b>						
BALANCE AT THE BEGINNING OF THE REPORTING PERIOD i.e. 01 APRIL, 2017	38,08,845	5,34,82,300	-	10,59,51,961	-	16,32,43,106
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-					
TRANSFER TO / (FROM) RETAINED EARNINGS	-			38,39,476		
BALANCE AT THE END OF THE REPORTING PERIOD i.e. 31 MARCH, 2018	38,08,845	5,34,82,300	-	10,97,91,437		16,70,82,582

<b>M. K. EXIM ( INDIA ) LTD</b> (CIN : L63040RJ1992PLC007111)												
1 PROPERTY, PLANT & EQUIPMENT			GROSS BLOCK				DEPRECIATION				NET BLOCK	
SR. NO.	PARTICULARS	AS AT 01.04.2017	IMPACT ON IND AS TRANSITION	ADDITION/ (DELETION)	AS ON 31.03.18	UPTO 31.03.2017	ADJUSTMENT	IMPACT ON IND AS TRANSITION	FOR THE YEAR	UPTO 31.03.2018	AS ON 31.03.18	NET BLOCK AS ON 31.03.18
	<u>Tangible Assets</u>											
1	LAND	71,66,290		0	71,66,290	0	0	0	0	0	71,66,290	71,66,290
2	SITE DEVELOPMENT	2,65,586		0	2,65,586	1,04,449	0	0	6,429	1,10,878	1,54,708	1,54,708
3	FACTORY BUILDING	58,91,571		0	58,91,571	40,89,918	0	0	4,83,889	45,73,807	13,17,764	13,17,764
4	OFFICE BUILDING	42,70,297		0	42,70,297	21,99,210	0	0	58,049	22,57,259	20,13,038	20,13,038
5	PLANT & MACHINERY	9,24,15,800		-1,75,83,742	7,48,32,058	6,04,93,581	-1,70,96,786		58,98,863	4,92,95,658	2,55,36,400	2,55,36,400
6	FURNITURE & FIXTURES	9,88,023		0	9,88,023	7,75,677	0	0	54,448	8,30,125	1,57,898	1,57,898
7	VEHICLES	1,56,45,729		0	1,56,45,729	26,49,267	0	0	18,57,930	45,07,197	1,11,38,532	1,11,38,532
8	COMPUTER	50,200		12,288	62,488	38,431	0	0	12,027	50,458	12,030	12,030
9	OFFICE EQUIPMENT	4,34,637		0	4,34,637	4,34,637	0	0		4,34,637	0	0
	<b>TOTAL</b>	<b>12,71,28,133</b>		<b>-1,75,71,454</b>	<b>10,95,56,679</b>	<b>7,07,85,170</b>	<b>-1,70,96,786</b>		<b>83,71,635</b>	<b>6,20,60,019</b>	<b>4,74,96,660</b>	<b>4,74,96,660</b>

<b>M. K. EXIM ( INDIA ) LIMITED</b>												
1 PROPERTY, PLANT & EQUIPMENT			GROSS BLOCK				DEPRECIATION				NET BLOCK	
SR. NO.	PARTICULARS	AS AT 01.04.2016	IMPACT ON IND AS TRANSITION	ADDITION/ (DELETION)	AS ON 31.03.17	UPTO 31.03.2016	ADJUSTMENT	IMPACT ON IND AS TRANSITION	FOR THE YEAR	UPTO 31.03.2017	AS ON 31.03.17	NET BLOCK AS ON 01.04.2016
	<u>Tangible Assets</u>											
1	LAND	71,66,290		0	71,66,290	0	0	0	0	0	71,66,290	71,66,290
2	SITE DEVELOPMENT	2,65,586		0	2,65,586	98,020	0	0	6,429	1,04,449	1,61,137	1,67,566
3	FACTORY BUILDING	58,91,571		0	58,91,571	35,97,413	0	0	4,92,505	40,89,918	18,01,653	22,94,158
4	OFFICE BUILDING	42,70,297		0	42,70,297	21,41,161	0	0	58,049	21,99,210	20,71,087	21,29,136
5	PLANT & MACHINERY	9,24,15,800		0	9,24,15,800	5,31,78,952	0	0	73,14,629	6,04,93,581	3,19,22,219	3,92,36,848
6	FURNITURE & FIXTURES	9,88,023		0	9,88,023	7,21,229	0	0	54,448	7,75,677	2,12,346	2,66,794
7	VEHICLES	1,05,73,914		50,71,815	1,56,45,729	9,18,393	0	0	17,30,874	26,49,267	1,29,96,462	96,55,521
8	COMPUTER	43,000		7,200	50,200	29,834	0	0	8,597	38,431	11,769	13,166
9	OFFICE EQUIPMENT	4,34,637		0	4,34,637	4,34,637	0	0		4,34,637	0	0
	<b>TOTAL</b>	<b>12,20,49,118</b>		<b>50,79,015</b>	<b>12,71,28,133</b>	<b>6,11,19,639</b>	<b>0</b>	<b>0</b>	<b>96,65,531</b>	<b>7,07,85,170</b>	<b>5,63,42,963</b>	<b>6,09,29,479</b>



M. K. EXIM ( INDIA ) LTD.  
(CIN: L63040RJ1992PLC007111)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>2: NON CURRENT INVESTMENTS</b>			
Other Investments (unquoted)( Non Trade) (measured at cost)			
Fixed Deposit	1,00,000	-	-
The Cosmoc Co. operative Bank	5,55,000	6,55,000	6,55,000
NSC	1,000	1,000	1,000
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>6,56,000</b>	<b>6,56,000</b>	<b>6,56,000</b>
<b>3: LOANS &amp; ADVANCES</b>			
<b>(Unsecured &amp; Considered good)</b>			
Other Advances	70,000	80,00,000	80,00,000
Mat Credit Entitlement	5,44,233	10,21,480	6,52,808
	<b>6,14,233</b>	<b>90,21,480</b>	<b>86,52,808</b>
<b>3.1: Trade Advances amounting to Rs. 0.70 Lacs</b> (Previous Year Rs.80.00 LACS ) which are long overdue were given out of business expediency and the same, in the opinion of the management are good and recoverable. The same are subject to confirmation.			
<b>4: OTHER NON CURRENT ASSETS</b>			
Claim receivable for loss by fire	27,27,373	27,27,373	27,27,373
Income tax Demand	0	0	12,71,702
TDS Receivable	4,78,987	68,778	3,74,020
Security Deposit	1,92,555	2,54,685	2,54,685
Drawback receivable	14,99,603	4,89,041	-
Central subsidy 10%	37,80,220	37,80,220	37,80,220
Advance Tax 2012-13	40,000	40,000	40,000
VAT Receivable	-	2,23,327	4,47,575
	<b>87,18,738</b>	<b>75,83,424</b>	<b>88,95,575</b>
<b>5: INVENTORIES</b>			
Raw Material	-	-	-
Finished Goods	3,59,87,627	4,49,61,663	2,77,94,546
Chindi(Scrap)	-	-	1,013
	<b>3,59,87,627</b>	<b>4,49,61,663</b>	<b>2,77,95,559</b>
<b>6: TRADE RECEIVABLES</b>			
(Unsecured & Considered Good)			
Debts (Outstanding for a period exceeding six months)	3,14,48,239	28,47,92,696	28,06,43,067
Others	10,96,68,670	10,79,55,721	25,64,22,603
	<b>14,11,16,909</b>	<b>39,27,48,417</b>	<b>53,70,65,670</b>
<b>7: CASH &amp; CASH EQUIVALENTS</b>			
Cash in Hand	5,94,149	5,33,398	41,40,482
Balance with Banks	4,83,313	21,66,620	4,42,961
<b>CASH &amp; CASH EQUIVALENTS AS PER BALANCE SHEET</b>	<b>10,77,462</b>	<b>27,00,018</b>	<b>45,83,443</b>
<b>CASH &amp; CASH EQUIVALENTS AS PER CONSOLIDATED CASH FLOW</b>	<b>10,77,462</b>	<b>27,00,018</b>	<b>45,83,443</b>
<b>Details of Specified bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 31-12-2016</b>			
	<b>SBNs</b>	<b>Other denomination</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	-	59,152.93	59,152.93
[+] Permitted Receipts	-	-	-
[-] Permitted Payments	-	-	-
[-] Amount Deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	2,48,822.93	2,48,822.93
<b>8: LOANS &amp; ADVANCES</b>			
(Unsecured & considered good)			
Advances to Suppliers	7,19,26,178	-	-
Advances to Employees	7,57,364	8,09,009	8,09,009
	<b>7,26,83,542</b>	<b>8,09,009</b>	<b>8,09,009</b>
<b>9: OTHER CURRENT ASSETS</b>			
Prepaid Insurance	1,84,200	1,88,420	32,361
Prepaid Expenses	2,27,799	-	-
Interest Receivable	-	17,513	-
Dividend Receivable	35,212	35,212	-
FD interest receivable	1,20,169	57,669	-
GST Receivable	22,21,051	-	-
ITC Receivable	40,38,777	-	-
	<b>68,27,208</b>	<b>2,98,814</b>	<b>32,361</b>
<b>10: SHARE CAPITAL</b>			
<b>10.1. GENERAL INFORMATION</b>			
The consolidated Financial Statements present the Consolidated Accounts of M.K.EXIM (INDIA) LIMITED with its Following Subsidiary :-			
<b>INDIAN SUBSIDIARY:</b> <b>KOLBA FARM FAB PVT. LTD.</b>	<b>PROPORTION OF OWNERSHIP INTEREST</b>		
	90%	90%	90%
<b>10.2 Authorised Capital</b>			
10000000 Equity Shares of Rs 10/- each	10,00,00,000.00	10,00,00,000.00	10,00,00,000.00
<b>Issued ,Subscribed &amp; Paid up Capital</b>			
7180500 Equity Shares of Rs 10/- each fully paid up	7,18,05,000.00	7,18,05,000.00	7,18,05,000.00
	<b>7,18,05,000.00</b>	<b>7,18,05,000.00</b>	<b>7,18,05,000.00</b>

