



KAMADGIRI FASHION LIMITED

**ANNUAL REPORT
2019-2020**



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KAMADGIRI FASHION LIMITED

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KAMADGIRI FASHION LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. Pradip Kumar Goenka
Chairman & Managing Director (DIN: 00516381)

Mr. Anil Biyani
Non-Executive Director (DIN: 00005834)

Mr. Rahul Mehta
Independent Director (DIN: 00165521)

Mr. Sanjeev Maheshwari
Independent Director (DIN: 02431173)

Ms. Bindu Shah
Independent Director (DIN: 07131459)

Mr. Tilak Goenka
Executive Director (DIN: 00516464)

Chief Executive Officer

Mr. Abhay Kumart

Chief Financial Officer

Mr. Jagdish Prasad Dave

Company Secretary

Mr. Gaurav K. Soni

Statutory Auditors

M/s. Haribhakti & Co. LLP,
Chartered Accountants, Mumbai

Bankers

State Bank of India

Bank of Baroda

Registered Office

A-403, 'The Qube',
off. M.V. Road Marol,
Andheri (E), Mumbai - 400059.
Tel: (+91 22) 71613131
Fax: (+91 22) 71613199
Website : www.kflindia.com
Email: cs@kflindia.com

CIN

L17120MH1987PLC042424

Factory/Plant

43/2 & 42/1, Ganga Devi Road,
Umbergaon - 396171
Dist. Valsad (Gujarat).

C-4/2/2, MIDC, Tarapur - 401506
Dist. Thane (Maharashtra).

J-72/1, MIDC, Tarapur - 401 506
Dist. Thane (Maharashtra).

Survey No. 573, Shed No. B, C and D, Sanjan-
Nargol bypass road, Sanjan, (Gujarat).

Registrar & Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400083.
Tel No.: (+91 22) 28515606/49186000/49186270
Fax No.: (+91 22) 28512885/49186060
Email: support@sharexindia.com /
rnt.helpdesk@linkintime.co.in

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 33rd (Thirty-Third) Annual Report on the business and operation of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2020.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2019-20	2018-19
Income from Operations	29,303.99	31,909.14
Other Income	34.36	39.53
Profit / (Loss) before exceptional items and tax	(488.02)	737.03
Exceptional Items	53.40	-
Profit / (Loss) before tax	(541.42)	737.03
Less: Provision for current tax	-	331.00
Less: Tax adjustment of earlier years	-	19.29
Less: Net deferred tax liability	(145.74)	(84.44)
Profit / (Loss) after tax	(395.68)	471.18
Other Comprehensive Income	19.49	2.30
Earning per share of ₹ 10/- each		
Basic (in ₹)	(6.74)	8.03
Diluted (in ₹)	(6.74)	8.03

COMPANY'S PERFORMANCE

Financial year 2019-20 has been a challenging year for the Company. During the year under review, the Company has achieved a turnover of ₹ 29,303.99 Lakhs as compared to ₹ 31,909.14 Lakhs in the previous year. The Loss after tax for the financial year 2019-20 was ₹ 395.68 Lakhs as compared to Profit after tax of ₹ 471.18 Lakhs during the previous year.

IMPACT OF COVID-19

The operations of the Company have been impacted by the COVID-19 pandemic during the last quarter of the financial year 2019-20 and the impact of the same is prolonging in the financial year 2020-21 too. The Company had temporarily closed all office(s), manufacturing unit(s) and warehouse(s) to prevent & control spread of pandemic, and as per the guidelines of respective governments from time to time. The Company facilitated work from home for select teams/end users through secured remote access. The Company has prioritized cash conservation, cost reductions to maintain adequate liquidity with minimal borrowings. The Company is in the business of manufacturing of fabrics and readymade apparels which is a discretionary consumption product. The Company expects that demand for products of the is Company expected to start growing gradually on opening up of economic activity and would improve with increase in consumer confidence. Our expectation is for resumption of economic activity in phases as indicated by the authorities and a gradual return of normalcy over the next few months. As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future while the lockdown is gradually lifting,

DIVIDEND

Considering the losses in Company's financial results during the year under review, the Board of Directors ('the Board') have not proposed any dividend for the year.

PUBLIC DEPOSIT

The Company has not accepted any deposit from public during the year under review.

TRANSFER TO GENERAL RESERVE

During the year under review, the Board has decided not to transfer any amount to General Reserve.

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a separate report on Corporate Governance is enclosed as a part of this Annual Report. A Certificate from Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations is also enclosed along with the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as required under Regulation 34 read with Schedule V of the Listing Regulations forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 ('the Act'), with respect to Directors' Responsibility Statement it is hereby confirmed that:

- in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for that period;

- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts for the financial year ended March 31, 2020, on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Rahul Mehta and Mr. Sanjeev Maheshwari, the Independent Directors of the Company, were re-appointed at the Annual General Meeting ('AGM') of the Company held on September 24, 2019 to hold office for a further term of 5 (five) consecutive years.

Ms. Bindu Shah, Independent Director of the Company, was appointed at the AGM of the Company held on September 25, 2015 to hold office for a term of 5 (five) consecutive years up to September 24, 2020, in line with the provisions of Section 149 and other applicable provisions of the Act, including the rules made thereunder and the erstwhile Listing Agreement. Based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board it is proposed that she be re-appointed as Independent Directors for a second term of 5 (five) consecutive years to hold office up to September 24, 2025, subject to the approval of the Members of the Company at the ensuing AGM.

In terms of Section 152 of the Act, Mr. Tilak Goenka retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Additional information on appointment/re-appointment of Directors as required under Regulation 26(4) and 36(3) of the Listing Regulations is given in the Notice convening the ensuing AGM.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act, has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

NUMBER OF BOARD MEETINGS

The Board met 4 (Four) times during the year under review. The details of Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Act and Regulation 17(10) and Regulation 25(4) of the Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually. At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board except the Independent Director being evaluated.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

COMMITTEES OF THE BOARD

Audit Committee

During the year under review, the Audit Committee of the Company comprised of 3 (three) Independent Directors viz., Mr. Sanjeev Maheshwari, Mr. Rahul Mehta and Ms. Bindu Shah. Mr. Sanjeev Maheshwari is the Chairman of the Audit Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

Other Committees

Details of other Committees of the Board along with their terms of reference, composition and meeting(s) held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ('CSR') STATEMENT

Pursuant to the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy. The details of the CSR activities are given as **Annexure A** forming part of this Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Haribhakti & Co. LLP ('Haribhakti'), Chartered Accountants (Firm Registration No. 103523W) were appointed as Statutory Auditors at the 22nd AGM held on September 29, 2010 and thereafter at every AGM till September 26, 2014 in accordance with Section 224 of the erstwhile Companies Act, 1956.

Consequent to enactment of the Act, Haribhakti were appointed as the Statutory Auditors of the Company at the 27th AGM held on September 26, 2014 for a period of 5 consecutive years in accordance with Section 139 of the Act read with the rules made thereunder.

Further, Haribhakti were re-appointed as Statutory Auditors at the 32nd AGM held on September 24, 2019, to hold office upto the ensuing AGM.

Since, Haribhakti would be completing their term of 10 years as the Statutory Auditors of the Company, they are required to mandatorily retire at the ensuing AGM as per Section 139 of the Act.

Pursuant to the recommendation of the Audit Committee, the Board of the Company have recommended the appointment of M/s. DMKH & Co., Chartered Accountants (Firm Registration No. 116886W) as Statutory Auditors of the Company, for a period of five (5) consecutive years from the conclusion of the 33rd AGM till the conclusion of 38th AGM of the Company to be held in the year 2025 subject to the approval of shareholders of the Company at the ensuing AGM.

In this regard, M/s. DMKH & Co., Chartered Accountants have submitted their written consent that they are eligible and qualified to be appointed as Statutory Auditors of the Company in terms of Section 139 of the Act and also satisfy the criteria provided in Section 141 of the Act.

Secretarial Auditor

The Company has appointed M/s. HS Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2019-20 in terms of provisions of Section 204 of the Act. The Secretarial Audit Report for the year ended March 31, 2020 is annexed to this report as **Annexure B**. There is no observation or comment which requires your attention.

Cost Auditor

As per the requirement of Central Government pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out Cost Audit of cost records relating to Textile products every year.

The Board, on the recommendation of Audit Committee, has appointed Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to audit the accounts of the Company for the financial year 2020-21 at a remuneration of ₹ 0.90 Lakh plus applicable taxes and reimbursement of out of pocket expenses. As required under the Act, a resolution seeking ratification of members for the payment of remuneration to Cost Auditor forms part of the Notice convening the AGM.

The Cost Audit report for the financial year 2018-19 was filed with the Ministry of Corporate Affairs.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

POLICIES & DISCLOSURE REQUIREMENTS

Details of programme for familiarisation of Independent Directors with the Company is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Policy on dealing with related party transactions is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Policy for determining Materiality of Events of the Company is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

The code of conduct for Directors and senior management of the Company is available on website of the Company at the following

link <https://www.kflindia.com/policies-and-codes/>.

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of Section 177(9) of the Act and Regulation 4(2)(d)(iv) of the Listing Regulations. Policy on Whistle Blower is available on website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The pandemic has significantly impacted the operations of the Company, its revenue and profitability. With the gradual opening up of the lockdown, the Company expects there would be gradual reversal of impact and improvement in the business of the Company.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board ("SS-1") and on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Act.

EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 92(3) of the Act, an extract of Annual Return in prescribed format is annexed to this Report as **Annexure C**. The copy of the draft Annual Return is also available on the Company's website at the following link <https://www.kflindia.com/annual-return/>.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered by the Company with related parties as defined under the Act and Regulation 23 of the Listing Regulations, were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company.

Disclosure of transactions with related parties as required under the Indian Accounting Standard (IND AS-24) has been made in the notes forming part of the financial statements. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company.

PARTICULARS OF LOANS GRANTED, GUARANTEE PROVIDED AND INVESTMENTS MADE PURSUANT TO THE PROVISIONS OF SECTION 186 OF THE ACT

The Company has not granted any loans, not provided any Guarantee and not made any Investments which are covered under the provision of Section 186 of the Act.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO AND EXPORT INITIATIVE

Information pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014 is given as **Annexure D**. The Company being focusing in Indian market, it has not taken any export initiative.

PARTICULARS OF REMUNERATION TO MANAGERIAL PERSONNEL

Disclosure as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed there under, the names and other particulars of employees are provided under **Annexure E** is annexed to this Report.

A statement containing the particulars as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Annual Report.

In accordance with the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available on the Company's website www.kflindia.com.

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 (Seven) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF.

The following table provides the due dates for the transfer of outstanding unpaid/unclaimed dividend by the Company as on March 31, 2020:

Year of Dividend	Date of declaration	Last date for claiming due amount
2012-2013 (Final)	24/09/2013	30/10/2020
2013-2014 (Final)	26/09/2014	01/11/2021
2014-2015 (Final)	25/09/2015	31/10/2022
2015-2016 (Final)	19/09/2016	25/10/2023
2016-2017 (Final)	19/09/2017	25/10/2024
2017-2018 (Final)	25/09/2018	31/10/2025
2018-2019 (Final)	24/09/2019	30/10/2026

During the year under review, 4,452 shares and ₹ 21,400 were transferred to IEPF.

EQUITY SHARES IN THE SUSPENSE ACCOUNT

During the year under review, and in accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the Listing Regulations, there were no shares transferred to suspense account.

ACKNOWLEDGEMENT

The Board wishes to place on record their sincere appreciation to all the bankers, customers, employees at all levels and stakeholders for the continued support and patronage during the year under review.

For and on behalf of the Board

Mumbai
September 03, 2020

Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURE A**Report on Corporate Social Responsibility ('CSR') Activities**

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act"), read with applicable rules thereto. CSR Policy of the Company is available on the website of the Company at the following link https://www.kflindia.com/policies-and-codes/
2.	The Composition of the CSR Committee	Mr. Pradip Kumar Goenka – Chairman Mr. Rahul Mehta – Member Mr. Anil Biyani – Member
3.	Average net profit of the Company for last three financial years	₹ 756.15 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 15.12 Lakhs
5.	Details of CSR spent during the financial year 2019 -20:	
	a. Total amount to be spent for the financial year 2019-20	₹ 27.60 Lakhs (Including unspent CSR amount amount of ₹12.34 Lakhs of previous financial year 2018-19)
	b. Amount unspent, if any	Not Applicable

c. Manner in which the amount spent during the financial year

(₹ in Lakhs)

Sr. No.	CSR Project or Activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or program Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1.	Creation of dense forest by using Miyawaki Methodology	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Kalai Grampanchayat, Umbergaon, Gujarat		20.10		Through implementing agency
2.	Water conservation through desilting, repair and maintenance of lake, watershed restoration for sustainability and flood protection	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Nargol Grampanchayat, Umbergaon, Gujarat		7.50		Through implementing agency

6. In case the Company has failed to spend 2% of the average net profit of the last 3 (three) financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report.

Not Applicable

7. Responsibility statement of the CSR Committee

We hereby declare that implementation of CSR Policy, is in compliance with CSR objectives & Policy of the Company.

Mumbai
September 03, 2020Pradip Kumar Goenka
Chairman & Managing Director
Chairman of CSR Committee

ANNEXURE B**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR FINANCIAL YEAR ENDED ON MARCH 31, 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015]

To,
The Members,
Kamadgiri Fashion Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kamadgiri Fashion Limited** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, to the extent applicable provisions of:

- I. The Companies Act, 2013 ('**the Act**') and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company being in Textile Sector as given below:
 - (I) The Environment (Protection) Act, 1986 and Rules made there under;
 - (II) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards;
 - (III) Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the Sate Pollution Control Boards.

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

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India with respect to board and general meetings respectively.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ('**SEBI LODR**').

During the year under review, the Company in general has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards otherwise as mentioned elsewhere in this report.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.