10.1 Details of shareholders holding more than 5% shares							
Name of shareholder	No. of shares		%				
	17-18	16-17	17-18	16-17			
Dayaram Khanchandani	1774590	1774590	24.72	24.72			
Sunny Khanchandani	215000	435000	2.99	6.06			
Manish Dialani	653105	653105	9.10	9.10			
<b>10.2 The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held.</b>							
<b>11 : OTHER EQUITY</b>							
<b>CAPITAL RESERVE</b>							
Opening Balance		22,50,132		22,50,132		22,50,132	
Add: Arising on consolidation due to investment in share of equity holding		-		-		-	
Closing Balance		<b>22,50,132</b>		<b>22,50,132</b>		<b>22,50,132</b>	
<b>Statement of Profit and Loss</b>							
Opening balance		10,59,51,961		9,76,88,167		9,76,88,167	
(+) Net Profit For the current year		38,39,476		82,63,794			
		10,97,91,437		10,59,51,961		9,76,88,167	
Less:- Appropriations		-		-		-	
Profit after Appropriations		10,97,91,437		10,59,51,961		9,76,88,167	
Securities Premium Reserve		5,34,82,300		5,34,82,300		5,34,82,300	
State Investment Subsidy		15,58,713		15,58,713		15,58,713	
<b>Balance of Holding Company</b>		<b>16,48,32,450</b>		<b>16,09,92,974</b>		<b>15,27,29,180</b>	
Add:- Share in Reserve & Surplus of Subsidiary		-		-		-	
<b>Total</b>		<b>16,70,82,582</b>		<b>16,32,43,106</b>		<b>15,49,79,312</b>	
<b>12 : BORROWINGS (NON CURRENT)</b>							
Secured loan (secured by hypothecation of car)		18,99,342		36,50,097		41,68,658	
Term Loan from THE COSMOS CO.OP. BANK		-		83,33,614		2,20,48,366	
		<b>18,99,342</b>		<b>1,19,83,711</b>		<b>2,62,17,024</b>	
<b>13: DEFERRED TAX LIABILITY (NET)</b>							
In accordance with Indian Accounting Standards-12 "INCOME TAXES "issued by the Institute of Chartered Accountants of India, the company has created deferred tax assets during the year.The breakup of Net Deferred Assets/(Liabilities) are as under:							
Timing Difference between Book & Tax Value of Fixed Assets		(3,31,599)		(3,74,510)		(4,65,736)	
Gratuity Provision		(6,71,841)		7,44,002		7,21,770	
Others		11,14,924		13,29,182		16,78,056	
		<b>1,11,484</b>		<b>9,59,690</b>		<b>14,22,022</b>	
<b>14: BORROWINGS - CURRENT</b>							
Bill Purchase Limit		2,49,80,150		2,47,87,250		2,11,02,044	
<b>WORKING CAPITAL LIMIT :-</b>							
From State Bank of India		1,76,24,312		1,13,34,240		1,75,32,702	
(Working Capital limit from State Bank of India is secured by way of first charge over all the fixed assets.)							
		<b>4,26,04,462</b>		<b>3,61,21,490</b>		<b>3,86,34,746</b>	
<b>15: TRADE PAYABLES</b>							
Micro, Small & Medium Enterprises		-		-		-	
Others		1,25,28,561		21,83,69,929		34,59,39,513	
		<b>1,25,28,561</b>		<b>21,83,69,929</b>		<b>34,59,39,513</b>	
<b>15.1: Details of dues to Micro, Small and Medium Enterprises under MSMED Act, 2006 :-</b>							
In view of non availability of relevant information with the company, the total outstanding due to Micro, Small and Medium Enterprises covered under MSMED Act, 2006 cannot be ascertained, therefore the same are not disclosed.							
<b>16: OTHER FINANCIAL LIABILITIES</b>							
Current Maturities of Long Term Debt		89,31,503		28,31,025		19,16,110	
Unpaid Dividend		2,00,215		2,00,215		2,00,065	
Building rent Security		2,10,000		2,10,000		-	
		<b>93,41,718</b>		<b>32,41,240</b>		<b>21,16,175</b>	
<b>17: OTHER CURRENT LIABILITIES</b>							
PF & ESI Payable		27,696		25,886		17,402	
Credit Balance of Schedule Bank		76,035		76,035		76,035	
Gratuity Provision		26,09,091		24,07,775		23,35,825	
TDS Payable		1,53,161		75,539		54,763	
Interest on TDS Payable		2,106		-		-	
Telephone Exps Payable		-		4,035		1,945	
D.G.V.C.L		6,65,989		-		4,08,734	
THE COSMOS CO.OP. BANK		-		11,560		-	
Others		-		-		-	
		<b>35,34,078</b>		<b>26,00,830</b>		<b>28,94,704</b>	
<b>18. PROVISIONS - CURRENT</b>							
Provision for Income tax		17,97,000		14,74,560		14,66,611	
Less :Advance tax & TDS		(3,24,000)		(5,18,000)		-	
		14,73,000		9,56,560		14,66,611	
Tax on Dividend		-		-		17,257	
Mat		-		119,500		73,805	
		<b>14,73,000</b>		<b>21,52,060</b>		<b>15,57,673</b>	

<b>19: SALE OF PRODUCT</b>		
Domestic Sales	-	6,96,41,624
Export Sales	19,09,54,839	19,14,85,300
	<b>19,09,54,839</b>	<b>26,11,26,924</b>
<b>20: INCOME FROM SERVICES</b>		
Job Work Income	2,88,60,572	2,78,02,017
Rent	2,40,000	1,80,000
	<b>2,91,00,572</b>	<b>2,79,82,017</b>
<b>21: OTHER INCOME</b>		
subsidy Received	7,88,978	58,42,819
Exchange Rate Difference	4,55,360	(38,31,883)
Duty Drawback	82,50,173	2,67,21,479
Discount	67,571	-
FD Interest	69,445	64,315
Round Off	26	-
	<b>96,31,553</b>	<b>2,87,96,730</b>
<b>21.1 : OTHER COMPREHENSIVE INCOME</b>		
	-	-
	-	-
	-	-
	-	-
<b>22: COST OF MATERIALS CONSUMED</b>		
Opening Stock	-	-
Add: Purchases	-	-
Less: Closing Stock	-	-
	-	-
<b>23: PURCHASE OF TRADING GOODS</b>		
Purchase of Fabric	15,74,01,404	23,12,14,824
Purchase of Goods(For NGO)	12,96,000	3,99,94,600
Purchase of Others	49,52,381	6,49,882
	<b>16,36,49,785</b>	<b>27,18,59,306</b>
<b>24: CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK-IN-TRADE</b>		
Closing Stock of Finished Goods	3,59,87,627	4,49,61,663
Less: Opening Stock of Finished Goods	4,49,61,663	2,77,95,559
(Increase)/Decrease in Finished Goods	89,74,036	(1,71,66,104)
	-	-
Increase in Closing stock of Chindi		
	<b>89,74,036</b>	<b>(1,71,66,104)</b>
<b>25: EMPLOYEE BENEFITS EXPENSES</b>		
Salary Expenses	1,38,05,525	1,03,69,127
Staff Welfare Expenses	1,30,459	2,16,105
Provident Fund & ESI Contribution	1,90,782	1,52,345
Gratuity	2,01,315	71,951
Festival Expenses	41,504	48,287
	<b>1,43,69,585</b>	<b>1,08,57,815</b>
<b>26: FINANCE COST</b>		
Interest	50,30,136	68,66,296
Other Expenses	24,92,184	19,34,931
	<b>75,22,320</b>	<b>88,01,227</b>
<b>27: OTHER EXPENSES</b>		
<b>Manufacturing Expenses:-</b>		
Carriages & Cartages	300	-
Grading Charges	-	-
Milligine & Oil Expenses	18,39,128	11,23,359
Testing Charges	22,589	25,466
Job Charges	6,04,501	49,35,162
Power & Fuel	36,20,150	37,35,974
	<b>60,86,668</b>	<b>98,19,961</b>
<b>Total(A)</b>		

<b>Other Expenses:-</b>				
Conveyance Charges		2,01,590		2,09,129
Electric & Water Expenses		30,700		6,670
Freight Charges		40,17,313		54,60,271
Office Expenses		2,30,233		82,381
Printing & Stationery		88,170		1,02,607
Repairs to Building		8,07,209		67,922
Repairs to Others		1,80,743		3,85,355
Sales Promotion Expenses		-		14,722
Advertisement Expenses		40,319		44,153
Director Remuneration		33,33,315		19,25,641
Auditors' Remuneration		2,30,000		2,30,000
Vehicle Expenses		1,74,680		2,04,042
Council Charges		15,120		2,180
Donation		-		-
Demand & Penalties		1,29,568		2,24,508
Insurance Charges		4,15,015		1,45,258
Interest on TDS		2,106		-
Legal & Professional Charges		19,50,140		5,56,447
Packing material & consumables Consumed		-		4,80,146
Postage Expenses		58,408		1,36,657
Property Tax		1,38,850		-
Loss on sale of Fixed Assets		19,84,156		-
Registration & Annual Charges		4,45,501		3,93,390
Rent		-		1,10,000
Sample Expenses		-		16,976
Security Expenses		2,64,600		2,86,650
Sundry Balances W/off		95,315		52
Telephone Expenses		62,996		99,709
Travelling Expenses		12,834		32,059
Website & Internet Expenses		9,050		11,595
	Total(B)	1,49,17,931		1,12,28,520
	Total(A)+(B)	2,10,04,599		2,10,48,480
<b>27.1 VALUE OF PACKING MATERIAL CONSUMED</b>		<b>Rs. In Lacs.</b>	<b>%</b>	<b>Rs. In Lacs.</b>
Imported		0	0	0
Indigenous		4.80	100	2.86
				100
<b>27.2 PAYMENTS TO AUDITORS</b>				
<b>(a) As Auditors:</b>				
Statutory Audit Fees		2,30,000		2,30,000
<b>(b) As Advisers, in respect of</b>				
-Other Services		56,000		56,000
		2,86,000		2,86,000
<b>28: EARNINGS PER SHARE (EPS)</b>				
Net Profit after tax available for Equity Share holders		38,39,476		82,63,794
Weighted average of number of equity share outstanding during the year		71,80,500		71,80,500
Basic & Diluted Earnings per share( in Rs.)		0.5347		1.1509
Face value per equity share( in Rs.)		10		10
<b>29: EARNING IN FOREIGN EXCHANGE &amp; EXPENDITURE</b>				
<b>Foreign Exchange Earning(FOB Value)</b>				
Export		19,02,35,652		19,10,90,951
<b>Foreign Exchange Expenditure</b>		29,064		8,71,761
<b>30: RELATED PARTY DISCLOSURES</b>				
As per Indian Accounting Standards 24, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Indian Accounting Standard are given below :				
(1) List of related parties and relationships :				
<b>S.NO.</b>	<b>NAME OF RELATED PARTY</b>	<b>RELATIONSHIP</b>		
1.	Mr. Dayaram Khanchandani :	Key Management Personnel (KMP)		
2.	Mr. Manish Murlidhar Dialani	Key Management Personnel (KMP)		
3.	Mrs. Lajwanti Murlidhar Dialani	Key Management Personnel (KMP)		
4.	M/s Square Gem General Trading L.L.C.	Related concern of KMP		
5.	M/s Square Textile L.L.C.	Related concern of KMP		
6.	Manish Overseas	Related concern of KMP		
7.	Laaj International	Related concern of KMP		