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

We further report that during the Audit period:

1. The Company at its 32nd Annual General Meeting held on Tuesday, September 24, 2019 passed following resolutions:
 - a) A Special Resolution pursuant to Section 196, 197, 198 read with Schedule V and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of SEBI LODR for payment of remuneration to Mr. Pradip Kumar Goenka as Managing Director and Mr Tilak Goenka as Executive Director of the Company for the remaining tenure of their term.
 - b) A Special Resolution for re-appointment of Mr. Rahul Mehta and Mr. Sanjeev Maheshwari as Independent Directors of the Company pursuant to Section 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI LODR for a second term of period of 5 years.
 - c) An Ordinary Resolution pursuant to Section 148 and all other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) for Ratification of Remuneration payable to Cost Auditor of the Company for the financial year ended March 31, 2020.
2. Declared and paid the Final dividend of ₹ 2/- per equity share of ₹ 10/- each for the Financial year ended March 31, 2019 which was in compliance with the provisions of Section 123 of the Act read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014. Also, Board transferred 4,452 (Four Thousand Four Hundred and Fifty-Two) equity shares and ₹ 21,400/- (Rupees Twenty-One Thousand Four Hundred only) as unpaid/unclaimed dividend to IEPF authority for the financial year ended 2011-12 pursuant to Section 124(5) of the Act read with applicable rules made thereunder. Board of Directors also transferred ₹ 27,210/- (Rupees Twenty-Seven Thousand Two Hundred and Ten only) to IEPF authority by filing e-form IEPF-7 pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

**For HS Associates
Company Secretaries**

**Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483**

**Date: July 27, 2020
Place: Mumbai
ICSI UDIN: F002827B000509564**

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

Annexure - I

To,
The Members,
Kamadgiri Fashion Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For HS Associates
Company Secretaries**

**Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483**

**Date: July 27, 2020
Place: Mumbai
ICSI UDIN: F002827B000509564**

ANNEXURE C
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]
I. REGISTRATION AND OTHER DETAILS

i	CIN	L17120MH1987PLC042424
ii	Registration Date	04/02/1987
iii	Name of the Company	Kamadgiri Fashion Limited
iv	Category/Sub-category of the Company	Limited by Shares
v	Address of the Registered office and contact details	B-104, 'The Qube', off M.V. Road, Marol, Andheri (East), Mumbai – 400059. Tel No.: (+91 22) 71613131 Fax: (+91 22) 71613199 Website : www.kflindia.com Email: cs@kflindia.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083. Tel No.: (+91 22) 28515606/28515644/49186000 Fax: (+91 22) 28512885/49186060 Email: support@sharexindia.com / rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name & Description of main products/services	NIC Code of the Product /Service	% to total turnover of the Company
1	Ready-made Garments	1410	44.72
2	Weaving, Finish Fabrics	1312	55.28

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
Nil					

IV.SHARE HOLDING PATTERN
i. Category-wise Share Holding

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	13,45,930	0	13,45,930	22.93	13,45,930	0	13,45,930	22.93	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	4,68,400	0	4,68,400	7.98	4,68,400	0	4,68,400	7.98	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Relatives of promoters)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1)		18,14,330	0	18,14,330	30.91	18,14,330	0	18,14,330	30.91	0.00

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	18,14,330	0	18,14,330	30.91	18,14,330	0	18,14,330	30.91	0.00
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions/ Banks	870	0	0	0.01	1,501	0	1,501	0.03	0.02
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	870	0	0	0.01	1,501	0	1,501	0.03	0.02
2	Non-institutions									
(a)	Bodies Corporate	31,23,932	0	31,23,932	53.22	31,23,839	0	31,23,839	53.22	0.00
(b)	Individuals									
i.	Individual shareholders holding nominal share capital up to ₹ 1 lakh	3,76,330	57,425	4,33,755	7.39	3,64,338	52,025	4,16,363	7.09	(0.30)
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,88,510	0	3,88,510	6.62	4,45,363	0	4,45,363	7.58	0.96
C	Other (specify)									
(i)	Clearing Member	2,359	0	2,359	0.04	1,283	0	1,283	0.02	(0.02)
(ii)	Non-Resident Indians	6,249	0	6,249	0.11	6,209	0	6,209	0.11	0.00
(iii)	IEPF	13,605	0	13,605	0.23	18,057	0	18,057	0.31	0.08
(iv)	HUF	85,061	700	85,761	1.46	36,726	700	37,426	0.63	(0.83)
(v)	NBFCs registered with RBI	0	0	0	0.00	5000	0	5000	0.09	0.09

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-Total (B)(2)		39,96,046	58,125	40,54,171	69.07	39,95,815	52,725	40,48,540	68.98	(0.02)
Total Public Shareholding (B)= (B)(1)+(B)(2)		39,96,916	58,125	40,55,041	69.09	40,02,316	52,725	40,55,041	69.09	0.00
(C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
GRAND TOTAL (A)+(B)+(C)		58,11,246	58,125	58,69,371	100.00	58,16,646	52,725	58,69,371	100.00	0.00

ii. Shareholding of Promoters

Share Holding of Promoters/Promoters Group

Sr. No.	Shareholders 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.	Mr. Pradip Kumar Goenka	6,49,200	11.06	0.00	6,49,200	11.06	0.00	0.00
2.	Mr. Tilak Pradip Goenka	4,96,102	8.45	0.00	4,96,102	8.45	0.00	0.00
3.	Mrs. Asha Devi Goenka	1,99,171	3.39	0.00	1,99,171	3.39	0.00	0.00
4.	Mr. Lalit Goenka	1,457	0.028	0.00	1,457	0.028	0.00	0.00
5.	Jagruti Synthetics Limited	31,600	0.54	0.00	31,600	0.54	0.00	0.00
6.	Ananddeep Cotsyn LLP*	4,36,800	7.44	0.00	4,36,800	7.44	0.00	0.00
Total		18,14,330	30.91	0.00	18,14,330	30.91	0.00	0.00

* Ananddeep Cotsyn Private Limited converted into a Limited Liability Partnership w.e.f. December 19, 2019

iii. Change in Promoters' Shareholding : No change.

iv. Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
1.	Future Corporate Resources Private Limited				
	At the beginning of the year	16,45,389	28.03	16,45,389	28.03
	At the End of the year			16,45,389	28.03
2.	Surplus Finvest Private Limited				
	At the beginning of the year	5,69,000	9.69	5,69,000	9.69
	At the End of the year			5,69,000	9.69
3.	Tritoma Hotels Private Limited				
	At the beginning of the year	3,25,000	5.54	3,25,000	5.54
	At the End of the year			3,25,000	5.54
4.	Syntex Trading and Agency Private Limited				
	At the beginning of the year	1,99,905	3.41	1,99,905	3.41
	At the End of the year			1,99,905	3.41

5.	Loyal Apparels Private Limited				
	At the beginning of the year	1,34,000	2.28	1,34,000	2.28
	At the End of the year			1,34,000	2.28
6.	Abhay Jaswant Singh Kumat				
	At the beginning of the year	1,30,742	2.29	1,30,742	2.29
	At the End of the year			1,30,742	2.29
7.	Jyoti Abhay Kumat				
	At the beginning of the year	72,752	1.24	72,752	1.24
	At the End of the year			72,752	1.24
8.	Quality Synthetic Industries Limited				
	At the beginning of the year	69,200	1.18	69,200	1.18
	At the End of the year			69,200	1.18
9.	Sangeetha S				
	At the beginning of the year	0	0.00	0	0.00
	Buy – November 08, 2019			63,070	1.08
	At the End of the year			63,070	1.08
10.	Darshan Dhuru				
	At the beginning of the year	12,588	0.22	12,588	0.22
	Buy – August 23, 2019			50,000	0.85
	At the End of the year			62,588	1.07

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

v. Shareholding of Directors and Key Managerial Personnel ('KMP')

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Pradip Kumar Goenka	6,49,200	11.06	6,49,200	11.06
	At the end of the year			6,49,200	11.06
2.	Mr. Tilak Goenka	4,96,102	8.45	4,96,102	8.45
	At the end of the year			4,96,102	8.45
3.	Mr. Jagdish Prasad Dave	295	0.00	295	0.00
	At the end of the year			295	0.00
4.	Mr. Gaurav Soni	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars of secured loans	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year April 01, 2019				
1) Principal Amount	383.70	-	55.21	438.91
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	383.70	-	55.21	438.91
Change in Indebtedness during the financial year				
+ Addition	387.55	-	-	387.55
- Reduction	(165.86)	-	(0.64)	(166.50)
Net change	221.69	-	(0.64)	221.05
Indebtedness at the end of the financial year March 31, 2020				
1) Principal Amount	605.39	-	54.57	659.96
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	605.39	-	54.57	659.96

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-Time Directors and/or Manager

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/ Manager	Name of the MD/WTD/ Manager	Total
		Mr. Pradip Kumar Goenka (Chairman & Managing Director)*	Mr. Tilak Goenka (Executive Director)*	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	54.00	41.40	95.40
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission as % of profit	NIL	NIL	NIL
5.	Others (Performance Bonus)	NIL	3.20	3.20
	Total (A)	54.00	44.60	98.60
	Ceiling as per the Act	10% of the Net Profit calculated under Section 198 of the Companies Act, 2013		

*Payment is as per Schedule V of the Companies Act, 2013

B. Remuneration of other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total
		Mr. Sanjeev Maheshwari	Mr. Rahul Mehta	Ms. Bindu Shah	
1.	Independent Directors				
	(a) Fee for attending board and committee meetings	0.94	0.98	0.98	2.90
	(b) Commission	NIL	NIL	NIL	NIL
	(c) Others	NIL	NIL	NIL	NIL
	Total (1)	0.94	0.98	0.98	2.90
2.	Other Non-Executive Directors	Mr. Anil Biyani			Total
	(a) Fee for attending board and committee meetings	0.44			0.44
	(b) Commission	NIL			NIL
	(c) Others	NIL			NIL
	Total (2)	0.44			0.44
	Total (B)=(1+2)				3.34
	Total Managerial Remuneration (A+B)				101.94
	Overall Ceiling as per the Act	1% of the Net Profits. No remuneration is paid other than sitting fees			

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the KMPs		Total
		Mr. Jagdish Prasad Dave (Chief Financial Officer)	Mr. Gaurav K. Soni (Company Secretary)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15.82	4.92	20.74
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission as % of profit	NIL	NIL	NIL
5.	Others	NIL	NIL	NIL
	Total (A)	15.82	4.92	20.74

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year under review.

For and on behalf of the Board

Mumbai
September 03, 2020

Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURE D
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy	
(i) the steps taken or impact on conservation of energy	The operations of your Company are not energy intensive however adequate measures have been taken to reduce energy consumption.
(ii) the steps taken by the Company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.
(iii) the capital investment on energy conservation equipments	NIL
(B) Technology absorption	
(i) the efforts made towards technology absorption	N.A.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	N.A.
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof.	
(iv) the expenditure incurred on Research and Development	NIL
(C) Foreign exchange earnings and Outgo	NIL

For and on behalf of the Board

Mumbai
September 03, 2020

Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURE E**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

I. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of Managing Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of the Director/ KMP and Designation	Remuneration/Sitting fees of Director/KMP for financial year 2019-20 (₹ in Lakhs)	% increase in remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director to MRE for Financial Year 2019- 20
Mr. Pradip Kumar Goenka (Chairman & Managing Director)	54.00	Nil	30.85%
Mr. Tilak Goenka (Executive Director)	41.40	15	23.66%
Mr. Anil Biyani (Non -Executive Director)	0.44	N.A.	N.A.
Mr. Rahul Mehta (Independent Director)	0.98	N.A.	N.A.
Mr. Sanjeev Maheshwari (Independent Director)	0.94	N.A.	N.A.
Ms. Bindu Shah (Independent Director)	0.98	N.A.	N.A.
Mr. Jagdish Prasad Dave (Chief Financial Officer)	15.82	13	N.A.
Mr. Gaurav K. Soni (Company Secretary)	4.92	14.42	N.A.

- II. The MRE of the Company during the financial year was ₹ 1.75 Lakhs previous year it was ₹ 1.63 Lakhs.
- III. The increase in MRE in the financial year 2019-20, as compared to the financial year 2018-19 by 7.32% .
- IV. There were 1990 permanent employees on the rolls of Company as on March 31, 2020.
- V. Average percentage increase made in the salaries of employees other than the managerial personnel in financial year i.e. 2019-20 was 13.75% . As regards, comparison of managerial remuneration of 2019-20 over 2018-19, details of the same are given in the above table at sr. no. I.
- VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

NOTE: "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one.

For and on behalf of the Board

Mumbai
September 03, 2020

Pradip Kumar Goenka
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS INDIAN ECONOMIC SCENARIO

Indian economy is fifth largest economy in the world and was one of the fastest growing emerging economies of the world before the onset of COVID-19 pandemic. The world has witnessed another year of sluggish economic activity. Indian economy managed to withstand the weakness in world economy in majority of sectors except few sectors like manufacturing and construction. Young aspiring population and rising income levels are key factors which is attracting investments from both domestic as well as foreign.

The COVID-19 pandemic is having an overwhelming impact on global economy and India is no exception. However, economic stimulus and other relief measures announced by the Government of India and various state and local governments along with gradual opening up of the economic activities is expected to augur well for the Indian economy in the coming days.

INDIAN TEXTILE INDUSTRY

Indian textile industry is the 2nd largest employment generator in India. It has a presence of manufacturing in entire value chain from fibre to apparel. India is the 5th largest exporter of textiles and apparel.

KEY GROWTH DRIVERS FOR INDIA

- Availability of Manpower – Pool of a large young trained workforce with 62% of Indian population in the working age group of 15 to 59 years;
- Cost of Manpower – Average wage rates in India are 50-60 per cent lower than that in developed countries;
- Negative outlook towards China.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

- Aatmnirbhar Bharat – The call for self-reliant India;
- Diverse – From fibre to apparel;
- Raw Material – Abundant Availability of Raw Material;
- Large and Growing Domestic Market.

THREATS

- Technology obsolescence;
- Labour laws are relatively unfavorable to the trade & industry;
- Low margins due to buyer domination;
- Discretionary consumption product.

PERFORMANCE REVIEW

Weaving business continues to show good performance. Performance of finished fabric unit which caters to readymade garment manufacturers and brands was satisfactory. 'True Value' – the value for money brand of the Company for quality suiting's and shirting's and 'True Linen' linen fabric brand of the Company have maintained its established recall value and its loyal customer base in addition to adding new customer base. Newly setup readymade garment manufacturing unit at Sanjan, Gujarat is yet to achieve its optimum capacity. "Risque" Men's Casual Shirt Brand, launched last year, is gaining foot hold in the online market.

OUTLOOK

The lockdown and restrictions due to COVID -19 Pandemic have posed various challenges to the overall operations and business of the Company. Our expectation is for resumption of economic activity in phases as indicated by the authorities and a gradual return of normalcy over the next few months. As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future. "**Opportunity in Adversity**" - The Company has explored opportunity in manufacturing medical textile products such as Personal Protection Equipment (PPE) Kits, non-surgical N95 masks and launched a "Zero Risque face mask" – An antiviral and antibacterial mask. The Company would continue to explore new opportunities to adapt, innovate and start a new business or expand existing ones.

RISK MANAGEMENT

In today's economic environment, Risk Management is very critical for smooth operations. The main objective of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company's risk management is embedded in the business processes. The Company ensures that all the current and future material risk exposures are identified, assessed, quantified, appropriately mitigated, minimised and managed.

INTERNAL CONTROL SYSTEMS

Your Company has put in place internal control systems and a structured internal audit process vested with the task of safeguarding the assets of the organisation and ensuring reliability and accuracy of the accounting and other operational data. Internal audit is conducted for all the processes to identify risks and verify whether all systems and processes are commensurate with the business size and structure. These internal controls are verified by professionals and presented to the Members of the Audit Committee to keep a check on existing systems and take corrective action to further enhance control measures.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

SALES

The Company's Sales were at ₹ 29,303.99 Lakhs for the financial year ended March 31, 2020 as against ₹ 31,909.14 Lakhs in the previous financial year.

PROFIT/LOSS BEFORE TAX

Loss Before Tax of the Company for the financial year ended March 31, 2020 stood at ₹541.42 Lakhs as against profit after tax of ₹737.03 Lakhs in the previous financial year.

INTEREST

Interest & other borrowing cost outflow is ₹ 783.15 Lakhs for the financial year ended March 31, 2020 as against ₹ 723.82 Lakhs in the previous financial year.

NET PROFIT/LOSS

Net Loss of the Company for the financial year ended March 31, 2020 stood at ₹ 395.68 Lakhs as against profit of ₹ 471.18 Lakhs in the previous financial year.

DIVIDEND

Considering the losses in Company's financial results during the year under review, the Board of Directors have not proposed any dividend for the year.

CAPITAL EMPLOYED

The capital employed in the business is ₹ 904.15 Lakhs as at March 31, 2020. Return on Capital employed during 2019-20 is 2.67% as compared to 15.65 % during the previous financial year 2018-19.

SURPLUS MANAGEMENT

The Company generated a cash profit of ₹ 181.50 Lakhs for the financial year ended March 31, 2020 as compared to ₹ 919.91 Lakhs in the previous financial year.

SIGNIFICANT FINANCIAL RATIOS

Particulars	2019-20	2018-19
Operating profit margin (%)	20	22
Net profit margin (%)	(1.36)	1.48
Debtors turnover (times)	5.68	5.03
Inventory turnover (times)	3.24	3.46
Debt equity ratio (times)	1.34	1.13
Current ratio (times)	1.15	1.26
Interest service coverage ratio (times)	1.23	2.64
Return on Net worth (%)	(9)	12

Debt – Equity ratio of the Company has increased from 1.13 in the previous financial year to 1.34 as at March 31, 2020.

EARNINGS PER SHARE ('EPS')

The Company's Basic EPS has decreased from ₹ 8.03 in the previous financial year to ₹ (6.74) and Diluted EPS has decreased from ₹ 8.03 in the previous financial year to ₹ (6.74) for the financial year ended as on March 31, 2020.

HUMAN RESOURCE

Your Company strongly believes that its employees are its biggest assets and have played a major role in its growth. The Company has permanent employee strength of 1,990 as on March 31, 2020. The Company believes in inclusive growth and being an employer of choice. As the Company has now three different operating units, human resource and relationship with the employees plays a key role in its smooth operations. The Company pays required attention on the development and social needs of workers and staff. The Company is in a continuous process of evaluating, training, motivating and rewarding its employees for their unstinted performance and contributions to the Company so that the Company also receives the same in future.

CAUTIONARY STATEMENT

Statement in the report of management discussion and analysis and/or elsewhere in this Annual report contains "forward looking statement" which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectation or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise and forward-looking statements, on the basis of any subsequent development, information or events.

CORPORATE GOVERNANCE REPORT

The Board of Directors (**'the Board'**) of the Company lays great emphasis on the broad principles of Corporate Governance. Thus, Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**).

1. COMPANY'S PHILOSOPHY ON CODE ON GOVERNANCE

Company's policy on Corporate Governance is based on the principles of accountability, integrity and transparency.

The Company reiterates its commitment to adhere to the highest standards of Corporate Governance. The Company recognizes that good Corporate Governance is a continuing exercise and is committed to pursue the highest standard of governance in the overall interest of the stakeholders.

2. BOARD OF DIRECTORS

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 (**'the Act'**) and Regulation 17 of Listing Regulations. The strength of the Board as on March 31, 2020 is 6 (Six) Directors comprising of 2 (two) Promoter Directors, 1 (one) Non-Executive Director and 3 (three) Independent Directors.

Name of Director & Category	Name of other Listed entities where he/she is a director & (category of directorship)	No. of Directorships [#]		No. of Memberships/ Chairmanships of Committees in other public companies ^{##}	
		Public	Private/ Non-profit	Memberships	Chairmanship
Mr. Pradip Kumar Goenka (Promoter & Executive)	None	1	-	-	-
Mr. Anil Biyani (Non-Executive & Non-Independent)	None	-	3	-	-
Mr. Rahul Mehta (Non-Executive & Independent)	None	1	6	-	-
Mr. Sanjeev Maheshwari (Non-Executive & Independent)	State Bank of India	2	1	2	-
Ms. Bindu Shah (Non-Executive & Independent)	Fineotex Chemical Limited	1	-	-	-
Mr. Tilak Goenka (Promoter & Executive)	None	1	1	-	-

[#] No. of directorships held by the Directors does not include directorships in foreign companies

^{##} In accordance with Regulation 26 of Listing Regulations, Memberships/Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all other public limited companies have been considered.

Board Meetings

During the financial year 2019-20, 4 (Four) Board Meetings were held i.e. on May 28, 2019, August 13, 2019, November 13, 2019 and February 11, 2020. The time gap between two meetings did not exceed maximum period mentioned under the Section 173 of the Act and the Regulation 17(2) of the Listing Regulations. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Name of Directors	No. of Board meetings attended	Attendance at last Annual General Meeting	No. of shares held
Mr. Pradip Kumar Goenka	4	Present	6,49,200
Mr. Anil Biyani	4	Present	Nil
Mr. Rahul Mehta	4	Absent	Nil
Mr. Sanjeev Maheshwari	4	Present	Nil
Ms. Bindu Shah	4	Present	Nil
Mr. Tilak Goenka	4	Present	4,96,102

Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. During the year under review, no Independent Director ceased to be Director of the Company.

Chart/matrix setting out the skills/expertise/competence

The Board comprises qualified members who bring in the required skills, competence and expertise such as working in cohesion, management and strategy, financial knowledge and leadership these allow them to make effective contributions to the Board and its committees.

However, the Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Skills/Expertise/Competencies in specific functional area
Mr. Pradip Kumar Goenka	Manufacturing and operations in textile industry, Effective capacity utilization, cost control, Strategic decision making
Mr. Anil Biyani	Manufacturing and operations in textile and apparel industry, Business administration, Strategic decision making, Branding
Mr. Rahul Mehta	Manufacturing and operations in garments and consumer industry, Regulatory updates, Policy making, Market and technology know-how
Mr. Sanjeev Maheshwari	Finance, Taxation, Audit, Governance and Compliance
Ms. Bindu Shah	Legal and Corporate Laws, Corporate Governance and ethics
Mr. Tilak Goenka	Business development and administration, Ready Made garments, Product development, Sales

Code of conduct for Directors and Senior Management

The Code of conduct as applicable to the Directors and the members of the Senior Management had been approved by the Board and it is being abided by all of them. The Annual report contains declaration to this effect from the Chairman & Managing Director. It is also available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Familiarisation Programme for Directors

The details of programme for familiarisation of Independent Directors with the Company are available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

Inter-se relationships among Directors

Mr. Tilak Goenka is son of Mr. Pradip Kumar Goenka. Except for this, none of the other Directors of the Company are inter-se related to each other.

3. AUDIT COMMITTEE

The Company has an Audit Committee at the Board level with powers and role that are in accordance with the provisions of the Section 177 of the Act and Regulation 18 of Listing Regulations. The Committee acts as a link between the management, the statutory auditors and the Board and oversees the financial reporting process.

The Audit Committee presently comprises of 3 (three) Independent Directors. The members of the Committee are well versed in finance matters, accounts, Company law and general business practices.

The functions of the Audit Committee are as per the Act and the Listing Regulations. These include the review of accounting and financial policies and procedures, review of financial reporting system, internal control system and procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

The Committee met 4 (Four) times during the financial year 2019-20, i.e. on May 28, 2019, August 13, 2019, November 13, 2019 and February 11, 2020. The time gap between the two meetings did not exceed one hundred and twenty days.

Composition of Audit Committee and details of the meetings attended:

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Mr. Sanjeev Maheshwari	Independent & Non-Executive	Chairman	4
2.	Mr. Rahul Mehta	Independent & Non-Executive	Member	4
3.	Ms. Bindu Shah	Independent & Non-Executive	Member	4

The terms of reference of the Audit Committee includes:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of the audit process;
- Examination of financial statement and the auditor's report thereon;

- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the Company, whenever it is necessary;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management system;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing the functioning of the Whistle Blower mechanism;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

4. NOMINATION & REMUNERATION COMMITTEE ('NRC')

The NRC presently comprises of 3 (three) Independent Directors. The Company's remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth. The Company's NRC is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of Whole-Time Directors and to deal with all the elements of remuneration package of all such Directors.

As for non-whole-time directors their appointment is for utilizing their professional expertise in achieving the goals of the Company. Accordingly, the service contract, notice period and severance fees, if any, are not applicable to such non-whole-time directors.

During the year under review, the Committee met 2 (Two) times on May 28, 2019 and November 13, 2019.

Composition of NRC and details of the meetings attended:

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Mr. Rahul Mehta	Independent & Non-Executive	Chairman	2
2.	Mr. Sanjeev Maheshwari	Independent & Non-Executive	Member	2
3.	Ms. Bindu Shah	Independent & Non-Executive	Member	2

The terms of reference of the NRC includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on diversity of the Board;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director(s) on the basis of the report of performance evaluation of Independent Director(s);
- Recommendation by NRC to the Board for all remuneration, in whatever form, payable to senior management.

Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retirement benefits. The remuneration policy is in consonance with the existing industry practice.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Executive Director(s) and CEO, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Director(s), the NRC evaluates the remuneration paid by the comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on revision of remuneration payable to the Senior Management as per terms of appointment and based on the performance of the individual as well as the Company.

Non-Executive Directors are paid sitting fees of ₹ 10,000 for attending any Meeting of the Board, Audit Committee and Meeting of Independent Directors and ₹ 2,000 for attending any meeting of Nomination and Remuneration Committee, Stakeholders Relationship Committee and no sitting fees is paid for attending meeting of Corporate Social Responsibility Committee. The Board shall from time to time decide sitting fees payable to any new committees, if constituted or revision of sitting fees, if any.

Performance Evaluation

The Company has devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors are evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, governance, etc.

5. REMUNERATION OF DIRECTORS

The Company has no pecuniary relationship or transaction with its Non-Executive Directors other than payment of sitting fees to them, if any, for attending the Board and Committee Meetings.

The Company does not have an incentive plan, which is linked to performance and achievement of the Company's objectives. The Company has no stock option and pension scheme.

The details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2020 are given as under:

Name of Director	Salary p.a. (₹ in Lakhs)	Fixed Component – Contribution to Provident Fund (₹ in Lakhs)	Bonus, Benefits & Other Allowances	Service Contract (Years)	Notice Period (Months)	Severance Fees (₹)
Mr. Pradip Kumar Goenka	54.00	-	Nil	3	3	Nil
Mr. Tilak Goenka	41.40	-	3.20	3	3	Nil

The details of remuneration paid to the Non-Executive Directors of the Company during the year ended March 31, 2020 are given as under:

Name of the Director	Mr. Rahul Mehta	Mr. Sanjeev Maheshwari	Mr. Anil Biyani	Ms. Bindu Shah
Sitting fees paid (₹ in Lakhs)	0.98	0.94	0.44	0.98

6. STAKEHOLDERS RELATIONSHIP COMMITTEE ('SRC')

The SRC comprises of 3 (three) Non-Executive Directors including 2 (two) Independent Directors. The SRC meets at frequent intervals to consider, *inter alia*, shareholders complaints like non-receipt of share certificate or delay in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. and provide satisfactory solution to the complainant's except for disputed cases and sub-judice matters which would be solved on final disposal by the Courts.

During the year under review, the SRC met 2 (Two) times i.e. on May 28, 2019 and August 13, 2019.

Composition of SRC and details of the meetings attended:

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Ms. Bindu Shah	Independent & Non-Executive	Chairperson	2
2.	Mr. Rahul Mehta	Independent & Non-Executive	Member	2
3.	Mr. Anil Biyani	Non-Independent & Non-Executive	Member	2

The terms of reference of the SRC includes:

- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Compliance officer

Mr. Gaurav K. Soni, Company Secretary is the compliance officer of the Company.

During the financial year 2019-20, there were no complaints received by the Company. There was no complaint pending as on March 31, 2020. There was also no request for transfer & dematerialisation pending as on the said date.

7. CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

The CSR Committee presently comprises of 3 (three) Directors. During the year under review, the CSR Committee met 2 (Two) times on August 13, 2019 and February 11, 2020.

Composition of CSR Committee and details of the meeting attended:

Sr. No.	Name of the Directors	Director Category	Designation in the Committee	No. of Meetings attended
1.	Mr. Pradip Kumar Goenka	Promoter & Executive	Chairman	2
2.	Mr. Rahul Mehta	Independent & Non-Executive	Member	2
3.	Mr. Anil Biyani	Non-Independent & Non-Executive	Member	2

The terms of reference of the CSR Committee includes:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the CSR activities;
- monitor the CSR expenditure spent from time to time.