Details of transactions with related parties and the status of outstanding balances at the year end.		
	Current year 31.03.18	Previous year 31.03.17
<b>1.Key Management Personnel</b>		
Remuneration	41,48,115	19,25,641
Outstanding Payable at the year end	6,80,616	4,20,939
<b>Unsecured Loans</b>		
Balance at the beginning	0	0
Taken during the year	0	0
Paid during the year	0	0
Balance Payable at the end	0	0
<b>2.Related concern of Key Management Personnel</b>		
Sale of Finished Goods	8,84,39,784	87,40,769
Debit Balance Outstanding at the end of the year	6,02,79,195	1,17,98,041
Purchase of Finished Goods(Fabric)	12,56,14,913	1,47,09,030
Credit Balance Outstanding at the end of the year	0	4,91,58,621
<b>3.Associate Company Loans &amp; Advances</b>		
Balance at the beginning	0	0
Given during the year	0	0
Received during the year	0	0
Balance at the end	0	0
<b>Investment</b>		
	0	0
<b>31:REMUNERATION PAID TO DIRECTORS</b>		
Remuneration	33,33,315	19,25,641
<b>32:CONTINGENT LIABILITIES AND COMMITMENTS</b>		
	<b>Year Ended 31.03.2018</b>	<b>Year Ended 31.03.2017</b>
Claims against the Company not acknowledge as debts	NIL	NIL
Disputed Income Tax Liability		
Pending in Appeals	0.00	0.00
<b>34: FIRST TIME IND AS ADOPTION RECONCILIATION</b>		
34.1: EFFECT OF IND AS ADOPTION ON CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017 AND 01 APRIL, 2016 IS NIL		
34.2: EFFECT OF RECONCILIATION OF PROFIT AND OTHER EQUITY BETWEEN IND AS AND PREVIOUS GAAP IS NIL		
34.3: EFFECT OF IND AS ADOPTION ON THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017 IS NIL		

**M.K.EXIM ( INDIA ) LTD.**  
**(CIN: L63040RJ1992PLC007111)**  
**G-1/150, GARMENT ZONE, E.P.I.P.**  
**SITAPURA, JAIPUR**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**A. CORPORATE INFORMATION**

M.K. EXIM (INDIA ) Limited ("the Company") is a listed entity incorporated in India.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**(i) BASIS OF PREPARATION AND PRESENTATION**

The consolidated financial statements of the Company are prepared under the historical cost convention on accrual basis and in conformity with the Indian Accounting standards („Ind AS “), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company has prepared its consolidated financial statements as per Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting accordance with the requirement of Standards) Rules, 2006 and considered as "Previous GAAP".

These consolidated financial statements are the Company's first Ind AS Consolidated financial statements Company 's financial statements are presented in Indian Rupees (Rs.), which is also its functional currency.

**(ii) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements relate to M.K. EXIM (INDIA ) Limited ("the Company") and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- (c) Offset (eliminate) the carrying amount of the parent s investment in subsidiary.
- (d) Non Controlling Interest s share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (e) Non Controlling Interest s share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company s shareholders.

**(iii) Property, plant and equipment**

Fixed Assets are stated at cost, including attributable cost of bringing the assets to its working condition for the intended use. Depreciation is provided from the date, the assets are installed and put to use on straight line method based on useful life of asset as prescribed in schedule II of the Companies Act, 2013 except in respect of Plant & Machineries where useful life, as technically assessed, is different than those prescribed in schedule II.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Significant components of assets having a life shorter than the main asset, if any is depreciated over the shorter life.

**(iv) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialised.

**(v) Foreign Currency Transaction**

- (a) All Foreign currency transaction are recorded at the rates prevailing on the date of the transaction.
- (b) Foreign Currency transaction remaining unsettled at the Balance Sheet date are translated at the exchange rate prevailing at the Balance Sheet date or at the rate which is likely to be realised in certain specific cases.
- (c) The exchange difference on settlements/conversion are credited/charged to profit and Loss Account.
- (d) The Company has not entered into any forward exchange contract during the period.

- (vi) **Inventories:**
- (a) Raw Materials, Packing Materials and Consumables are valued at the lower of Cost, computed on FIFO basis and estimated net realisable value.
- (b) Finished goods and Work in Process are valued at the lower of cost, computed on FIFO basis and estimated net realisable value. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (vii) **Revenue Recognition**
- (a) The company follows mercantile system of accounting and recognizes significant items of income & expenditure on accrual basis.
- (b) DEPB is recognised when there is significant certainty regarding the ultimate collection of the relevant export proceeds.
- (c) Rent Income is booked as per terms of contract.
- (d) Interest income is booked as per certificate.
- (viii) **Employee Benefits:**
- (a) Contribution to Provident Fund and Employees State Insurance is accounted for on accrual basis.
- (b) Gratuity liability is provided for on estimated basis for all employees under the "Payment of Gratuity Act, 1972"
- (ix) **Finance Cost**  
Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- (x) **Tax Expenses**
- (a) Income Tax comprises Current Tax and Deferred Tax.  
Current Tax is the amount of tax payable as determined in accordance with provisions of Income tax Act, 1961
- (b) Deferred Income Tax is provided on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial purpose.
- (c) Deferred Tax Assets are recognised on unabsorbed depreciation only to the extent that there is virtual certainty supported by convincing evidence and to the extent that there is reasonable certainty of their realisation.
- (d) Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date.
- (xi) **Financial instruments**
- (A) Financial Assets
- (a) Initial recognition and measurement
- All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.
- (b) Subsequent measurement
- (i) Financial assets carried at amortised cost (AC)  
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- (ii) Financial assets at fair value through other comprehensive income (FVTOCI)  
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (iii) Financial assets at fair value through profit or loss (FVTPL)  
A financial asset which is not classified in any of the above categories are measured at FVTPL
- (c) Investment in subsidiaries
- (i) The Company has accounted for its investments in subsidiaries at cost.
- (ii) Value of other investments is valued at cost because Fair Value within that range - as per IND AS 109
- (B) Financial liabilities
- (a) Initial recognition and measurement  
All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost
- (b) Subsequent measurement  
Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- (c) **FIRST TIME ADOPTION OF IND AS**  
The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.
- (i) Exemptions from retrospective application
- (a) Fair value as deemed cost exemption  
The Company has elected to measure items of property, plant and equipment at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.
- (b) Investments in subsidiaries  
The Company has elected to measure investment in subsidiaries at cost.

**33:SEGMENT REPORTING**

- (i) Segments have been identified in line with the Indian Accounting Standard-108- "Operating Segment" issued by the Institute of Chartered Accountants of India.
- (ii) The Business Segment has been considered as the primary segment for disclosure. The segments have been identified taking into account the nature of products, the different risks and returns and internal reporting system. The Geographical Segment based on location of its customers have been considered as secondary segment for disclosure.
- (iii) The segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- (iv) **Information about primary business segments :-**

(Rs. In lakhs)

	Finish Fabrics,Garments & Dress Material		Blankets & Sleeping Mats		Unallocable		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Revenue	2268.12	2680.69	17.10	496.56	11.66	1.80	2296.87	3179.06
Profit before tax	77.29	94.25	(0.09)	36.76	(19.25)	(2.62)	57.95	128.39
Less : MAT Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liability Created/(Reverse)	0.00	(3.49)	0.00	0.00	(8.48)	(1.13)	(8.48)	(4.62)
Income Tax	37.60	15.26	(0.04)	13.06	(10.58)	0.00	26.97	28.32
INCOME TAX FOR EARLIER YEARS	0.00	0.00	0.00	0.00	0.47	(13.83)	0.47	(13.83)
Profit After Tax	39.69	82.48	(0.04)	23.70	0.28	(15.32)	39.93	90.87
Segment Assets	3103.16	5150.44	1.64	0.00	46.98	0.78	3151.79	5151.22
Segment Liabilities	712.78	2753.97	7.24	0.00	(5.09)	0.00	714.93	2753.97
Capital Expenditure	16.53	50.79	0.00	0.00	0.00	0.00	16.53	50.79
Non Cash Expenses other than Depreciation	2.00	0.59	0.02	0.13	19.84	0.00	21.85	0.72
Depreciation	83.47	91.22	0.25	5.44	0.00	0.00	83.72	96.66

**(v) Information about secondary business segment :-**

	<u>Current Year</u>	<u>Previous Year</u>
Domestic	288.61	974.44
Export	1909.55	1914.85
	<u>2198.16</u>	<u>2889.29</u>

As per our report of even date annexed For and on behalf of the Board  
For Vimal Agrawal & Associates  
Chartered Accountants

SD/-	SD/-	SD/-	SD/-	SD/-
(V. K. Agrawal)	( Lajwanti M Dialani)	(Manish M Dialani)	(M.P. Jain)	( Prakriti Sethi)
Partner	Whole Time Director	Managing Director	CFO	Company Secretary
	DIN : 05201148	DIN : 05201121		