8. COMMITTEE OF DIRECTORS

The Board has constituted a Committee of Directors and delegated powers to transact certain regular matters relating to the business of the Company. A total of 7 (Seven) meetings of the Committee were held during the year under review.

9. GENERAL BODY MEETINGS

The details of the Annual General Meeting held during the last 3 (three) financial years are as under:

Financial Year	Date	Time	Venue	No. of Special Resolution(s) passed
2018-19	September 24, 2019	10:00 a.m.	Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059.	3
2017-18	September 25, 2018	10:00 a.m.		Nil
2016-17	September 19, 2017	10:00 a.m.		Nil

Postal ballot – No resolution was passed through postal ballot during the year under review.

10. MEANS OF COMMUNICATION

Annual Report, notice of the meetings and other communications to the Shareholders are sent through e-mail, post or courier.

However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ('MCA') has vide its circular no 20/2020 dated May 05, 2020 and Securities and Exchange Board of India Circular dated May 12, 2020 ('SEBI Circular') directed the Companies to send the Annual Report only by e-mail to all the Members of the Company whose e-mail address is registered with the Company/Registrar and Share Transfer Agent/Depository Participants. Therefore, the Annual Report for FY 2019-20 and Notice of 33rd AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

The results of the Company are furnished to the BSE Limited on a periodic basis (quarterly, half yearly and annually) after the approval of the Board. The results are normally published in "Free Press" or "Business Standard" - English Newspaper and "Mumbai Lakshadeep" - Marathi Newspaper within 48 hours after the approval of the Board. These were not sent individually to the shareholders. However, the Company furnishes the same on receipt of a request from the shareholder.

A separate dedicated section under "Investor" on the Company's website <https://www.kflindia.com/> gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.

11. GENERAL SHAREHOLDERS INFORMATION**a) Annual General Meeting**

Day, Date and Time: Tuesday, September 29, 2020 at 10:00 a.m.

Through Video Conferencing / Other Audio-Visual Means as set out in the Notice convening the Annual General Meeting.

b) Tentative Calendar for Financial Year ending March 31, 2021

Sr. No.	Particulars of Quarter	Tentative dates*
1.	First Quarter Results	On or before September 15, 2020
2.	Second Quarter & Half Yearly Results	On or before November 14, 2020
3.	Third Quarter & Nine-months ended Results	On or before February 14, 2021
4.	Fourth Quarter & Annual Results	On or before on or before May 30, 2021

* or such other date as may be allowed by SEBI/MCA

c) Financial Year

The financial year covers the period from April 01 of every year to March 31 of the next year.

d) Listing on Stock Exchange

The Company's shares are listed on BSE Limited ('BSE'), P. J. Towers, Dalal Street, Mumbai - 400001.

e) Listing Fees

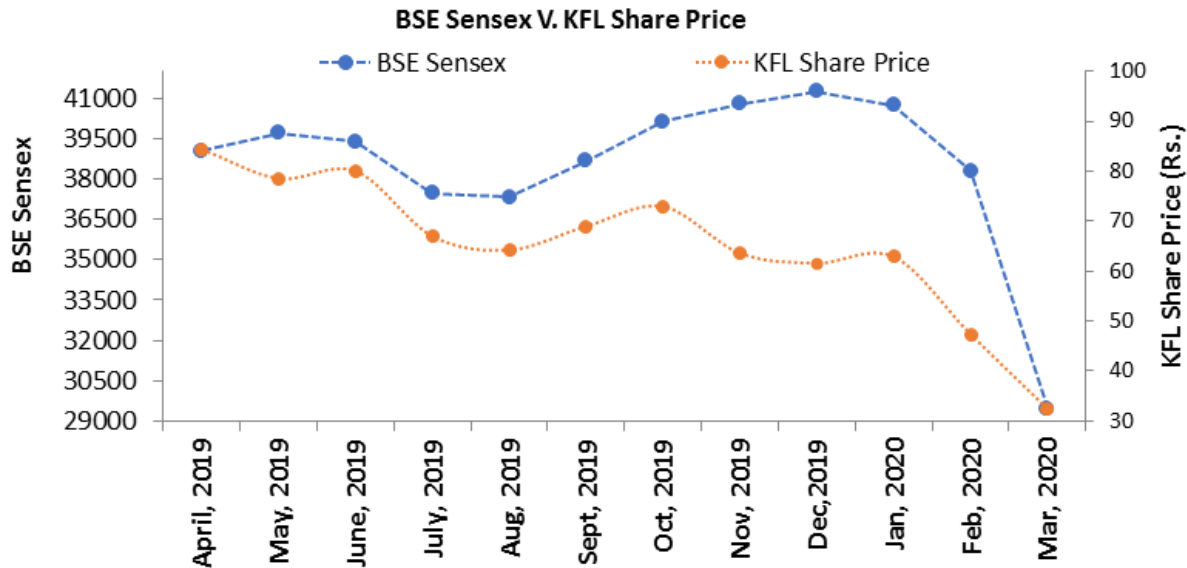
Listing fees as prescribed has been paid to BSE where shares of the Company are listed.

f) Stock Code & ISIN

Stock Code at BSE is 514322. ISIN is INE535C01013.

g) Market Price Data**i. The monthly high and low quotations of shares of the Company traded on BSE for the financial year ended March 31, 2020 was as follows:**

Month	(Amount in ₹)		Volume
	High	Low	
April, 2019	96.45	78.00	23,406
May, 2019	98.90	76.15	15,509
June, 2019	89.75	61.00	12,469
July, 2019	95.70	58.15	12,483
August, 2019	81.00	52.65	9,095
September, 2019	84.00	63.50	3,306
October, 2019	75.00	59.00	3,762
November, 2019	72.80	54.20	4,502
December, 2019	66.85	56.65	3,516
January, 2020	67.55	56.70	4,456
February, 2020	65.70	45.65	8,959
March, 2020	47.00	29.50	5,031

ii. Performance of the stock in comparison to BSE Sensex

h) Registrar and Share Transfer Agent

The Company has appointed Sharex Dynamic (India) Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

Sharex Dynamic (India) Private Limited

C-101, 247 Park, L.B.S Marg,

Vikhroli (West), Mumbai – 400083.

Tel No.: (+91 22) 28515606/28515644

Fax: (+91 22) 28512885

Concerned officer in charge of the Registry is Mr. Anil Kumar

Email: support@sharexindia.com

i) Share Transfer System

Shareholders' requests for transfer / transmission of equity shares and other related matters are handled by Registrar and Transfer Agent and are effected within stipulated timelines, if all the documents are valid and in order.

Shares held in the dematerialised form are electronically traded by Depository Participants and the Registrar and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficiary holdings which enables them to update their records and to send all corporate communications, dividend warrants etc.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of share certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the Stock Exchange in terms of Regulation 40(9) of Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

j) Distribution of shareholding as on March 31, 2020

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Upto 500	1,330	86.76	1,73,677	2.95
501 – 1000	87	05.68	68,663	1.17
1001 – 5000	80	05.22	1,75,996	3.00
5001 – 10000	9	0.58	61,441	1.05
10001 and above	27	1.76	53,89,594	91.83
Total	1,533	100.00	58,69,371	100.00

Categories of Shareholders as on March 31, 2020

Category	Number of shares	% of Shareholding
Promoters	18,14,330	30.91
Banks/MFs/FIs/NBFCs/Central Govt./State Govt./ Institution/IEPF	24,558	0.42
Private Bodies Corporate	31,23,839	53.22
Indian Public	8,99,152	15.32
NRIs/OCBs	6,209	0.11
Clearing Members	1,283	0.02
Total	58,69,371	100.00

k) Dematerialisation of shares

About 99.1% of the shares have been dematerialised as on March 31, 2020. The equity shares of the Company are traded at BSE.

The equity shares of the Company are permitted to be traded in dematerialised form only.

l) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

There is no outstanding GDRs/ADRs/Warrants or any convertible instruments.

m) Credit ratings

During the year under review, ICRA Ltd. has revised the credit rating for Company's Long Term Bank Facilities from [ICRA] BBB (Negative) to [ICRA] BBB - (Negative) and for Short Term Bank Facilities from [ICRA]A3+ to [ICRA]A3.

Details relating to these Credit ratings are also available on the website of the Company i.e. www.kflindia.com.

n) Plant Locations

The Company's plants are located at:

- 43/2 & 42/1, Ganga Devi Road, Umbergaon - 396 171, Dist. Valsad (Gujarat);
- C-4/2/2, MIDC Tarapur - 401 506, Dist. Thane (Maharashtra);
- J-72/1, MIDC Tarapur - 401 506, Dist. Thane (Maharashtra);
- Survey No. 573, Shed No. B, C and D, Sanjan-Nargol bypass road, Sanjan, (Gujarat).

o) Address for investor correspondence

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, payment of dividend on shares and any other query relating to shares of the Company, Registrar & Share Transfer Agent may be contacted at the following address:

Registered Office

B-104, 'The Qube',
off. M.V. Road Marol,
Andheri (E), Mumbai - 400059.
Tel: (+91 22) 71613131
Fax: (+91 22) 71613199
Email: cs@kflindia.com
Website : www.kflindia.com

Sharex Dynamic (India) Private Limited**Unit: Kamadgiri Fashion Limited**

C-101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400083.
Tel No.: (+91 22) 28515606/28515644
Fax: (+91 22) 28512885

Concerned officer in charge of the Registry is Mr. Anil Kumar

Email: support@sharexindia.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

12. CEO/CFO Certification

As per requirement of Part B of Schedule II of Regulation 17(8) of the Listing Regulations, the Managing Director and CFO of the Company have certified to the Board regarding Financial Statements for the year ended March 31, 2020.

13. DISCLOSURES

- a) There were no other related party transactions of material nature with the Promoters, Directors, the management or relatives during the year that may have potential conflict with the interest of the Company at large. However, attention is drawn to note no. 39 of Notes to Financial Statements.
- b) There were no instances of non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by Stock Exchange or SEBI.
- c) The Company has a Whistle Blower Mechanism in place. The Board affirms that no personnel have been denied access to the Audit Committee during the year in terms of the Whistle Blower Policy.
- d) The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance. A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and is attached to this report.
- e) The policy on dealing with material subsidiaries is not applicable to the Company as there are no subsidiaries.
- f) The web link of policy on dealing with related party transactions is available on the website of the Company at the following link <https://www.kflindia.com/policies-and-codes/>.

g) **Commodity price risks & Commodity hedging activities**

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

- h) **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations:** Not Applicable
- i) A certificate has been received from M/s. HS Associates, Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- j) During the year under review, there were no instances where the Board had not accepted any recommendations of any of the Committees of the Board.
- k) **Total fees paid to the statutory auditor for all services**

Sr. No.	Particulars of Service	Amount (₹ in Lakhs)
1.	Statutory Audit	9.25
2.	Tax Audit	1.75
3.	Limited Review	6.00
4.	Company Law Matters	1.00
5.	Re-imburement of out of pocket expenses	0.21
Total		18.21

- l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** During the year under review, there were no complaints filed/received in terms of sexual harassment.

14. DISCRETIONARY REQUIREMENTS

- a) **The Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.
- b) **Shareholders' Right:** As the financial results of the Company are published every quarter in English and Marathi newspapers having a wide circulation, the same need not be sent to shareholders individually. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.
- c) **Audit Qualifications:** There are no audit qualifications or observations on the Financial Statements for the year 2019-20.
- d) **Separate posts of Chairman and CEO:** The position of Chairman and Managing Director is not separately held.
- e) **Reporting of Internal Auditor:** The Internal auditors are invited to Audit Committee Meetings to make their presentation directly to the Audit Committee.

15. COMPLIANCE

A certificate from the Statutory Auditors of the Company regarding compliance of corporate governance and a declaration signed by the Chief Executive Officer stating that the members of the Board and senior management personnel have affirmed compliance to the Company's code of conduct for the board of directors and senior management has been obtained and is attached to this report.

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, hereby declare that all Board Members and Senior Management Personnel have affirmed compliance to the Company's Code of Conduct for the year ended March 31, 2020.

For **Kamadgiri Fashion Limited**

Mumbai
July 27, 2020

Pradip Kumar Goenka
Chairman & Managing Director

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Members of

Kamadgiri Fashion Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 26, 2019.
2. We have examined the compliance of conditions of Corporate Governance by Kamadgiri Fashion Limited ('the Company'), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai
July 27, 2020
UDIN: 20034828AAAED9170

INDEPENDENT AUDITOR'S REPORT

To the Members of Kamadgiri Fashion Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Kamadgiri Fashion Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and 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 on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of Inventory (refer note 7 to the Ind AS financial statements)</p> <p>Inventory is carried in the Ind AS financial statements at the lower of cost and net realizable value ("NRV"). Inventory valuation in the readymade garment and textile industry remains very volatile on account of significant change in customer preference on account of frequent change in trend.</p> <p>Considering the materiality of the amount involved and significant management judgment involved in inventory valuation, we have identified valuation of inventory as a key audit matter.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> We understood the inventory process and tested the design and operating effectiveness of controls as established by the management for valuation of inventory and in determination of NRV of inventory as on balance sheet date. We tested on a sample basis the cost of inventory by tracing the purchase cost of raw materials to purchase invoices and actual production costs arrived and measured by the management. We performed NRV testing by comparing subsequent sale/order value. We also evaluated the reasonableness of management's judgment involved in consideration of various factors including the actual selling price prevailing prior and subsequent to the year end, initiatives taken by the Government with respect to textile industry as a whole; for the purpose of determining the NRV of the inventory.

Emphasis of Matter

We draw attention to Note 47 to the accompanying Ind AS financial statements, which describes the uncertainties and the management's assessment of the financial impact on the Company due to COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion & Analysis and Corporate Governance Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

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

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

On account of the COVID-19 related lockdown restrictions imposed by the government, management was able to perform year end physical verification of inventories at all their plants and warehouse subsequent to the year end. However, due to lockdown conditions we were unable to physically observe the inventory verification carried out by the management. Consequently, we have performed alternate audit procedures to obtain comfort over the existence and condition of inventory at year end, as per the guidance provided in SA-501 "Audit Evidence – Specific considerations for selected items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 38 on Contingent Liabilities to the Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Mumbai
Date: July 27, 2020

For, Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048
Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAAEC5080

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Kamadgiri Fashion Limited** on the Ind AS financial statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management subsequent to the year-end due to lockdown restrictions imposed by the Government of India for which roll back procedures have been performed to determine the existence and condition of the inventory as at the year-end. No material discrepancies were noticed on physical verification carried out by the management.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- (iv) There are no loans, investment, guarantees and security where provisions of sections 185 and 186 of the Act are required to be complied with. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) The dues outstanding with respect to, income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty on account of any dispute, are as follows :

Name of the statute	Nature of dues	Amount in Rs. (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	96.41	2010-2011*, 2011-2012*.	CIT (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	31.02	2001-2002, 2002-2003.	Commissioner(Appeals)
Maharashtra Value Added Tax Act, 2002	VAT	803.64	2014-2015	Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	CST	32.15	2014-2015	Joint Commissioner (Appeals)
*Assessment Year				

- (viii) During the year, the Company has not defaulted in repayment of loans or borrowings to banks. Further, there are no borrowings from financial institution, government or dues to debenture holder.
- (xi) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai
Date: July 27, 2020

For, Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048
Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAAEC5080

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Kamadgiri Fashion Limited** on the Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Kamadgiri Fashion Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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.

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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For, Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048
Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAAEC5080

Place: Mumbai
Date: July 27, 2020

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	3,058.06	2,645.56
Capital work-in-progress	2	28.47	139.07
Right of use Assets	2.1	1,262.40	-
Investment property	3	39.82	40.59
Intangible Assets	2	30.75	21.80
Intangible Assets under development		37.76	-
Financial Assets			
Other Financial Assets	4	208.36	111.47
Deferred tax assets (net)	5	67.30	-
Current Income tax assets (Net)	13	39.69	-
Other non current assets	6	22.94	49.52
Current Assets			
Inventories	7	5,540.45	5,888.25
Financial Assets			
Trade Receivables	8	4,634.60	5,602.93
Cash and Cash Equivalents	9	18.22	3.83
Bank Balances other than Cash and Cash Equivalents	10	51.45	45.25
Loans	11	18.43	12.21
Others Financial Assets	12	107.97	172.41
Other Current Assets	14	480.80	364.61
Total Assets		15,647.47	15,097.50
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	586.94	586.94
Other Equity	16	3,283.45	3,801.14
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	424.39	211.05
Lease Liability		997.21	-
Other financial liabilities	18	517.78	518.00
Provisions	19	315.71	295.44
Deferred tax liabilities (net)	20	-	71.89
Other non current liabilities	21	54.57	55.21
Current Liabilities			
Financial Liabilities			
Borrowings	22	4,571.79	4,564.85
Lease Liability		319.41	-
Trade Payables		-	-
(a) total outstanding dues of micro enterprises and small enterprises	23	287.86	13.05
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	23	2,766.42	3,317.32
Other Financial Liabilities	24	1,353.15	1,377.96
Other Current Liabilities	25	128.66	190.31
Provisions	26	40.12	54.50
Current tax liabilities (Net)	27	-	39.84
Total Equity and Liabilities		15,647.47	15,097.50

Notes along with significant accounting policies form an integral part of the financial statements 1 to 48
 As per our Report of even date.

For **Haribhakti & Co. LLP**
 Chartered Accountants
 ICAI FRN No. 103523W/W100048

For and on behalf of the Board

Sumant Sakhardande
 Partner
 Membership No. 034828

Pradip Kumar Goenka
 Chairman & Managing Director
 DIN : 00516381

Tilak Pradip Goenka
 Director
 DIN : 00516464

July 27, 2020
 Mumbai

Jagdish Prasad Dave
 Chief Financial Officer

Gaurav K. Soni
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

PARTICULARS	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
REVENUE			
I Revenue From Operations	28	29,303.99	31,909.14
II Other Income	29	34.36	39.53
III Total Income (I+II)		29,338.35	31,948.67
IV EXPENSES			
Cost of Materials Consumed	30	13,395.11	13,954.93
Purchases of Stock-in-Trade	-	4,634.21	5,763.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	477.23	(473.65)
Employee Benefits Expense	32	4,114.18	3,914.21
Finance Costs	33	783.15	723.82
Depreciation and Amortization Expenses	2	722.92	448.73
Other Expenses	34	5,699.57	6,880.22
Total Expenses (IV)		29,826.37	31,211.64
V (Loss) / Profit Before Exceptional Items and Tax (III-IV)		(488.02)	737.03
VI Exceptional Items	46	53.40	-
VII (Loss) / Profit before tax (V- VI)		(541.42)	737.03
VIII Tax Expense			
(1) Current tax	43	-	331.00
(2) Deferred tax (Net)	43	(145.74)	(84.44)
(3) Tax adjustment of earlier year	43	-	19.29
		(145.74)	265.85
IX (Loss) / Profit For The Year (VII-VIII)		(395.68)	471.18
X Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss		-	-
a) Remeasurement of defined employee benefit plans		26.04	3.45
b) Income tax relating to above		(6.55)	(1.15)
Other Comprehensive Income For The Year		19.49	2.30
XI Total Comprehensive Income For The Year (IX+X)		(376.19)	473.48
Earnings Per Equity Share of Face Value of ₹ 10/- each	37	(6.74)	8.03
Basic	37	(6.74)	8.03
Diluted			

Notes along with significant accounting policies form an integral part of the financial statements 1 to 48

As per our Report of even date.
For **Haribhakti & Co. LLP**
Chartered Accountant
ICAI FRN No. 103523W/W100048

For and on behalf of the Board

Sumant Sakhardande
Partner
Membership No. 034828

Pradip Kumar Goenka
Chairman & Managing Director
DIN : 00516381

Tilak Pradip Goenka
Director
DIN : 00516464

Date : July 27, 2020
Mumbai

Jagdish Prasad Dave
Chief Financial Officer

Gaurav K. Soni
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before tax after exceptional items	(541.40)	737.03
Adjustments for :		
Depreciation and amortisation expense	722.92	448.73
Loss / (Gain) on sale of Property, Plant and Equipment (Net)	3.03	(0.33)
Interest income	(6.78)	(1.40)
Finance costs	783.15	723.82
Allowance for Bad and Doubtful Debts	(12.20)	(26.77)
	1,490.12	1,144.05
Operating Profit before Working Capital changes	948.72	1,881.08
Movement in working capital :		
Decrease / (Increase) in Inventories	347.80	(640.10)
Decrease in Trade Receivable	980.54	1,454.01
(Increase) in Loans & Advances	(6.22)	(3.10)
(Increase)/Decrease in Others Financial Assets	(84.45)	22.72
(Increase) in Other Current and Non Current Assets	(87.14)	(153.36)
(Decrease) in Trade Payable	(276.09)	(478.95)
(Decrease) / Increase in Other Current and Non-Current Liabilities	(80.00)	158.81
(Decrease) in Other financial liabilities	(52.23)	(362.64)
Increase in Provisions	31.93	40.59
	774.14	37.97
Cash generated from operations	1,722.86	1,919.05
Income Tax Paid	(61.50)	(415.66)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,661.36	1,503.39
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Property, Plant and Equipment	6.78	27.15
Interest Received/(Paid)	4.30	0.55
Purchase of Property, Plant and Equipment	(757.86)	(348.07)
Purchase of Intangible Assets	(46.62)	-
	(793.40)	(320.37)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	383.75	-
Proceeds from Short Term Borrowings (Net)	(6.94)	(80.33)
Repayment of Long Term Borrowings	(167.28)	(264.97)
Interest Paid	(759.09)	(711.30)
Dividend Paid	(141.52)	(141.52)
Payment of Lease Liability	(162.49)	-
	(853.57)	(1,198.12)
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)	14.39	(15.10)
Opening Balance Of Cash And Cash Equivalents	3.83	18.93
Closing Balance Of Cash And Cash Equivalents	18.22	3.83
Notes to Cash Flow Statements:		
Cash & Cash Equivalents comprise of:		
Cash on hand	8.31	8.97
Bank Balances with Scheduled Banks:		
In Current Accounts	9.91	(5.14)
TOTAL	18.22	3.83

Note 1 : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind-AS 7) - Statement of Cash Flow. Changes in liabilities arising from financial activities (₹ in Lakhs)

Particulars	As at March 31, 2019	Net Cash Flow	Non Cash Changes		As At March 31, 2020
			Fair Value Changes	Current/Non Current Classification	
Borrowings Non current	211.05	387.92	-	(174.58)	424.39
Other Financial Liabilities	171.43	(171.43)	-	174.58	174.58
Borrowings current	4,564.85	6.94	-	-	4,571.79

As per our Report of even date.
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W/W100048

For and on behalf of the Board

Sumant Sakhardande
Partner
Membership No. 034828

Pradip Kumar Goenka
Chairman & Managing Director
DIN : 00516381

Tilak Pradip Goenka
Director
DIN : 00516464

July 27, 2020
Mumbai

Jagdish Prasad Dave
Chief Financial Officer

Gaurav K. Soni
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
Balance as at the beginning of the year	586.94	586.94
Add/Less: Change in equity share capital during the year	-	-
Balance as at end of the year	586.94	586.94

OTHER EQUITY

(₹ in Lakhs)

Particulars	Other Equity				Total
	Reserves and surplus				
	Securities premium	Capital Reserve	General Reserve	Retained Earnings	
As at April 1, 2018	731.66	37.00	670.02	2,030.49	3,469.17
Profit for the year	-	-	-	471.18	471.18
Dividends on equity shares	-	-	-	(117.39)	(117.39)
Tax on dividend	-	-	-	(24.12)	(24.12)
Other Comprehensive Income					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	2.30	2.30
As at March 31, 2019	731.66	37.00	670.02	2,362.46	3,801.14
Loss for the year	-	-	-	(395.67)	(395.67)
Dividends on equity shares	-	-	-	(117.39)	(117.39)
Tax on dividend	-	-	-	(24.12)	(24.12)
Other Comprehensive Income					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	19.49	19.49
As at March 31, 2020	731.66	37.00	670.02	1,844.77	3,283.45

As per our Report of even date.
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W/W100048

For and on behalf of the Board

Sumant Sakhardande
Partner
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July 27, 2020
Mumbai

Jagdish Prasad Dave
Chief Financial Officer

Gaurav K. Soni
Company Secretary

Notes to Financial Statements for the year ended March 31, 2020

1. Corporate Information

Kamadgiri Fashion Limited (KFL) ("the Company") is a public limited company, incorporated and domiciled in India which is mainly engaged in the business of manufacturing and job work in Textile Industry. The Company is listed on the Bombay Stock Exchange (BSE).

The registered office of the Company is located at B-104, "The Qube" M.V. Road, Marol, Andheri (East), Mumbai - 400 059.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 27, 2020.

1.1 Significant Accounting Policies

i. **Basis of Preparation of Financial Statements**

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

ii. **Statement of Compliance with Indian Accounting Standards (Ind AS)**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

iii. **Current and Non-current Classification**

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in Schedule III to the Act and IND-AS 1- Presentation of Financial Statements.

iv. **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

1.2 Summary of significant accounting policies

I. **Foreign currency translation**

(i) **Functional and presentation currency**

The company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis under the head other expenses.

Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

II. **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if future economic benefit will flow to the entity and cost can be reliably measured.

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

Depreciation method, estimated useful lives and residual values

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

Particulars	Useful Life
Buildings	30 Years
Plant and Equipments	7.5 Years to 15 Years
Electrical Installation	10 Years
Furniture and Fixtures	10 Years
Office Equipments	5 Years
Computer	3 Years
Vehicles	8 Years

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

III. Investment property

Investment property are stated at cost less accumulated depreciation and impairment loss, if any.

Cost of acquisition or construction is inclusive of duties, taxes and incidental expenses and interest on loans attributable to the acquisition/construction of properties up to the date of Commissioning.

The Company is following straight line method of depreciation in respect of residential flat. Depreciation on flat is provided on the basis of useful life and residual value estimated by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset etc. The estimated useful life of flat is 60 years and estimated residual value is 5% which is as per schedule II to Companies Act, 2013.

The Company had leased out the property for 99 years of lease period and there is no intention to sale this property in future. Also, due to non-availability of recent price of similar property in active market, the fair value of the property will not be reliably determinable on the continuing basis and at the year end.

IV. Intangible assets and Amortisation

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Amortisation method and estimated useful life

Intangible assets comprising of software is amortized on a straight-line basis over the useful life of three years to six years which is estimated by the management.

Intangible assets under development

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

V. Capital Work In Progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

VI. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

VII. Leases:

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the standard Ind AS 116, but discounted at the lessee's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

VIII. Inventories

- Raw Materials (Including goods in transit) are valued at cost. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Stores and Spares are valued at cost.
- Work in process is valued at cost which includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- Finished Stocks are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads.
- Cost is ascertained on the FIFO basis as applicable. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing inventories to their present location and condition.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

IX. Revenue recognition

The Company derives revenue primarily from sale of manufactured goods, traded goods and related services.

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts. Goods and service Tax (GST) is collected by the seller on behalf of the government, accordingly it is excluded from the revenue.

(i) Sale of goods

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

(ii) Sale of Services

Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

(iii) Interest Income

Interest income is recognized using the effective interest rate (EIR) method.

X. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or

financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

a) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **Fair Value through other comprehensive income**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial asset 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.

c) **Fair Value through Profit or Loss**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

d) **Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

e) **Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points

paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

f) **Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

g) **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

h) **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original

liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Equity investment in subsidiaries, joint ventures and associates

The Company does not have investment in subsidiaries, joint ventures and associates.

i) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) **Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

k) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

l) **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements

are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data.

XI. Employee benefits(i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) **Other long-term employee benefit obligations**

Entitlements to annual leave are recognized when they accrue to employees subject to a restriction on the maximum number of accumulation of leave. Expenses related to other long term employee benefits is recognized in the Statement of Profit and loss (including actuarial gain and loss).

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- a. defined benefit plans viz. gratuity,
- b. defined contribution plans viz. provident fund.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other

comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iv. Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

XII. Income Tax (includes current tax as well as deferred tax)

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted or substantially enacted as on the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred tax is provided in full, using the Balance Sheet Approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the

Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

XIII. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to

settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements.