Place : Jaipur  
Date : 30th May, 2018



**Form AOC-1**  
(Pursuant to first proviso of sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries											(Rs. in Lacs)			
Sr. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	KOLBA FARM FAB PVT. LTD.			43.20	436.61	615.10	615.10	6.55	297.87	22.20	6.86	15.34	NIL	90%

Part "B": Associates and Joint Ventures						(Rs. in Lacs)	
Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture							
Sr. No.	Name of Associates /Joint Ventures	1. Latest audited Balance Sheet date	2. Shares of Associates/Joint Ventures held by the company on the year end	3. Description of how there is significant influence	4. Reason why the associat/joint venture is not consolidated	5. Networth attributable to Shareholding as per latest audited Balance Sheet	6. Profit/Loss for the year
			No.	Amount of investment in Associates/Joint Venture	Extend of Holding %		i. Considered in Consolidation ii. Not Considered in Consolidation
	NIL	NIL	NIL	NIL	NIL	NIL	NIL



**M/S Vimal Agrawal & Associates**  
**Chartered Accountants**

Opp. Rambhawan Dharmshala,  
M. D. Road, Jaipur 302004  
Ph.: 0141-2600551

**INDEPENDENT AUDITORS' REPORT**  
**To the members of M.K. EXIM (INDIA) LIMITED**  
**Report on the Standalone Financial Statements**  
**Opinion**

We have audited the accompanying standalone financial statements of **M.K. EXIM (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, statement of changes in equity and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March, 2018; and its profit, statement of changes in equity and cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 provisions of the Companies Act, 2013 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.

**Responsibilities of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting

records in accordance with 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

*Ind AS-19, for Employees Benefits), in respect of Provision for Gratuity. The Provision for Gratuity provided by the company is inadequate and its effect on liabilities and profit of the Company is unascertainable. Further, requisite disclosures are not made in respect of retirement benefits.*

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

As required by Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4

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

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- g. With respect to the other matter 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 litigation which would impact its financial position.
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For Vimal Agrawal & Associates**  
**Chartered Accountants**  
**(FRN: 004187C)**  
**SD/-**

**(V. K. Agrawal)**  
**Partner**  
**M.No.071627**

**Place: Jaipur**  
**Dated: 30<sup>th</sup> May, 2018**



**M/S Vimal Agrawal & Associates**  
**Chartered Accountants**

Opp. Rambhawan Dharmshala,  
M. D. Road, Jaipur 302004  
Ph.: 0141-2600551

**ANNEXURE A REFERRED TO IN OUR REPORT  
OF EVEN DATE ON THE ACCOUNTS OF M.K.  
EXIM (INDIA) LIMITED FOR THE YEAR ENDED  
ON 31<sup>ST</sup> MARCH, 2018**

1.
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the assets have been physically verified by the management at the end of the year, which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties as disclosed in fixed assets, are held in the name of the company.
2. The inventory excluding stocks with third parties has been physically verified during the year at reasonable intervals by the management. The procedure of physical verification of inventories followed by the management is adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
3. The company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of sec. 185 & 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 73, 74, 75 & 76 of the Act and Rules framed thereunder.
6. We have been explained that the maintenance of cost records has not been prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013.
7. (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and any other statutory dues with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and value added tax outstanding on account of any Dispute.
8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks, government and debenture holders as at the balance sheet date.
9. The company has applied the term loan, the purpose for which the loan was obtained.
10. According to the information and explanations given to us, no material fraud on or by the company or by its officers or employees has been noticed or reported during the year.
11. The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. As the company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the company.
13. The company has entered into transactions with related parties in compliance with the provisions of the sections 177 & 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company.
15. The company has entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank Of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the company.

**For Vimal Agrawal & Associates**  
**Chartered Accountants**  
**(FRN: 004187C)**  
**SD/-**

**(V. K. Agrawal)**  
**Partner**  
**M.No.071627**

**Place: Jaipur**  
**Dated: 30<sup>th</sup> May, 2018**



**M/S Vimal Agrawal & Associates  
Chartered Accountants**

Opp. Rambhawan Dharmshala,  
M. D. Road, Jaipur 302004  
Ph.: 0141-2600551

## **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph in the Independent Auditors' Report of even date to the members of M.K. Exim (India) Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2018.**

### **Report on the Internal Financial Controls under Cause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of M.K. Exim (India) Limited ("the Company") as of 31<sup>st</sup> March, 2018 in the 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 Act.

### **Auditor' 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

deemed to be prescribed under section 143 (10) of the Act 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 ICAI. 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 and 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 judgement, 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 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
  - i. Pertain to the maintenance of records

- that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. 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
  - iii. Provide reasonable assurance regarding prevention of 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 over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Vimal Agrawal & Associates**  
**Chartered Accountants**  
**(FRN: 004187C)**  
**SD/-**

**(V. K. Agrawal)**  
**Partner**  
**M.No.071627**

**Place: Jaipur**  
**Dated: 30<sup>th</sup> May, 2018**

**M.K.EXIM (INDIA) LIMITED**  
**(CIN : L63040RJ1992PLC007111)**  
**G-1/150, GARMENT ZONE, E.P.I.P.**  
**SITAPURA, JAIPUR**

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018**

	NOTES	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
PROPERTY, PLANT AND EQUIPMENTS	1	1,80,83,553	2,31,20,277	2,11,51,944
INTANGIBLE ASSETS		-	-	-
FINANCIAL ASSETS				
INVESTMENTS	2	3,11,84,847	3,11,84,847	3,11,84,847
LOANS	3	-	80,00,000	80,00,000
OTHER NON-CURRENT ASSETS	4	44,19,531	37,54,426	50,66,577
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,36,87,931</b>	<b>6,60,59,550</b>	<b>6,54,03,367</b>
<b>CURRENT ASSETS</b>				
INVENTORIES	5	3,10,35,246	4,49,61,663	2,77,95,559
FINANCIAL ASSETS				
INVESTMENTS		-	-	-
TRADE RECEIVABLES	6	12,01,01,175	36,83,22,620	51,32,99,144
CASH AND CASH EQUIVALENTS	7	10,76,755	14,53,646	32,36,250
LOANS	8	7,26,36,687	7,89,010	7,89,010
OTHER FINANCIAL ASSETS		-	-	-
OTHER CURRENT ASSETS	9	63,13,789	1,88,420	32,361
<b>TOTAL CURRENT ASSETS</b>		<b>23,11,63,653</b>	<b>41,57,15,359</b>	<b>54,51,52,324</b>
<b>TOTAL ASSETS</b>		<b>28,48,51,584</b>	<b>48,17,74,909</b>	<b>61,05,55,691</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
EQUITY SHARE CAPITAL	10	7,18,05,000	7,18,05,000	7,18,05,000
OTHER EQUITY	11	15,50,83,050	15,26,24,346	15,14,79,512
<b>TOTAL EQUITY</b>		<b>22,68,88,050</b>	<b>22,44,29,346</b>	<b>22,32,84,512</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
FINANCIAL LIABILITIES				
BORROWINGS	12	18,99,342	36,50,097	41,68,658
PROVISIONS				
DEFERRED TAX LIABILITIES (NET)	13	(10,03,440)	(3,69,492)	(2,56,034)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,95,902</b>	<b>32,80,605</b>	<b>39,12,624</b>
<b>CURRENT LIABILITIES</b>				
FINANCIAL LIABILITIES				
BORROWINGS	14	4,26,04,462	3,61,21,490	3,86,34,746
TRADE PAYABLES	15	80,39,801	21,11,75,898	33,86,37,797
OTHER FINANCIAL LIABILITIES	16	21,69,819	32,41,240	21,16,175
OTHER CURRENT LIABILITIES	17	27,80,550	25,69,771	24,85,969
PROVISIONS	18	14,73,000	9,56,560	14,83,868
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,70,67,632</b>	<b>25,40,64,958</b>	<b>38,33,58,554</b>
<b>TOTAL LIABILITIES</b>		<b>5,79,63,534</b>	<b>25,73,45,563</b>	<b>38,72,71,179</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,48,51,584</b>	<b>48,17,74,909</b>	<b>61,05,55,691</b>

SIGNIFICANT ACCOUNTING POLICIES  
SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our report of even date annexed  
For Vimal Agrawal & Associates  
Chartered Accountants

For and on behalf of the Board

SD/-  
(V. K. Agrawal)  
Partner

SD/-  
( Lajwanti M Dialani)  
Whole Time Director  
DIN : 05201148

SD/-  
(Manish M Dialani)  
Managing Director  
DIN : 05201121

SD/-  
(M.P. Jain)  
CFO

SD/-  
( Prakriti Sethi)  
Company Secretary

Place : Jaipur

Date : 30th May, 2018

**M.K.EXIM (INDIA) LIMITED**  
**(CIN : L63040RJ1992PLC007111)**  
**G-1/150, GARMENT ZONE, E.P.I.P.**  
**SITAPURA, JAIPUR**

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

	NOTES	2017-18	2016-17
<b>INCOME</b>			
<b>REVENUE FROM OPERATIONS</b>			
SALE OF PRODUCTS	19	19,09,54,839	26,11,26,924
INCOME FROM SERVICES	20	2,40,000	1,80,000
		<b>19,11,94,839</b>	<b>26,13,06,924</b>
OTHER INCOME	21	87,05,559	2,28,89,596
<b>TOTAL INCOME</b>		<b>19,99,00,398</b>	<b>28,41,96,520</b>
<b>EXPENSES</b>			
COST OF MATERIAL CONSUMED	22	-	-
PURCHASE OF STOCK IN TRADE	23	15,86,97,404	27,18,59,306
CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE	24	1,39,26,417	(1,71,66,104)
EMPLOYEE BENEFITS EXPENSES	25	42,79,886	22,98,596
FINANCE COST	26	62,54,886	64,20,227
DEPRECIATION/AMORTISATION AND DEPLETION EXPENSES	1	29,20,856	31,10,682
OTHER EXPENSES	27	1,02,46,193	1,37,84,771
<b>TOTAL EXPENSES</b>		<b>19,63,25,642</b>	<b>28,03,07,478</b>
<b>PROFIT BEFORE TAX</b>		<b>35,74,756</b>	<b>38,89,042</b>
<b>TAX EXPENSES</b>			
CURRENT TAX		17,97,000	14,74,560
DEFERRED TAX		(6,33,948)	(1,13,458)
INCOME TAX FOR EARLIER YEARS		47,000	(13,83,106)
<b>PROFIT FOR THE YEAR</b>		<b>24,58,704</b>	<b>11,44,834</b>
<b>OTHER COMPREHENSIVE INCOME:-</b>			
(i) ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS		-	-
(ii) INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS (PREVIOUS YEAR RS. NIL)		-	-
(iii) ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS		-	-
(iv) INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>24,58,704</b>	<b>11,44,834</b>
<b>EARNINGS PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH</b>			
BASIC (RS.)		0.3424	0.1594
DILUTED (RS.)		0.3424	0.1594