XIV. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

XV. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

XVI. Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants relating to an expense item are recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

XVII. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XVIII. Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

XIX. Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non-current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

a) **Impairment of financial assets**

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

b) **Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating unit ('CGU') being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

c) **Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation/ amortisation expense in future periods.

d) **Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (xii) above.

e) **Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) **Claims, Provisions & Contingent Liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

g) **Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

XX. Standard issued but not yet effective

There are no standards that are issued but not yet effective on March 31, 2020

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Electrical Installation	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total
Gross Carrying amount									
As at April 1, 2018	49.91	658.07	2,702.02	88.32	101.91	38.21	43.84	54.54	3,736.82
Additions	-	51.16	98.44	15.07	17.86	11.29	5.82	-	199.64
Disposals	-	-	(56.23)	-	-	-	-	(16.57)	(72.80)
Balance at March 31, 2019	49.91	709.23	2,744.23	103.39	119.77	49.50	49.66	37.97	3,863.66
As at April 1, 2019	49.91	709.23	2,744.23	103.39	119.77	49.50	49.66	37.97	3,863.66
Additions	-	31.01	670.70	117.57	26.62	12.84	18.19	-	876.94
Disposals	-	-	(52.82)	-	(3.52)	(0.22)	(0.38)	-	(56.94)
Balance at March 31, 2020	49.91	740.24	3,362.11	220.96	142.86	62.13	67.47	37.97	4,683.65
Accumulated Depreciation									
As at April 1, 2018	-	30.93	688.95	18.48	36.48	17.51	22.91	11.34	826.60
Depreciation charge for the year	-	24.91	367.53	9.65	11.81	8.59	7.44	7.54	437.47
Disposals	-	-	(30.79)	-	-	-	-	(15.18)	(45.97)
Balance at March 31, 2019	-	55.84	1,025.69	28.13	48.29	26.10	30.35	3.70	1,218.10
As at April 1, 2019	-	55.84	1,025.69	28.13	48.29	26.10	30.35	3.70	1,218.10
Depreciation charge for the year	-	27.36	375.52	14.89	12.02	6.88	10.16	5.89	452.72
Disposals	-	-	(43.17)	-	(1.48)	(0.22)	(0.36)	-	(45.23)
Balance at March 31, 2020	-	83.20	1,358.04	43.02	58.84	32.76	40.15	9.59	1,625.59
Net carrying amount									
As at March 31, 2020	49.91	657.04	2,004.07	177.94	84.03	29.37	27.32	28.38	3,058.06
As at March 31, 2019	49.91	653.39	1,718.54	75.26	71.48	23.40	19.31	34.27	2,645.56

2. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Carrying amount at the beginning of the year	139.07	6.23
Additions during the year	28.47	139.07
Capitalised during the year	(139.07)	(6.23)
Carrying amount at the end of the year	28.47	139.07

2. INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	Amount
Software	
Gross Carrying amount	
As at April 1, 2018	43.04
Additions	6.16
Disposals	-
Balance as at March 31, 2019	49.20
Additions	15.64
Disposals	-
Balance as at March 31, 2020	64.84
Accumulated Amortisation	
As at April 1, 2018	16.92
Amortisation charge for the year	10.48
Disposals	-
Balance as at March 31, 2019	27.40
Amortisation charge for the year	6.69
Disposals	-
Balance as at March 31, 2020	34.09
Net carrying amount	
As at March 31, 2020	30.75
As at March 31, 2019	21.80

2.1. RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Amount
Office Premises	
Gross Carrying amount	
Balance as at April 1, 2019	
Recognition on transition to Ind AS 116 (Refer Note 41)	370.14
Additions	1,184.62
Disposals	-
Balance as at March 31, 2020	1,554.77
Accumulated Depreciation	
Balance as at April 01, 2019	
Depreciation charge for the year	255.24
Disposals and Transfer	37.12
Balance as at March 31, 2020	292.36
Net carrying amount	
Balance as at March 31, 2020	1,262.40
Balance as at April 01, 2019	-

The company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on the date of initial application date, i.e. 1st April, 2019. The company has used the modified retrospective approach for transitioning to Ind AS 116 with right of use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted.

The operating leases recorded in the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold land representing right to use as per contracts excluding low value assets and short term leases of 12 months or less

3. INVESTMENT PROPERTY

(₹ in Lakhs)

PARTICULARS	Amount
Residential Flat*	
Gross Carrying amount	
As at April 1, 2018	42.93
As at March 31, 2019	42.93
As at March 31, 2020	42.93
Accumulated Depreciation	
As at April 1, 2018	1.56
Depreciation charge for the year	0.78
Balance as at March 31, 2019	2.34
Depreciation charge for the year	0.78
Balance as at March 31, 2020	3.12
Net Carrying amount	
As at March 31, 2020	39.82
As at March 31, 2019	40.59

*Refer Note No. 1.2 Point No. III

4. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Deposit with others*	142.04	50.02
Electricity deposits	57.55	52.68
Fixed Deposits with Bank	8.77	8.77
TOTAL	208.36	111.47

* Includes Deposit to Related Party. (Refer Note No. 39)

5. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	60.30	-
Provision for Compensated absences	22.70	-
Property, Plant and Equipment	(179.76)	-
Unabsorbed tax losses	100.98	-
Others	63.08	-
TOTAL	67.30	-

6. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Capital Advance	19.31	6.00
Advances other than capital advances		
Prepaid Expenses	3.63	5.64
Prepaid Lease rent	-	37.88
TOTAL	22.94	49.52

7. INVENTORIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Charged by way of hypothecation against borrowings of the Company.		
Raw Materials and components	1,227.07	1,048.30
Work-in-progress	1,661.88	1,506.74
Finished goods	2,489.13	3,174.90
Stores, Spares and Others	162.37	158.31
(Refer Note No. 1.2 Point No. VII)		
TOTAL	5,540.45	5,888.25

8. TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
(Charged by way of hypothecation against borrowings of the Company.)		
Unsecured, considered good	4,634.60	5,602.93
Credit impaired	27.33	37.58
TOTAL	4,661.93	5,640.51
Less: allowance for bad and doubtful receivables	(27.33)	(37.58)
TOTAL	4,634.60	5,602.93

9. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
On Current Accounts	9.91	(5.14)
Cash on Hand	8.31	8.97
TOTAL	18.22	3.83

10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Unclaimed Dividend account*	8.05	4.60
Fixed deposits with original maturity for more than 3 months but less than 12 months	43.40	40.65
TOTAL	51.45	45.25

* Earmarked for payment of unclaimed dividend

11. LOANS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Others		
Loans receivables considered good - Unsecured		
Advance to Staff	18.43	12.21
TOTAL	18.43	12.21

12. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Interest Accrued But Not Due	12.59	8.29
Interest Subsidy & Interest Receivable	90.46	94.28
Security Deposits and Other Advances	4.92	69.84
TOTAL	107.97	172.41

13. CURRENT INCOME TAX ASSETS (NET)

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Advance Tax [(Net of Provision for Tax of ₹ 1656.49 Lakhs (as at March 31st, 2019 ₹ Nil Lakhs)]	39.69	-
TOTAL	39.69	-

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
Prepaid Expenses	54.34	55.10
Balances with Government Authorities	364.73	258.00
Other Advances	61.73	51.51
TOTAL	480.80	364.61

15. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
Authorised				
Equity Shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
TOTAL	2,00,00,000	2,000	2,00,00,000	2,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	58,69,371	586.94	58,69,371	586.94
TOTAL	58,69,371	586.94	58,69,371	586.94

(i) Reconciliation of Number of Equity Shares

(₹ in Lakhs)

PARTICULARS	Number of Shares	Amount
As at the beginning of the year	58,69,371	586.94
Add: Issued During the Year	-	-
As at end of the year	58,69,371	586.94

(ii) Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of Shareholders holding more than 5% equity shares in the Company

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Ananddeep Cotsyn LLP	4,36,800	7.44	4,36,800	7.44
Future Corporate Resources Pvt Ltd	16,45,389	28.03	16,45,389	28.03
Surplus Finvest Pvt Ltd	5,69,000	9.69	5,69,000	9.69
Tritoma Hotels Pvt. Ltd.	3,25,000	5.54	3,25,000	5.54
Pradip Kumar Goenka	6,49,200	11.06	6,49,200	11.06
Tilak Pradip Goenka	4,96,102	8.45	4,96,102	8.45

Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL (PY - NIL)

16. OTHER EQUITY

(₹ in Lakhs)

PARTICULARS	Other Equity				Total Other Equity
	Securities premium	Capital Reserve	General Reserve	Retained Earnings	
As at April 1, 2018	731.66	37.00	670.02	2,030.49	3,469.17
Profit for the year	-	-	-	471.18	471.18
Dividends on equity shares	-	-	-	(117.39)	(117.39)
Tax on dividend	-	-	-	(24.12)	(24.12)
Other Comprehensive Income					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	2.30	2.30
As at March 31, 2019	731.66	37.00	670.02	2,362.46	3,801.14
Loss for the year	-	-	-	(395.67)	(395.67)
Dividends on equity shares	-	-	-	(117.39)	(117.39)
Tax on dividend	-	-	-	(24.12)	(24.12)
Other Comprehensive Income					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	19.49	19.49
As at March 31, 2020	731.66	37.00	670.02	1,844.77	3,283.45

Description of nature and purpose of each reserve

Securities Premium:

This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Capital Reserve :

This Reserve represents amount of subsidy received from government for capital expansion.

General Reserve :

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

NON-CURRENT FINANCIAL LIABILITIES

17. BORROWINGS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Secured		
(a) From Bank		
Term Loans (Refer Note 17.1)	424.11	207.11
Vehicle Loans (Refer Note 17.2)	0.28	3.94
TOTAL	424.39	211.05

17.1 Term Loan from bank amounting of ₹ 400 Lakhs sanctioned during the FY 2014-2015 and end on FY 2018-2019. The Same is repayable in 60 Monthly installments of ₹ 6.67 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments. The said loan repaid during the year.

Term Loan from bank amounting of ₹ 375 Lakhs sanctioned during the FY 2015-2016 and end on FY 2020-2021. The Same is repayable in 60 Monthly installments of ₹ 6.25 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

Term Loan from bank amounting of ₹ 250 Lakhs sanctioned during the FY 2017-2018 and end on FY 2022-2023. The Same is repayable in 60 Monthly installments of ₹ 4.17 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

Term Loan from bank amounting of ₹ 840 Lakhs sanctioned during the FY 2019-2020 and end on FY 2024-2025. The Same is repayable in 60 Monthly installments of ₹ 14.00 Lakhs each along with interest. The Loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Equipments.

The rate of interest on the above mentioned Term Loans ranges between 11.00 % p.a to 11.95 % p.a.

17.2 Vehical Loan taken from Toyota Financial services India ltd amounting of ₹ 15.18 Lakhs was carried interest @ 9.50% sanctioned during the FY 2016-2017 and end on FY 2021-2022. The loan is repayable in 59 instalments of ₹ 0.32 Lakh including the interest , from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Deposits from Dealers & Agent	517.78	518.00
TOTAL	517.78	518.00

19. PROVISIONS

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer Note 36)	239.44	220.59
Compensated Absence	76.27	74.85
TOTAL	315.71	295.44

20. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	-	91.05
Provision for Compensated absences	-	29.60
Property, Plant and Equipment	-	(253.32)
Others	-	60.78
TOTAL	-	(71.89)

(Refer to Note No. 43)

21. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Other		
Deferred Lease Expenses	54.57	55.21
TOTAL	54.57	55.21

CURRENT LIABILITIES**22. BORROWINGS**

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand (Refer Note 22.1)		
From Bank		
Cash credit from bank	3,047.88	3,028.75
Working Capital Demand Loan	1,523.91	1,536.10
TOTAL	4,571.79	4,564.85

22.1 Cash credit and working capital demand loan from banks is secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable and carries interest @ 9.20% p.a to 11.65% p.a and the same is repayable on demand.

23. TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
(a) total outstanding dues of micro enterprises and small enterprises (Refer Note 23.1)	287.86	13.05
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	2,766.42	3,317.32
TOTAL	3,054.28	3,330.37

23.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act) Principal amount due to micro and small enterprise	283.44	13.05
Interest due on above	4.42	-
(ii) Interest paid by the Company in terms of Section 16 of the MSMED Act, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	4.42	-

Dues to Micro and small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the management.

24. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Current Maturities of long term borrowings	174.58	171.43
Interest accrued and due	24.15	-
Unclaimed dividend	8.05	4.60
Acceptance	99.99	140.96
Capital Creditors	89.26	69.43
Employee Dues	350.79	308.59
Liabilities towards Incentive & discounts	481.79	545.18
Others Liabilities	124.54	137.77
TOTAL	1,353.15	1,377.96

25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Revenue received in advance		
Advance Received from Customers	38.30	112.47
Others		
Statutory Dues	90.36	77.84
TOTAL	128.66	190.31

26. PROVISION

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer to Note No. 36)	26.18	40.68
Compensated Absence	13.94	13.82
TOTAL	40.12	54.50

27. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax [(Net of Advance tax of ₹ Nil Lakhs (as at March 31st, 2019 ₹ 1616.63 Lakhs)]	-	39.84
TOTAL	-	39.84

28. REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products	28,419.44	31,063.60
Sales of services (Job charges Received)	647.38	735.55
Other operating revenues	237.17	109.99
TOTAL	29,303.99	31,909.14

Reconciliation of Gross Revenue with the Revenue from Contracts with Customers	Year Ended March 31, 2020	Year Ended March 31, 2019
Gross Revenue	29,908.33	32,645.62
Less: Incentive & Discounts	(604.34)	(736.48)
Net Revenue recognised from Contracts with Customers	29,303.99	31,909.14

29. OTHER INCOME

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income on -		
Bank Deposits	6.78	1.40
Security Deposits	6.55	1.37
Lease income	0.82	0.82
Other non operating income	8.01	8.84
Profit on Sale of Property, Plant and Equipments	-	0.33
Reversal of Allowance of Doubtful Debts	12.20	26.77
TOTAL	34.36	39.53

30. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Raw materials consumed		
Inventory at the beginning of the year	1,048.30	904.00
Add: purchases	13,573.88	14,099.23
	14,622.18	15,003.23
Less : Inventory at the end of the year	1,227.07	1,048.30
COST OF MATERIAL CONSUMED	13,395.11	13,954.93

31. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening Inventories		
Finished goods	3,174.90	2,914.23
Work-in-Progress	1,506.74	1,293.76
TOTAL	4,681.64	4,207.99
Closing Inventories		
Finished goods	2,542.53	3,174.90
Work-in-Progress	1,661.88	1,506.74
TOTAL	4,204.41	4,681.64
TOTAL	477.23	(473.65)

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages and Bonus	3,722.02	3,524.77
Contribution to Provident and Other Funds (Refer Note 36.1)	317.95	285.85
Staff Welfare Expenses	74.21	103.59
TOTAL	4,114.18	3,914.21

33. FINANCE COSTS

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest expenses*	711.62	616.02
Other borrowing cost	71.53	107.80
TOTAL	783.15	723.82

*[Net of Subsidy of ₹ Nil (Previous Year ₹ 3.21 Lakhs)]

34. OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Consumption of stores, spare parts and others	349.42	388.85
Consumption of Packing Materials	305.35	342.30
Power and fuel	598.18	615.05
Job Work Charges	2,764.63	3,533.52
Repairs and Maintenances-Buildings.	21.01	35.14
Repairs and Maintenances-Machinery.	39.55	46.72
Repairs and Maintenances-Others.	113.73	112.94
Travelling and conveyance	152.21	161.83
Brokerage and commission	278.91	313.88
Advertisement and marketing expenses	169.00	216.58
Freight outward charges	333.96	409.01
Rent	88.36	285.37
CSR Expenses (Refer note 45)	27.60	-
Legal and professional fees	171.45	180.00
Loss on Sale of Property, Plant and Equipments	3.03	-
Insurance	35.55	25.79
Payment to the auditor (Refer note 35)	18.21	18.22
Lease expenses	-	1.61
Miscellaneous expenses	229.42	193.41
TOTAL	5,699.57	6,880.22

35. PAYMENT TO THE AUDITOR

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Auditor	9.25	9.25
(b) For Taxation matters	1.75	1.75
(c) Company Law matters	6.00	6.00
(d) Other services	1.00	1.00
(e) Reimbursement of expenses	0.21	0.22
TOTAL	18.21	18.22

36. Disclosure in respect of Employee Benefits
(i) Defined contribution plans:

The Company has recognized the following amounts in the statement of profit and loss:

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Employers' contribution to provident fund	213.00	133.82

Annual Leave Liabilities

The Company records an obligation for compensated absences in the period in which the employee renders the services that increase his entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation carried out by using Projected Unit Credit (PUC). A provision of ₹ 19.51 lakhs (previous year ₹ 23.01 lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

(ii) Disclosure in respect of defined benefit plans (Gratuity) is as under

The principal assumptions used for the purpose of actuarial valuation were as under:

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Discount rate per annum	6.82%	7.63%
Expected rate of salary increase	3.00%	5.00%
Mortality rate	"IALM (2006-08) ultimate, duly modified"	"IALM (2006-08) ultimate, duly modified"

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Withdrawal rates:		
- Upto 30 years	1%	1%
- 31 to 44 years	1%	1%
- above 44 years	1%	1%
- Retirement age*	58 Years	58 Years

The Directors, CEO retirement age is 75

(a) Amount recognised in statement of profit and loss in respect of the defined benefit plan are as follows: (₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Service Cost	37.52	41.75
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	37.52	41.75
Interest Expense on DBO	18.93	16.77
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	18.93	16.77
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	56.45	58.52
Remeasurements - Due to Demographic Assumptions	14.12	-
Remeasurements - Due to Financial Assumptions	(44.13)	4.02
Remeasurements - Due to Experience Adjustments	3.97	(7.47)
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	(26.04)	(3.45)
Total Defined Benefit Cost recognized in P&L and OCI	30.41	55.07
Discount Rate	6.82%	7.63%
Salary Escalation Rate	3.00%	5.00%

The current service cost and the net interest expense for the year are included in the salaries, wages, bonus, gratuity etc. in note 32 "Employee Benefits expense". The actuarial (gain)/loss on remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Net Defined Benefit Liability / (Asset) at the beginning	261.27	226.55
Defined Benefit Cost included in P & L	56.45	58.52
Total Remeasurements included in OCI	(26.04)	(3.45)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(26.06)	(20.35)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	265.62	261.27

(c) Movements in the fair value of plan assets are as follows:

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Employer contribution	26.06	20.35
Remeasurement gains/(losses):	-	-
- Return on plan assets (higher)/lower than discount rate	-	-
Benefits paid	(26.06)	(20.35)
Closing fair value of plan assets	-	-

(d) Movements in the present value of defined benefit obligations are as follows:

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening defined benefit obligation	261.27	226.55
Current service cost	37.52	41.75
Past service cost *	-	-
Interest cost	18.93	16.77
Remeasurement (gains)/losses:		
- Actuarial (gain)/loss from changes in financial assumptions	(44.13)	4.02
- Actuarial (gain)/loss from changes in demographic assumptions	14.12	-
- Actuarial (gain)/loss arising from experience adjustments	3.97	(7.47)
Benefits paid by employer	(26.06)	(20.35)
Benefits paid from plan assets	-	-
Closing defined benefit obligations	265.62	261.27

(e) Sensitivity analysis

Summary of Financial & Demographic Assumptions

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	DBO	Percentage Change
Under Base Scenario	265.62	0.00%
Salary Escalation - Up by 1%	299.99	13.10%
Salary Escalation - Down by 1%	235.77	-11.10%
Withdrawal Rates - Up by 1%	276.74	4.30%
Withdrawal Rates - Down by 1%	251.90	-5.00%
Discount Rates - Up by 1%	238.23	-10.20%
Discount Rates - Down by 1%	297.45	12.10%

(f) Maturity Profile of Defined Benefit Obligations**Expected Cash flow for following years:**

Year 1	26.18
Year 2	10.35
Year 3	10.32
Year 4	16.01
Year 5	20.49
Year 6	13.40
Year 7	13.47
Year 8	23.04
Year 9	15.08
Year 10	18.18

The weighted average duration of the defined benefit obligation is 17.21

(g) The average expected future working life of members of the defined benefit obligation as at March 31, 2020 is 21.00 years (as at March 31, 2019: 24.00 years)

(h) Best Estimate of Contribution during the next year

The Best Estimate Contribution for the Company during the next year would be ₹ 132.61 Lakhs.

1) The Company has a defined benefit gratuity plan in India. The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as company's scheme for Gratuity.

2) Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest Risk Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

Salary Risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability

Investment Risk The present value of defined benefit plan liability calculated using a discount rate which is determined by reference to market yields as at the end of the reporting period on government bonds. If the return on plant assets is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Assets Liability Matching Risk The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality Risk Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

37. EARNINGS PER SHARE

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
(i) Profit after taxes as per statement of profit and loss attributed to equity shareholders (₹ in Lakhs)	(395.68)	471.18
(ii) Weighted Average Number of equity shares used as denominator for calculation of EPS	58,69,371	58,69,371
Weighted Average Number of equity shares (including dilutive shares) used as denominator for calculation of DPS	58,69,371	58,69,371
(iii) Basic Earning per share	(6.74)	8.03
(iv) Diluted Earning per share	(6.74)	8.03
(v) Face value per equity share	10.00	10.00

38. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Contingent Liabilities		
a) Claims against the Company not acknowledged as debt	1,005.62	127.43
b) Guarantees	35.90	35.90
c) Bonus Payable (As Per Revised Bonus Act)	23.64	23.64
	1,065.16	186.97
Commitments		
a) Other commitments - pending obligation under EPCG scheme	36.49	36.49
	36.49	36.49
TOTAL	1,101.65	223.46

39. Disclosure in respect of Related Party Disclosures as per Ind AS 24

As Per Indian Accounting Standard (Ind AS 24), the disclosures of the transactions with the related parties as defined in the Accounting Standard are given below

(i) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:

List of Related Parties		Relationship
1	Future Corporate Resources Pvt Limited	Enterprises having significant influence in the Company
2	Jagruti Synthetics Limited	Other Related Parties(Enterprises-KMP having significant influence/Owned by Major Shareholders)
3	Mr. Pradip Kumar Goenka (Chairman & Managing Director)	Key Management Personnel (KMP)
4	Mr. Tilak Pradip Goenka (Executive Director)	
5	Mr. Abhay Kumart (CEO)	
6	Mr. Sanjeev Maheshwari (Non-Executive Director)	
7	Mr. Rahul Mehta (Non-Executive Director)	
8	Mr. Anil Biyani (Non-Executive Director)	
9	Mrs. Bindu Shah (Non-Executive Director)	
10	Mr. Abhas Kumart	Relatives of the Key Management Personnel (KMP)
11	Mrs. Jyoti Kumart	

(ii) Related Party Transactions

(₹ in Lakhs)

Particulars	Transaction during the year 2019-20		Outstanding Balance as at March 31, 2020		Outstanding Balance as at March 31, 2019	
	March 31, 2020	March 31, 2019	Receivable	Payable	Receivable	Payable
a) Sales of Products						
Jagruti Synthetics Limited	41.91	14.07	11.54	-	3.22	-
b) Purchase of Goods						
Jagruti Synthetics Limited	173.36	744.31	-	48.20	-	72.74
c) Job Charges Paid / Receipt						
Jagruti Synthetics Limited	431.42	469.81	3.50	53.91	-	15.89
d) Rent Expenses						
Future Corporate Resources Pvt Limited	85.99	85.31	-	31.14	-	25.65
Jagruti Synthetics Limited	75.60	59.04	-	6.80	-	13.61
Mrs. Jyoti Kumart	5.64	5.64	-	0.51	-	0.51
e) Managerial Remuneration						
Mr. Pradip Kumar Goenka	54.00	54.00	-	4.50	-	-
Mr. Tilak Goenka	44.60	34.82	-	3.45	-	-
f) Salary						
Mr. Abhay Kumart	100.00	100.00	-	8.33	-	-
Mr. Abhas Kumart	16.95	9.91	-	1.28	-	-
g) Deposits Given						
Jagruti Synthetics Limited	3.42	-	-	34.50	-	31.08
h) Loan Taken						
Future Corporate Resources Pvt Limited	-	(92.26)	-	-	-	-

(iii) Directors Setting Fees

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Mr. Sanjeev Maheshwari	0.94	1.34
Mr. Rahul Mehta	0.98	0.92
Mr. Anil Biyani	0.44	0.68
Mrs. Bindu Shah	0.98	1.42
Mr. Lalit Kumar Goenka*	-	0.10
Total	3.34	4.46

* Ceased to be director w.e.f. May 26, 2018

40. Disclosure in respect of Operating Segments as per Ind AS 108

The company is engaged in manufacturing (in house and outsourced) fabrics, ready to wear garments, considering the overall nature, the management is of the opinion that the entire operation of the company falls under one segment i.e. Textiles and as such there is no separate reportable segment for the purpose of disclosure as required under Indian Accounting Standards (Ins AS 108) - Operating Segments.

41. Disclosure in respect of operating leases as per Ind AS 116 'Leases'

This note provides the information for lease and right to use where the company is a lessee.

Following are the changes in the carrying value of right of use assets:

(₹ in Lakhs)

As at April 01, 2019	Office Premises	Total
Gross carrying amount		
Opening gross carrying amount	370.14	370.14
Additions	1,184.62	1,184.62
Disposals and transfers	-	-
Closing gross carrying amount	1,554.77	1,554.77
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charged	255.24	255.24
Disposals and transfers	37.12	37.12
Closing accumulated depreciation	292.36	292.36
Net carrying amount as at March 31, 2020	1,262.40	1,262.40

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in the statement of profit and loss. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 11.00 %

Following are the changes in the carrying value of Lease Liability:

(₹ in Lakhs)

Particulars	As at 31 March 2020
Balance as at beginning	370.14
Additions	1,138.80
Finance cost accrued during the year	78.32
Deletions	23.06
Payment of lease liabilities	293.70
Balance as at end	1,316.62
Non- Current	997.21
Current	319.41

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis: (₹ in Lakhs)

Particulars	As at 31 March 2020
Less than one year	436.87
One to five years	1,140.88
More than five years	-
TOTAL	1,577.74

Rental expense recorded for short-term leases was ₹ 18.62 Lakhs and ₹ Nil Lakhs for the year ended March 31, 2020 and March 31, 2019 respectively. There are no rental expense recorded for low-value assets or for any of variable lease payments for any of the reporting year.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

42. Fair Value Measurement

i. Categorywise classification of Financial Instruments

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2020	March 31, 2019
FINANCIAL ASSETS		
Amortised cost		
Other Non Current Financial Assets	208.36	111.47
Current		
Trade Receivables	4,634.60	5,602.93
Cash and Cash Equivalents	18.22	3.83
Bank Balances other than above	51.45	45.25
Loans	18.43	12.21
Other Financial Assets	107.97	172.41
Total	5,039.03	5,948.10
FINANCIAL LIABILITIES		
Amortised cost		
Non Current		
Borrowings	424.39	211.05
Lease Liability	997.21	-
Other Financial Liabilities	517.78	518.00
Current		
Borrowings	4,571.79	4,564.85
Lease Liability	319.41	-
Trade Payables	3,054.28	3,330.37
Other financial liabilities	1,353.15	1,377.96
Total	11,238.01	10,002.23

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iv. Valuation processes

The accounts and finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team regularly in line with the company's reporting requirements.