SIGNIFICANT ACCOUNTING POLICIES  
SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

As per our report of even date annexed For and on behalf of the Board  
For Vimal Agrawal & Associates  
Chartered Accountants

SD/- (V. K. Agrawal) Partner	SD/- ( Lajwanti M Dialani) Whole Time Director DIN : 05201148	SD/- (Manish M Dialani) Managing Director DIN : 05201121	SD/- (M.P. Jain) CFO	SD/- ( Prakriti Sethi) Company Secretary
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Place : Jaipur  
Date : 30th May, 2018



**M.K.EXIM (INDIA) LIMITED**  
(CIN : L63040RJ1992PLC007111)  
G-1/150, GARMENT ZONE, E.P.I.P.  
SITAPURA, JAIPUR

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

CASH FLOW FROM OPERATIVE ACTIVITES (A)	Year Ended 31.03.18	Year Ended 31.03.17
<b>Net Profit before tax</b>	35.75	38.89
<b>Adjustments for:</b>		
Deferred Tax Liability	(6.34)	(1.13)
Depreciation	29.21	31.10
Interest Expenses	37.67	64.20
Gratuity	2.01	0.72
Loss on Sale of Fixed Assets	19.84	0.00
<b>Operating Profit before working capital changes</b>	<b>118.14</b>	<b>133.78</b>
<b>Adjustment for:</b>		
Increase/Decrease in Inventories	139.27	(171.66)
Increase/Decrease Sundry Debtors & Other receivable	1702.48	1448.20
Increase/Decrease in Current liabilities	(1969.97)	(1290.60)
Increase/Decrease in Loans & Advances	80.00	0.00
<b>Cash Generated From Operating activites</b>	<b>69.92</b>	<b>119.72</b>
Interest paid	(37.67)	(64.20)
Tax Paid	(13.18)	(4.25)
<b>Net Cash Flow from Operating Activities</b>	<b>19.07</b>	<b>51.27</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		
Purchases of Fixed Assets	(0.12)	(50.79)
Sale of Fixed Assets	1.44	0.00
Interest Income	0.00	0.00
Decrease/Increase in Investment/Other Non Current Assets	(6.65)	(13.12)
<b>Net Cash used In Investing Activities</b>	<b>(5.33)</b>	<b>(63.91)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES ( C)</b>		
Increase/Decrease in Secured Loans	(17.51)	(5.18)
Decrease in Unsecured Loan	0.00	0.00
Share application Money	0.00	0.00
Preliminary Exp.	0.00	0.00
Interest on Bank Loan	0.00	0.00
<b>Net Cash From Financing Activities</b>	<b>(17.51)</b>	<b>(5.18)</b>
<b>Net Increase ( Decrease ) In cash &amp; cash equivalents ( A+B+C )</b>	<b>(3.77)</b>	<b>(17.82)</b>
Opening cash and cash equivalents	14.54	32.36
Closing cash and cash equivalents	10.77	14.54

**As per our report of even date annexed  
For Vimal Agrawal & Associates  
Chartered Accountants**

**For and on behalf of the Board**

**SD/-  
(V. K. Agrawal)  
Partner**

**SD/-  
( Lajwanti M Dialani)  
Whole Time Director  
DIN : 05201148**

**SD/-  
(Manish M Dialani)  
Managing Director  
DIN : 05201121**

**SD/-  
(M.P. Jain)  
CFO**

**SD/-  
( Prakriti Sethi)  
Company Secretary**

**Place : Jaipur**

**Date : 30th May, 2018**

**M.K.EXIM (INDIA) LIMITED**  
(CIN : L63040RJ1992PLC007111)

**STANDALONE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST MARCH, 2018**

**A. EQUITY SHARE CAPITAL**

BALANCE AT THE BEGINNING OF THE REPORTING PERIOD i.e. 01 APRIL, 2016	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR 2016-17	BALANCE AT THE END OF THE REPORTING PERIOD i.e. 31 MARCH, 2017	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR 2017-18	BALANCE AT THE END OF THE REPORTING PERIOD i.e. 31 MARCH 2018
7,18,05,000	-	7,18,05,000	-	7,18,05,000

**B. OTHER EQUITY**

	RESERVE & SURPLUS			OTHER COMPREHENSIVE INCOME	TOTAL
	CAPITAL RESERVE	SECURITY PREMIUM	RETAINED EARNINGS		
<b>AS ON 31 MARCH 2017</b>					
BALANCE AT THE BEGINNING OF THE REPORTING PERIOD i.e. 01 APRIL, 2016	15,58,713	5,34,82,300	9,64,38,499	-	15,14,79,512
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	-
TRANSFER TO / (FROM) RETAINED EARNINGS	-	-	11,44,834	-	11,44,834
BALANCE AT THE END OF THE REPORTING PERIOD i.e. 31 MARCH, 2017	15,78,713	5,34,82,300	9,75,83,333	-	15,26,44,346
<b>AS ON 31 MARCH 2018</b>					
BALANCE AT THE BEGINNING OF THE REPORTING PERIOD i.e. 01 APRIL, 2017	15,78,713	5,34,82,300	9,75,83,333	-	15,26,44,346
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	-
TRANSFER TO / (FROM) RETAINED EARNINGS	-	-	24,58,704	-	24,58,704
BALANCE AT THE END OF THE REPORTING PERIOD i.e. 31 MARCH, 2018	15,58,713	5,34,82,300	10,00,42,037	-	15,50,83,050

As per our report of even date annexed  
For Vimal Agrawal & Associates  
Chartered Accountants

For and on behalf of the Board

SD/-  
(V. K. Agrawal)  
Partner

SD/-  
( Lajwanti M Dialani)  
Whole Time Director  
DIN : 05201148

SD/-  
(Manish M Dialani)  
Managing Director  
DIN : 05201121

SD/-  
(M.P. Jain)  
CFO

SD/-  
( Prakriti Sethi)  
Company Secretary

Place : Jaipur  
Date : 30th May, 2018

1 PROPERTY, PLANT & EQUIPMENT											
M. K. EXIM (INDIA) LTD (CIN : L63040R1992PLC007111)											
SR. NO.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 01.04.2017	IMPACT ON IND AS TRANSITION	ADDITION/ (DELETION)	AS ON 31.03.18	UP TO 31.03.2017	IMPACT ON IND AS TRANSITION	ADJUSTMENT	FOR THE YEAR	UPTO 31.03.2018	AS ON 31.03.18
1	<u>Tangible Assets</u> LAND	39,87,680		0	39,87,680	0		0	0	0	39,87,680
2	SITE DEVELOPMENT	2,65,586		0	2,65,586	1,04,449		0	6,429	1,10,878	1,54,708
3	FACTORY BUILDING	42,70,297		0	42,70,297	32,44,095		0	4,06,344	36,50,439	6,19,859
4	OFFICE BUILDING	42,70,297		0	42,70,297	21,99,210		0	58,049	22,57,259	20,13,038
5	PLANT & MACHINERY	1,92,24,942		-1,92,24,942	0	1,65,71,158		-1,70,96,786	5,25,628	0	0
6	FURNITURE & FIXTURES	9,88,023		0	9,88,023	7,75,677		0	54,448	8,30,125	1,57,898
7	VEHICLES	1,56,45,729		0	1,56,45,729	26,49,267		0	18,57,930	45,07,197	1,11,38,532
8	COMPUTER	26,700		12,288	38,988	15,122		0	12,028	27,150	11,839
9	OFFICE EQUIPMENT	4,34,637			4,34,637	4,34,637		0	0	4,34,637	0
	<b>TOTAL</b>	<b>4,91,13,891</b>		<b>-1,92,12,654</b>	<b>2,99,01,237</b>	<b>2,59,93,614</b>		<b>-1,70,96,786</b>	<b>29,20,856</b>	<b>1,18,17,684</b>	<b>1,80,83,553</b>

1 PROPERTY, PLANT & EQUIPMENT											
M. K. EXIM (INDIA) LTD (CIN : L63040R1992PLC007111)											
SR. NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 01.04.2016	IMPACT ON IND AS TRANSITION	ADDITION/ (DELETION)	AS ON 31.03.17	UP TO 31.03.2016	IMPACT ON IND AS TRANSITION	ADJUSTMENT	FOR THE YEAR	UPTO 31.03.2017	AS ON 01.04.16
1	<u>Tangible Assets</u> LAND	39,87,680		0	39,87,680	0		0	0	0	39,87,680
2	SITE DEVELOPMENT	2,65,586		0	2,65,586	98,020		0	6,429	1,04,449	1,67,566
3	FACTORY BUILDING	42,70,297		0	42,70,297	28,37,751		0	4,06,344	32,44,095	14,32,547
4	OFFICE BUILDING	42,70,297		0	42,70,297	21,41,161		0	58,049	21,99,210	21,29,136
5	PLANT & MACHINERY	1,92,24,942		0	1,92,24,942	1,57,24,889		0	8,46,269	1,65,71,158	35,00,053
6	FURNITURE & FIXTURES	9,88,023		0	9,88,023	7,21,229		0	54,448	7,75,677	2,66,794
7	VEHICLES	1,05,73,914		50,71,815	1,56,45,729	9,18,393		0	17,30,874	26,49,267	96,55,521
8	COMPUTER	19,500		7,200	26,700	6,853		0	8,269	15,122	12,647
9	OFFICE EQUIPMENT	4,34,637			4,34,637	4,34,637		0	0	4,34,637	0
	<b>TOTAL</b>	<b>4,40,34,876</b>		<b>50,79,015</b>	<b>4,91,13,891</b>	<b>2,28,82,932</b>		<b>0</b>	<b>31,10,682</b>	<b>2,59,93,614</b>	<b>2,11,51,944</b>

**M. K. EXIM ( INDIA ) LTD.**  
(CIN : L63040RJ1992PLC007111)

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>2: NON CURRENT INVESTMENTS</b>			
Other Investments (unquoted)( Non Trade) (measured at cost)			
KOLBA FARM FAB PVT. LTD	3,11,83,847	3,11,83,847	3,11,83,847
N S C	1,000	1,000	1,000
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>3,11,84,847</b>	<b>3,11,84,847</b>	<b>3,11,84,847</b>
<b>3: LOANS &amp; ADVANCES</b>			
(Unsecured & Cosidered good)			
Other Advances	-	80,00,000	80,00,000
	-	<b>80,00,000</b>	<b>80,00,000</b>
3.1:Trade Advances amounting to Rs. NIL. (Previous Year Rs.80.00 Lacs ) which are long overdue were given out of business expediency and the same, in the opinion of the management are good and recoverable. The same are subject to confirmation.			
<b>4: OTHER NON CURRENT ASSETS</b>			
Claim receivable for loss by fire	27,27,373	27,27,373	27,27,373
Income tax Demand	-	0	12,71,702
TDS Receivable	-	60,000	3,65,242
Security Deposit	1,92,555	2,54,685	2,54,685
Drawback receivable	14,99,603	4,89,041	-
VAT Receivable	-	2,23,327	4,47,575
	<b>44,19,531</b>	<b>37,54,426</b>	<b>50,66,577</b>
<b>5:INVENTORIES</b>			
Raw Material	-	-	-
Finished Goods	3,10,35,246	4,49,61,663	2,77,94,546
Chindi(Scrap)	-	-	1,013
	<b>3,10,35,246</b>	<b>4,49,61,663</b>	<b>2,77,95,559</b>
<b>6:TRADE RECEIVABLES</b>			
(Unsecured & Considered Good)			
Debts (Outstanding for a period exceeding six months)	3,14,48,239	28,47,92,696	28,06,43,067
Others	8,86,52,936	8,35,29,924	23,26,56,077
	<b>12,01,01,175</b>	<b>36,83,22,620</b>	<b>51,32,99,144</b>
<b>7:CASH &amp; CASH EQUIVALENTS</b>			
Cash in Hand	5,93,442	4,97,054	27,97,808
Balance with Banks	4,83,313	9,56,592	4,38,442
<b>CASH &amp; CASH EQUIVALENTS AS PER BALANCE SHEET</b>	<b>10,76,755</b>	<b>14,53,646</b>	<b>32,36,250</b>
<b>CASH &amp; CASH EQUIVALENTS AS PER STANDALONE CASH FLOW STATEMENT</b>	<b>10,76,755</b>	<b>14,53,646</b>	<b>32,36,250</b>
<b>Details of Specified bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016</b>			
	<b>SBNs</b>	<b>Other</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	-	59,152.93	59,152.93
[+] Permitted Receipts	-	-	-
[-] Permitted Payments	-	-	-
[-] Amount Deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	2,48,822.93	2,48,822.93
<b>8:LOANS &amp; ADVANCES</b>			
(Unsecured & considered good)			
Advances to Suppliers	7,19,26,178	-	-
Advances to Employees	7,10,509	7,89,010	7,89,010
	<b>7,26,36,687</b>	<b>7,89,010</b>	<b>7,89,010</b>
<b>9:OTHER CURRENT ASSETS</b>			
Prepaid Insurance	1,84,200	1,88,420	32,361
GST Refundable	18,63,013	-	-
ITC Receivable	40,38,777	-	-
Prepaid Expenses	2,27,799	-	-
	<b>63,13,789</b>	<b>1,88,420</b>	<b>32,361</b>
<b>10 : SHARE CAPITAL</b>			
<b>Authorised Capital</b>			
10000000 Equity Shares of Rs 10/- each	10,00,00,000.00	10,00,00,000.00	10,00,00,000.00
<b>Issued ,Subscribed &amp; Paid up Capital</b>			
7180500 Equity Shares of Rs 10/- each fully paid up	7,18,05,000.00	7,18,05,000.00	7,18,05,000.00
	<b>7,18,05,000.00</b>	<b>7,18,05,000.00</b>	<b>7,18,05,000.00</b>

10.1 Details of shareholders holding more than 5% shares				
Name of shareholder	No. of shares		%	
	17-18	16-17	17-18	16-17
Dayaram Khanchandani	1774590	1774590	24.72	24.72
Sunny Khanchandani	215000	435000	2.99	6.06
Manish Dialani	653105	653105	9.10	9.10
<b>10.2 The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held.</b>				
<b>11 : OTHER EQUITY</b>				
Statement of Profit and Loss				
Opening balance		9,75,83,333	9,64,38,499	9,64,38,499
(+) Net Profit For the current year		24,58,704	11,44,834	-
		10,00,42,037	9,75,83,333	9,64,38,499
Less:- Appropriations		-	-	-
Profit after Appropriations		10,00,42,037	9,75,83,333	9,64,38,499
Securities Premium Reserve		5,34,82,300	5,34,82,300	5,34,82,300
State Investment Subsidy		15,58,713	15,58,713	15,58,713
Other Comprehensive Income (OCI)		-	-	-
		15,50,83,050	15,26,24,346	15,14,79,512
<b>12 : BORROWINGS (NON CURRENT)</b>				
Secured loan (secured by hypothecation of car)		18,99,342	36,50,097	41,68,658
		<b>18,99,342</b>	<b>36,50,097</b>	<b>41,68,658</b>
<b>13: DEFERRED TAX LIABILITY (NET)</b>				
In accordance with Indian Accounting Standards-12 "INCOME TAXES "issued by the Institute of Chartered Accountants of India, the company has created deferred tax assets during the year. The breakup of Net Deferred Assets/(Liabilities) are as under:				
Timing Difference between Book & Tax Value of Fixed Assets		3,31,599	(3,74,510)	(4,65,736)
Gratuity Provision		6,71,841	7,44,002	7,21,770
		<b>(10,03,440)</b>	<b>(3,69,492)</b>	<b>(2,56,034)</b>
<b>14: BORROWINGS - CURRENT</b>				
Bill Purchase Limit		2,49,80,150	2,47,87,250	2,11,02,044
<b>WORKING CAPITAL LIMIT :-</b>				
From State Bank of India		1,76,24,312	1,13,34,240	1,75,32,702
(Working Capital limit from State Bank of India is secured by way of first charge over all the fixed assets.)				
		<b>4,26,04,462</b>	<b>3,61,21,490</b>	<b>3,86,34,746</b>
<b>15: TRADE PAYABLES</b>				
Micro, Small & Medium Enterprises		-	-	-
Others		80,39,801	21,11,75,898	33,86,37,797
		<b>80,39,801</b>	<b>21,11,75,898</b>	<b>33,86,37,797</b>
<b>15.1: Details of dues to Micro, Small and Medium Enterprises under MSMED Act, 2006 :-</b>				
In view of non availability of relevant information with the company, the total outstanding due to Micro, Small and Medium Enterprises covered under MSMED Act, 2006 cannot be ascertained, therefore the same are not disclosed.				
<b>16: OTHER FINANCIAL LIABILITIES</b>				
Current Maturities of Long Term Debt		17,59,605	28,31,025	19,16,110
Unpaid Dividend		2,00,215	2,00,215	2,00,065
Building rent Security		2,10,000	2,10,000	-
		<b>21,69,819</b>	<b>32,41,240</b>	<b>21,16,175</b>
<b>17: OTHER CURRENT LIABILITIES</b>				
PF & ESI Payable		27,696	25,886	17,402
Credit Balance of Schedule Bank		76,035	76,035	76,035
Gratuity Provision		26,09,091	24,07,776	23,35,824
TDS Payable		67,728	56,039	54,763
Telephone Exps Payable		-	4,035	1,945
		<b>27,80,550</b>	<b>25,69,771</b>	<b>24,85,969</b>
<b>18. PROVISIONS - CURRENT</b>				
Provision for Income tax		17,97,000	14,74,560	14,66,611
Less :Advance tax & TDS		(3,24,000)	(5,18,000)	-
		14,73,000	9,56,560	14,66,611
Tax on Dividend		-	-	17,257
		<b>14,73,000</b>	<b>9,56,560</b>	<b>14,83,868</b>

<b>19: SALE OF PRODUCTS</b>		
Domestic Sales	-	6,96,41,624
Export Sales	19,09,54,839	19,14,85,300
	<b>19,09,54,839</b>	<b>26,11,26,924</b>
<b>20: INCOME FROM SERVICES</b>		
Rent	2,40,000	1,80,000
	<b>2,40,000</b>	<b>1,80,000</b>
<b>21: OTHER INCOME</b>		
Exchange Rate Difference	4,55,360	(38,31,883)
Duty Drawback	82,50,173	2,67,21,479
Round Off	26	-
	<b>87,05,559</b>	<b>2,28,89,596</b>
<b>21.1 : OTHER COMPREHENSIVE INCOME</b>		
	-	-
	-	-
	-	-
	-	-
<b>22: COST OF MATERIALS CONSUMED</b>		
Opening Stock	-	-
Add: Purchases	-	-
Less: Closing Stock	-	-
	-	-
<b>23: PURCHASE OF TRADING GOODS</b>		
Purchase of Fabric	15,74,01,404	23,12,14,824
Purchase of Goods(For NGO)	12,96,000	3,99,94,600
Purchase of Others	-	6,49,882
	<b>15,86,97,404</b>	<b>27,18,59,306</b>
<b>24: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</b>		
Closing Stock of Finished Goods	3,10,35,246	4,49,61,663
Less: Opening Stock of Finished Goods	4,49,61,663	2,77,95,559
(Increase)/Decrease in Finished Goods	1,39,26,417	(1,71,66,104)
	<b>1,39,26,417</b>	<b>(1,71,66,104)</b>
<b>25: EMPLOYEE BENEFITS EXPENSES</b>		
Salary Expenses	38,29,459	20,09,400
Staff Welfare Expenses	16,826	16,613
Provident Fund & ESI Contribution	1,90,782	1,52,345
Gratuity	2,01,315	71,951
Festival Expenses	41,504	48,287
	<b>42,79,886</b>	<b>22,98,596</b>
<b>26: FINANCE COST</b>		
Interest	37,67,568	44,87,943
Other Expenses	24,87,318	19,32,285
	<b>62,54,886</b>	<b>64,20,227</b>

<b>27:OTHER EXPENSES</b>			
<b>Manufacturing Expenses:-</b>			
Carriages & Cartages		300	-
Testing Charges		22,589	25,466
Job Charges		6,04,501	49,35,162
	Total(A)	6,27,390	49,60,628
<b>Other Expenses:-</b>			
Conveyance Charges		1,42,850	1,41,088
Electric & Water Expenses		30,700	67,320
Freight Charges		35,45,121	54,19,971
Office Expenses		41,494	35,016
Printing & Stationery		77,431	82,214
Repairs to Building		8,07,209	67,922
Repairs to Others		-	44,505
Sales Promotion Expenses		-	14,722
Advertisement Expenses		40,319	44,153
Director Remuneration		9,33,315	4,25,641
Auditors' Remuneration		2,00,000	2,00,000
Vehicle Expenses		1,74,680	2,04,042
Council Charges		15,120	2,180
Demand & Penalties		1,28,368	2,24,508
Insurance Charges		3,40,087	69,741
Legal & Professional Charges		4,76,240	5,11,447
Packing material & consumables Consumed		-	4,80,146
Postage Expenses		56,018	1,35,347
Loss on sale of Fixed Assets		19,84,156	-
Registration & Annual Charges		4,45,501	3,83,790
Rent		-	1,10,000
Sample Expenses		-	16,976
Sundry Balances W/off		95,315	52
Telephone Expenses		62,996	99,709
Travelling Expenses		12,834	32,059
Website & Internet Expenses		9,050	11,595
	Total(B)	96,18,803	88,24,143
	Total(A)+(B)	1,02,46,193	1,37,84,771

<b>27.1 VALUE OF PACKING MATERIAL CONSUMED</b>	<b>Rs. In Lacs.</b>	<b>%</b>	<b>Rs. In Lacs.</b>	<b>%</b>
Imported	0	0	0	0
Indigenous	0	100	4.80	100
<b>27.2 PAYMENTS TO AUDITORS</b>				
<b>(a) As Auditors:</b>				
Statutory Audit Fees		2,00,000		2,00,000
<b>(b) As Advisers, in respect of</b>				
-Other Services		33,000		56,000
		2,33,000		2,56,000
<b>28: EARNINGS PER SHARE (EPS)</b>				
Net Profit after tax available for Equity Share holders		24,58,704		11,44,834
Weighted average of number of equity share outstanding during the year		71,80,500		71,80,500
Basic & Diluted Earnings per share( in Rs.)		0.3424		0.1594
Face value per equity share( in Rs.)		10		10
<b>29: EARNING IN FOREIGN EXCHANGE &amp; EXPENDITURE</b>				
<b>Foreign Exchange Earning (FOB Value)</b>				
Export		19,02,35,652		19,10,90,951
<b>Foreign Exchange Expenditure</b>		29,064		8,71,761
<b>30: RELATED PARTY DISCLOSURES</b>				
As per Indian Accounting Standards 24, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Indian Accounting Standard are given below :				
(1) List of related parties and relationships :				
<b>S.NO.</b>	<b>NAME OF RELATED PARTY</b>	<b>RELATIONSHIP</b>		
1.	Mr. Dayaram Khanchandani :	Key Management Personnel (KMP)		
2.	Mr. Manish Murlidhar Dialani	Key Management Personnel (KMP)		
3.	Mrs. Lajwanti Murlidhar Dialani	Key Management Personnel (KMP)		
4.	M/s Square Gem General Trading L.L.C.	Related concern of KMP		
5.	M/s Square Textile L.L.C.	Related concern of KMP		
6.	Kolba Farm Fab Pvt. Ltd.	Subsidiary Company		
7.	Manish Overseas	Related concern of KMP		
8.	Laaj International	Related concern of KMP		
Details of transactions with related parties and the status of outstanding balances at the year end.				
<b>1. Key Management Personnel</b>		<b>Current year</b>	<b>Previous year</b>	
		<b>31.03.18</b>	<b>31.03.17</b>	
Remuneration		17,48,115	4,25,641	
Outstanding Payable at the year end		6,80,616	4,20,939	
<b>Unsecured Loans</b>				
Balance at the beginning		0	0	
Taken during the year		0	0	
Paid during the year		0	0	
Balance Payable at the end		0	0	



<b>2.Related concern of Key Management Personnel</b>		
Sale of Finished Goods	5,95,79,212	87,40,769
Debit Balance Outstanding at the end of the year	3,92,63,461	1,17,98,041
Purchase of Finished Goods(Fabric)	12,06,62,532	1,47,09,030
Credit Balance Outstanding at the end of the year	0	4,91,58,621
<b>3.Associate Company</b>		
<b>Loans &amp; Advances</b>		
Balance at the beginning	0	0
Given during the year	0	0
Received during the year	0	0
Balance at the end	0	0
<b>Investment</b>	0	0
<b><u>31:REMUNERATION PAID TO DIRECTORS</u></b>		
Remuneration	9,33,315	4,25,641
<b><u>32:CONTINGENT LIABILITIES AND COMMITMENTS</u></b>	<b><u>Year Ended</u></b>	<b><u>Year Ended</u></b>
	<b><u>31.03.2018</u></b>	<b><u>31.03.2017</u></b>
Claims against the Company not acknowledge as debts	NIL	NIL
Disputed Income Tax Liability		
Pending in Appeals	0.00	0.00
<b><u>34: FIRST TIME IND AS ADOPTION RECONCILIATION</u></b>		
34.1: EFFECT OF IND AS ADOPTION ON STANDALONE BALANCE SHEET AS AT 31 MARCH 2017 AND 01 APRIL, 2016 IS NIL		
34.2: EFFECT OF RECONCILIATION OF PROFIT AND OTHER EQUITY BETWEEN IND AS AND PREVIOUS GAAP IS NIL		
34.3: EFFECT OF IND AS ADOPTION ON THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017 IS NIL		

**M.K.EXIM ( INDIA ) LTD.**  
**(CIN : L63040RJ1992PLC007111)**  
**G-1/150, GARMENT ZONE, E.P.I.P.**  
**SITAPURA, JAIPUR**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

**A. CORPORATE INFORMATION**

M.K. EXIM (INDIA ) Limited ("the Company") is a listed entity incorporated in India.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**(i) BASIS OF PREPARATION AND PRESENTATION**

The financial statements of the Company are prepared under the historical cost convention on accrual basis and in conformity with the Indian Accounting standards („Ind AS “), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company has prepared its financial statements in Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting accordance with the requirement of Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements

Company 's financial statements are presented in Indian Rupees (Rs.), which is also its functional currency.

**(ii) Property, plant and equipment**

Fixed Assets are stated at cost, including attributable cost of bringing the assets to its working condition for the intended use. Depreciation is provided from the date, the assets are installed and put to use on straight line method based on useful life of asset as prescribed in schedule II of the Companies Act, 2013 except in respect of Plant & Machineries where useful life, as technically assessed, is different than those prescribed in schedule II.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Significant components of assets having a life shorter than the main asset, if any is depreciated over the shorter life.

**(iii) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialised.

**(iv) Foreign Currency Transaction**

- (a) All Foreign currency transaction are recorded at the rates prevailing on the date of the transaction.
- (b) Foreign Currency transaction remaining unsettled at the Balance Sheet date are translated at the exchange rate prevailing at the Balance Sheet date or at the rate which is likely to be realised in certain specific cases.
- (c) The exchange difference on settlements/conversion are credited/charged to profit and Loss Account.
- (d) The Company has not entered into any forward exchange contract during the period.

**(v) Inventories:**

- (a) Raw Materials, Packing Materials and Consumables are valued at the lower of Cost, computed on FIFO basis and estimated net realisable value.
- (b) Finished goods and Work in Process are valued at the lower of cost, computed on FIFO basis and estimated net realisable value. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**(vi) Revenue Recognition**

- (a) The company follows mercantile system of accounting and recognizes significant items of income & expenditure on accrual basis.
- (b) DEPB is recognised when there is significant certainty regarding the ultimate collection of the relevant export proceeds.
- (c) Rent Income is booked as per terms of contract.

- (vii) **Employee Benefits:**
- (a) Contribution to Provident Fund and Employees State Insurance is accounted for on accrual basis.
- (b) Gratuity liability is provided for on estimated basis for all employees under the "Payment of Gratuity Act, 1972"
- (viii) **Finance Cost**
- Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Althor borrowing costs are charged to revenue.
- (ix) **Tax Expenses**
- (a) Income Tax comprises Current Tax and Deferred Tax Current Tax is the amount of tax payable as determined in accordance with provisions of Income tax Act, 1961
- (b) Deferred Income Tax is provided on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial purpose.
- (c) Deferred Tax Assets are recognised on unabsorbed depreciation only to the extent that there is virtual certainty supported by convincing evidence and to the extent that there is reasonable certainty of their realisation.
- (d) Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date.
- (x) **Financial instruments**
- (A) Financial Assets**
- (a) Initial recognition and measurement
- All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.
- (b) Subsequent measurement
- (i) Financial assets carried at amortised cost (AC)
- A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- (ii) Financial assets at fair value through other comprehensive income (FVTOCI)
- A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (iii) Financial assets at fair value through profit or loss (FVTPL)
- A financial asset which is not classified in any of the above categories are measured at FVTPL
- (c) Investment in subsidiaries
- The Company has accounted for its investments in subsidiaries at cost.
- (B) Financial liabilities**
- (a) Initial recognition and measurement
- All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost
- (b) Subsequent measurement
- Financial liabilities are carried at amortized cost using the effective interest method . For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- C. FIRST TIME ADOPTION OF IND AS**
- The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.
- (i) Exemptions from retrospective application
- (a) Fair value as deemed cost exemption
- The Company has elected to measure items of property, plant and equipment at its carrying value at the transition date.
- (b) Investments in subsidiaries
- The Company has elected to measure investment in subsidiaries at cost.

**33:SEGMENT REPORTING**

- (i) Segments have been identified in line with the Indian Accounting Standard-108- "Operating Segment" issued by the Institute of Chartered Accountants of India.
- (ii) The Business Segment has been considered as the primary segment for disclosure. The segments have been identified taking into account the nature of products, the different risks and returns and internal reporting system. The Geographical Segment based on location of its customers have been considered as secondary segment for disclosure.
- (iii) The segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- (iv) **Information about primary business segments :-**

(Rs. In lakhs)

	Finish Fabrics,Garments & Dress Material		Blankets & Sleeping Mats		Unallocable		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Revenue	1979.51	2343.60	17.10	496.56	2.40	1.80	1999.00	2841.97
Profit before tax	64.35	4.75	(0.09)	36.76	(28.51)	(2.62)	35.75	38.89
Less : MAT Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liability Created/(Reverse)	0.00	0.00	0.00	0.00	(6.34)	(1.13)	(6.34)	(1.13)
Income Tax	32.35	1.69	(0.04)	13.06	(14.33)	0.00	17.97	14.75
INCOME TAX FOR EARLIER YEARS	0.00	0.00	0.00	0.00	0.47	(13.83)	0.47	(13.83)
Profit After Tax	32.00	3.06	(0.04)	23.70	(7.37)	(15.32)	24.59	11.45
Segment Assets	2494.60	4816.97	1.64	0.00	352.27	0.78	2848.52	4817.75
Segment Liabilities	588.64	2573.46	7.24	0.00	(16.24)	0.00	579.64	2573.46
Capital Expenditure	0.12	50.79	0.00	0.00	0.00	0.00	0.12	50.79
Non Cash Expenses other than Depreciation	2.00	0.59	0.02	0.13	19.84	0.00	21.85	0.72
Depreciation	28.96	25.67	0.25	5.44	0.00	0.00	29.21	31.11

**(v) Information about secondary business segment :-**

	<u>Current Year</u>	<u>Previous Year</u>
Domestic	0.00	696.42
Export	1909.55	1914.85
	<u>1909.55</u>	<u>2611.27</u>

As per our report of even date annexed For and on behalf of the Board  
For Vimal Agrawal & Associates  
Chartered Accountants

SD/-  
(V. K. Agrawal)  
Partner

SD/-  
( Lajwanti M Dialani)  
Whole Time Director  
DIN : 05201148

SD/-  
(Manish M Dialani)  
Managing Director  
DIN : 05201121

SD/-  
(M.P. Jain)  
CFO

SD/-  
( Prakriti Sethi)  
Company Secretary

Place : Jaipur  
Date : 30th May, 2018



**M. K. Exim (India) Limited**  
**CIN: L63040RJ1992PLC007111**

Registered Office: G1/150, Garment Zone, E.P.I.P. RIICO Industrial Area, Sitapura, Sanganer, Jaipur-302022.

Phone: +91 141- 3937501, 3937504. Fax: +91-141-3937502

E-mail: mkexim@gmail.com, info@mkexim.com, mkexim@mkexim.com

Web-Site: www.mkexim.com

## ATTENDANCE SLIP

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Folio No. / DP ID & Client ID\*

No. of shares held

\* Applicable in case shares are held in electronic form.

I/We certify that I/We am/are registered shareholder /proxy for the registered shareholder of the Company.

I/We hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company to be held at G1/150, Garment Zone, E.P.I.P. RIICO Industrial Area, Sitapura, Sanganer, Jaipur-302022 at 10.00 a.m. on Monday, September 24, 2018.

\_\_\_\_\_  
Shareholder's / Proxy's name in BLOCK letters Signature of Shareholder /Proxy

Note: 1 Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting.

2 In case of joint holders attending the meeting, the member whose name appears as the first holder, in the order of names appearing in the register of members, will only be entitled to vote.



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Phone: +91 141- 3937501, 3937504. Fax: +91-141-3937502

E-mail: mkexim@gmail.com, info@mkexim.com, mkexim@mkexim.com

Web-Site: www.mkexim.com

**PROXY FORM-MGT 11**

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

**26<sup>th</sup> Annual General Meeting on Monday, 24<sup>th</sup> September, 2018**

Name of the shareholder(s):

Registered address:

E-mail ID:

Folio No. /DP ID & Client ID\*:

No. of shares held:

\* Applicable in case shares are held in electronic form.

I/We, being the holder(s) of \_\_\_\_\_ shares of M. K. Exim India Limited,

hereby appoint:

1 Name: ----- Email id: -----

Address: -----

Signature-----or failing him/her

2 Name: ----- Email id: -----

Address: -----

Signature-----or failing him/her

3 Name: ----- Email id: -----

Address: -----

Signature-----

as my / our proxy to attend and vote (on Poll) for me/us and on my/ our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company to be held on MONDAY, 24<sup>th</sup> September, 2018 at 10.00 a.m. at G1/150, Garment Zone, E.P.I.P. RIICO Industrial Area, Sitapura, Sanganer, Jaipur-302022 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Sr No.	Particulars	Type of resolution Ordinary/Special	I / We (assent to the resolution)	I / We (dissent to the resolution)
			For	Against
	<b>Ordinary Business:</b>			
1.	Audited Standalone as well as Consolidated Financial Statements as at 31 <sup>st</sup> March, 2018 together with the report of Directors and Auditors thereon.			
2.	To Appoint Shri Daya Ram Khanchandani (DIN: 00161546) who retire by rotation & eligible for re-appointment			
	<b>Special Business:</b>			
3	To Appoint Shri Laxmikant Ramswarup Patodia (DIN: 03497821) as Independent Director			
4	To Appoint of Shri Vishesh Mahesh Nihalani (DIN: 06786707) as Independent Director			
5	Approval of related party transactions with M/s Laaj International as per Section 188			
6	Approval of related party transactions with M/s Square Textiles LLC as per Section 188			

Signed this-----day of-----2018

Signature of Share Holder-----

Signature of proxy holder(s) -----

Revenue Stamp Rs. 1/-

**Note:**

1. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



**M. K. Exim (India) Limited**  
**CIN: L63040RJ1992PLC007111**

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## BALLOT PAPER

1 Name and registered address of

Sole/first member:

2 Name(s) of joint holder(s) if any

3 Folio No. /DP ID & Client ID\*:

4 No. of shares held:

I/We hereby exercise my/our vote in respect of the resolutions set out in the Notice convening the 26<sup>th</sup> Annual General Meeting of the Company scheduled on Monday, September 24<sup>th</sup>, 2018, by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the appropriate box below:-

Sr No.	Particulars	Type of resolution Ordinary/Special)	I / We (assent to the resolution)	I / We (dissent to the resolution)
			For	Against
	<b>Ordinary Business:</b>			
1.	Audited Standalone as well as Consolidated Financial Statements as at 31 <sup>st</sup> March, 2018 together with the report of Directors and Auditors thereon.			
2.	To Appoint Shri Daya Ram Khanchandani (DIN: 00161546) who retire by rotation & eligible for re-appointment			
	<b>Special Business:</b>			
3	To Appoint Shri Laxmikant Ramswarup Patodia (DIN: 03497821) as Independent Director			
4	To Appoint of Shri Vishesh Mahesh Nihalani (DIN: 06786707) as Independent Director			
5	Approval of related party transactions with M/s Laaj International as per Section 188			
6	Approval of related party transactions with M/s Square Textiles LLC as per Section 188			

Place:

Date:

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

**NOTE:** Kindly read the instructions printed overleaf before filling the form. Only valid ballot forms received by the scrutinizer by 6.00 p.m. on September 22, 2018 shall be considered.



**INSTRUCTIONS**

1. Shareholders may fill up the ballot form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Ms. Anshu Parikh, Practising Company Secretary, Unit: M. K. Exim (India) Limited, so as to reach by 6.00 p.m. on 22, September , 2018. Ballot form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the ballot form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the scrutinizer on the validity of the forms will be final.
4. A shareholder can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a shareholder Casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
5. The right of voting by ballot form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity /signature of the shareholders holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of shareholders holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Beetal Financial & Computer Services (P) Ltd.). Shareholders are requested to keep the same updated.
7. There will be only one ballot form for every Folio/DP ID Client ID irrespective of the number of joint holders.
8. In case of joint holders, the ballot form should be signed by the first named shareholder and in his/her absence by the next named shareholder. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such ballot form from other joint holders.
9. Where the ballot form has been signed by an authorized representative of the body corporate/ trust/ society, etc. a certified copy of the relevant authorization/ board resolution to vote should accompany the ballot form.

### Updation of shareholders' details

To  
 Beetal Financial & Computer Services Private Limited  
 Beetal House, 3<sup>rd</sup> Floor, 99 madangir,  
 Behind Local Shopping Centre,  
 Near Dada Harsukhdas Mandir,  
 New Delhi-110062

-----Shares held by us in M K Exim (India) Limited

#### General information

<b>Folio Number</b> Name of the First Named shareholder PAN CIN/Registration (applicable to bodies corporate) Telephone No with STD Code Mobile No. Email ID	
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#### Bank Details

IFSC (11 digit)	MICR (9 digit)
Bank Account Type	*Bank Account No.

Name of the Bank
Bank branch and address

· **A blank cancelled cheque is enclosed for verification of bank details.**

I /we hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect details/information, I/we will not hold M K Exim (India) Limited (the Company) responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/we understand that the above details shall be maintained by the Company till/we hold the securities under the above mentioned folio number.

Place

Date

-----  
 (Signature of the sole/first holder)