43. INCOME TAX EXPENSES

(₹ in Lakhs)

Particulars	For year Ended March 31, 2020	For year Ended March 31, 2019
(a) Income tax Expenses		
Current tax	-	331.00
Tax Adjustment earlier Year	-	19.29
Deferred tax	(145.74)	(84.44)
Total Tax Expenses	(145.74)	265.85

(b) Reconciliation of tax Expenses and Accounting Profits

Particulars	For year Ended March 31, 2020	For year Ended March 31, 2019
Profit / (Loss) for the year	(541.42)	737.02
Tax Rates	25.168%	33.384%
Income tax expense calculated	(136.26)	246.05
(ii) Impact of adoption of new Tax regime U/s 115 BAA on Deferred Tax Liabilities	(5.91)	
(iii) Tax adjustment for earlier year	-	19.29
(iv) Others	(3.57)	0.51
Income tax Expense	(145.75)	265.85

(c) Deferred Tax Movements

Major Components of Deferred tax Movements arising on account of timing difference are as follows

(₹ in Lakhs)

Particulars	Provision for gratuity	Provision for Compensated absences	Property, Plant and Equipment	Unabsorbed tax losses	Others	Total
As at March 31, 2018	82.23	29.85	(318.75)	-	51.48	(155.19)
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	9.97	(0.25)	65.42	-	9.30	84.44
Other comprehensive income	(1.15)	-	-	-	-	(1.15)
As at March 31, 2019	91.05	29.60	(253.33)	-	60.78	(71.90)
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	(24.20)	(6.90)	73.57	100.98	2.30	145.75
Other comprehensive income	(6.55)	-	-	-	-	(6.55)
As at March 31, 2020	60.30	22.70	(179.76)	100.98	63.08	67.30

44. Financial Risk Management

Risk Management Framework

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

44.1 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

44.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on profit or loss before tax may be as follows:

(₹ in Lakhs)

Particulars	Impact on Profit before tax	
	As at March 31, 2020	As at March 31, 2019
Interest rate - increase by 100 basis points (100 bps)*	(51.71)	(49.47)
Interest rate - decrease by 100 basis points (100 bps)*	51.71	49.47

* Holding all other variable constant

44.1.2 Foreign Currency Risk

The Company's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies. Foreign Currency Risk is risk that fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company entered into forward exchanges contract average maturity of 90-180 days to hedge against its foreign currency exposures relating to underlying liabilities firm commitments. The Company has not entered into any Derivatives instruments for trading and speculative purposes.

There is no foreign currency exposure during the year (P.Y. Nil).

44.2 Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ` 4634.60 lakhs and ` 5,602.93 lakhs as of March 31, 2020 and March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

The average credit period on sale of goods is 90 to 180 days.

Trade Receivables

a) Ageing

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
0-180 days	4,243.84	5,439.28
More than 180 days	390.76	163.65
Total	4,634.60	5,602.93

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

(₹ in Lakhs)

Movement in expected credit loss allowance on trade receivables	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	37.58	64.35
Less:- Provision reversed	(10.25)	(26.77)
Balance at the end of the year	27.33	37.58

44.3 Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31st March 2020, The Company had a working capital of Rs. 1,384.51 Lakhs including cash and cash equivalent of Rs. 18.22 Lakhs.

As of 31st March 2019, The Company had a working capital of Rs. 2,531.66 Lakhs including cash and cash equivalent of Rs. 3.83 Lakhs..

44.3.1 Maturities of Financial Liabilities

The table below analyse the Company's financial liabilities into relevant maturity grouping based on their contractual maturities. The amount disclosed in the tables are contractual undiscovered cash flow.

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 Year to 5 Year	Over 5 Year	Total
As 31 March 2020				
Borrowings	4,746.37	424.39	-	5,170.76
Lease Liability	319.41	997.21	-	1,316.62
Trade Payables	3,054.28	-	-	3,054.28
Other Financial Liabilities	1,178.57	517.78	-	1,696.35
As 31 March 2019				
Borrowings	4,736.28	211.05	-	4,947.33
Trade Payables	3,330.37	-	-	3,330.37
Other Financial Liabilities	1,206.53	518.00	-	1,724.53

44.4 Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debts (offset by cash and bank balances) and equity of the Company (Comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital.

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total borrowings	5,170.76	4,947.33
Less : Cash and cash equivalents	(18.22)	(3.83)
Adjusted net debt	5,152.54	4,943.50
Total equity	4,388.08	4,388.08
Adjusted equity	4,388.08	4,388.08
Adjusted net debt to adjusted equity ratio	1.17	1.13

45. Corporate Social Responsibility Expenses

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
a) Gross Amount required to be spent by the Company during the year	15.12	12.34
b) Amount spent during the year	27.60	-

46. Write down of Inventories to the Net realizable value aggregating ₹ 53.40 Lakhs as a results of adverse impact on realisation due to Covid -19 outbreak.

47. COVID -19 Note :

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed the impact of this pandemic on its overall business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, inventory and trade receivables and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. Also, the Company has resumed its business activities by reopening its factories and warehouses on a gradual basis in line with the guidelines issued by the Government authorities.

48. Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year's figure.

As per our Report of even date.
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Date : July 27, 2020
Mumbai

For and on behalf of the Board

Pradip Kumar Goenka
Chairman & Managing Director
DIN : 00516381

Jagdish Prasad Dave
Chief Financial Officer

Tilak Pradip Goenka
Director
DIN : 00516464

Gaurav K. Soni
Company Secretary



TRUE VALUE

Superior Storage & Security





Kamagiri Fashion Limited

Registered Office:

**A-403, 'The Qube', Off. M.V. Road,
Marol, Andheri (E), Mumbai - 400059.**

Tel: (+91 22) 71613131

Website: www.kfindia.com



KAMADGIRI FASHION LIMITED

CIN: L17120MH1987PLC042424

Registered Office: A-403, 'The Qube', off. M.V. Road, Marol, Andheri (East), Mumbai – 400059.

Tel. No.: (+91 22) 7161 3131 | **Fax No.:** (+91 22) 7161 3199

Website: www.kflindia.com | **E-mail:** cs@kflindia.com

NOTICE

NOTICE is hereby given that the 33rd (Thirty Third) Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Tuesday, September 29, 2020 at 10:00 a.m. Indian Standard Time ('**IST**') through Video Conferencing ('**VC**') / Other Audio-Visual Means ('**OAVM**') to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the reports of Board and Auditors thereon.
2. To appoint a Director in place of Mr. Tilak Goenka (DIN: 00516464), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration

To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('**the Act**') read with Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. DMKH & Co., Chartered Accountants (Firm Registration No. 116886W), be and are hereby appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting to be held in the year 2025, at such remuneration inclusive of applicable taxes and out of pocket expenses as may be decided by the Board of Directors of the Company."

Special Business

4. **Re-appointment of Ms. Bindu Shah as an Independent Director**

To consider and if thought fit, to pass the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 ('**the Act**') and the Rules made thereunder read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Ms. Bindu Shah (DIN: 07131459), an Independent Director of the Company, whose term of office as an Independent Director expires on September 24, 2020 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing her candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term commencing from September 25, 2020 till September 24, 2025.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things, including statutory filings, and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

5. **Ratification of Remuneration payable to Cost Auditors for the financial year ending March 31, 2021**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (**‘the Act’**) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors, Ms. Ketki D. Visariya, Cost Accountant, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textiles products for the financial year ending March 31, 2021, on a remuneration of ₹ 0.90 Lakh plus applicable taxes and out of pocket expenses, be and is hereby ratified.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things, including statutory filings, and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

By Order of the Board
For **Kamadgiri Fashion Limited**

Gaurav K. Soni
Company Secretary
Membership No. 55040

Mumbai
Septemer 03, 2020

NOTES:

1. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as '**MCA Circulars**') permitted the conduct of the Annual General Meeting ('**AGM/Meeting**') through Video Conferencing ('**VC**') / Other Audio Visual Means ('**OAVM**'), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ('**the Act**'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**') and MCA Circulars, the 33rd AGM of the Company is being held through VC / OAVM.
2. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
5. In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India ('**SEBI**') Circular dated May 12, 2020, **Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.** Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.kflindia.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com> .
6. Members holding shares in physical mode and who have not updated their email address with the Company are requested to update their email address by writing to the Company's Registrar and Share Transfer Agent ('**RTA**'), Link Intime India Private Limited at support@sharexindia.com / rnt.helpdesk@linkintime.co.in . Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address. Members holding shares in dematerialised mode are requested to register / update their email address with their Depository Participants ('**DPs**').
7. The explanatory statement pursuant to Section 102(1) of the Act in respect to the Special Business to be transacted in the Meeting, is annexed hereto.
8. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings ('**SS-2**') issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
9. The SEBI has mandated the submission of Income Tax Permanent Account Number ('**PAN**') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
10. SEBI has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / RTA with effect from April 01, 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialise their shareholding in the Company.
11. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's RTA. Members holding shares in electronic form may contact their respective DPs for availing this facility.
12. Members who are holding shares in identical order of names in more than one folio are requested to send to the RTA, the details of such folios together with the share certificates for consolidating their holdings into one folio. The share certificates will be returned to the Members after making requisite changes thereon.
13. To support the 'Green Initiative', Members who have not yet registered their email address are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form in order to enable the Company to serve documents in electronic mode.

14. Members are requested to dematerialise their shares in order to facilitate easy and faster trading in equity shares. The ISIN of the Company's equity shares is INE535C01013.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code etc., to their respective DPs in case the shares are held in electronic form and to the Company's RTA in case the shares are held in physical form.
16. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ('ECS') to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective DPs and/or the Company's RTA.
17. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary / RTA of the Company. Members are requested to note that pursuant to Section 124 of the Act; dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government under Section 125 of the Act. The details of unpaid dividend can be viewed on the Company's website www.kflindia.com. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority. Details of shareholders whose shares are liable to be transferred to IEPF are available at the Company's website www.kflindia.com.

The following table provides the due dates for the transfer of outstanding unpaid/unclaimed dividend by the Company as on March 31, 2020:

Year of Dividend	Date of declaration	Last date for claiming due amount
2012-2013 (Final)	24/09/2013	30/10/2020
2013-2014 (Final)	26/09/2014	01/11/2021
2014-2015 (Final)	25/09/2015	31/10/2022
2015-2016 (Final)	19/09/2016	25/10/2023
2016-2017 (Final)	19/09/2017	25/10/2024
2017-2018 (Final)	25/09/2018	31/10/2025
2018-2019 (Final)	24/09/2019	30/10/2026

18. Members are being informed that once the unclaimed/unpaid dividend is transferred to the account of IEPF and Shares are transferred to the Demat Account of IEPF Authority, no claim shall lie against the Company in respect of such dividend/shares. The eligible members are entitled to claim such unclaimed/unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Registered Office of the Company for verification of their claim.
19. All documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection and made available over email on making a request to the Company through your registered email ID on cs@kflindia.com and quoting your name, demat account number / folio number, mobile number. Scanned copies of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of The Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting upon log-in to NSDL e-voting system at www.evoting.nsdl.com.

20. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 44 of Listing Regulations and Secretarial Standard on General Meetings ('**SS- 2**') issued by the Institute of Company Secretaries of India, the Company is pleased to provide Members with a facility to exercise their right to vote by electronic means for the business to be transacted at the 33rd AGM. The facility of casting the votes by Members using an electronic voting system from a place other than venue of the AGM ('**remote e-voting**') as well as e-voting during the proceedings of the AGM through VC/OAVM ('**e-voting at the AGM**') will be provided by National Securities Depository Limited ('**NSDL**').
- II. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e., Tuesday, September 22, 2020 shall only be entitled to attend and vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- III. The remote e-voting period commences on Saturday, September 26, 2020 (9:00 a.m. IST) and ends on Monday, September 28, 2020 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Tuesday, September 22, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.

In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting at the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

IV. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

- i. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- ii. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
- iv. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- v. Your password details are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.
- vi. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

- i. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii. Select "EVEN" of the Company, which is XXXXXX.
- iv. Now you are ready for e-voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

21. General Guidelines for shareholders

- I. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to kunal@hsassociates.net with a copy marked to evoting@nsdl.co.in.

- II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdcl.com> to reset the password.
- III. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdcl.com> or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in .

In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. Email: evoting@nsdl.co.in / pallavid@nsdl.co.in , Tel: + 91 22 2499 4545/ 1800-222-990

22. Procedure for e-voting at the AGM:

- I. Only those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions by remote e-voting prior to the AGM shall be entitled to cast their vote through the e-voting at the AGM.
- II. The procedure for e-voting at the AGM is the same as the instructions mentioned above for remote e-voting.

23. Instructions for members for attending the AGM through VC/OAVM are as under:

- I. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdcl.com> by using their remote e-voting login credentials and selecting the EVEN for Company’s AGM.
- II. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
- III. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.
- IV. Members may note that the VC / OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
- V. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@kflindia.com from Sunday, September 20, 2020 (9:00 a.m. IST) to Tuesday, September 22, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- VI. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at amitv@nsdl.co.in.

24. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 22, 2020 through email on cs@kflindia.com. The same will be replied by the Company suitably.
25. Mr. Hemant Shetye, Partner, M/s. HS Associates, Company Secretaries (FCS no. 2827 and COP no. 1483) has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM, in a fair and transparent manner.
26. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
27. The result declared along with the Scrutinizer’s Report will be placed on the Company’s website i.e. www.kflindia.com and on NSDL’s website i.e. <https://www.evoting.nsdcl.com>. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT FOR ITEM NO. 3

Pursuant to Section 139 of the Companies Act, 2013 and the rules made thereunder, the Statutory Auditors are required to retire mandatorily on completion of tenure of 10 years.

M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Registration No. 103523W) (**'Haribhakti'**) were appointed as Statutory Auditors of the Company at the 22nd Annual General Meeting (**'AGM'**) held on September 29, 2010 and thereafter at every AGM till September 26, 2014 in accordance with Section 224 of the erstwhile Companies Act, 1956.

Consequent to enactment of Companies Act, 2013, Haribhakti, were appointed as the Statutory Auditors of the Company at the 27th AGM held on September 26, 2014 for a period of 5 (Five) consecutive years in accordance with Section 139 of the Companies Act, 2013 read with the rules made thereunder. Further, Haribhakti were re-appointed as Statutory Auditors at the 32nd AGM held on September 24, 2019, to hold office upto the ensuing AGM.

Since Haribhakti would be completing their term of 10 years as the Statutory Auditors of the Company, they are required to mandatorily retire at the ensuing AGM as per Section 139 of the Companies Act, 2013.

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company have recommended the appointment of M/s DMKH & Co., Chartered Accountants (Firm Registration No. 116886W) (**'DMKH'**) as Statutory Auditors of the Company, for a period of five (5) consecutive years from the conclusion of the 33rd AGM till the conclusion of 38th AGM of the Company to be held in the year 2025, subject to the approval of shareholders of the Company.

DMKH is a firm of Chartered Accountants based Mumbai found by Mr. Durgesh Kumar Kabra Fellow Member of the Institute of Chartered Accountants of India and an Insolvency Practitioner in the year. DMKH has 15 partners and team of more than 150 professionals.

DMKH provides a whole range of services including Audit & Assurance, Direct and Indirect Taxation, Internal Controls Review & Audit, Financial and Management Consultancy, Risk Advisory, Mergers & Acquisitions and Business Valuations.

DMKH has its branch networks in major cities like Bhilwara, Gandhinagar, Ankleshwar, Jaipur, Surat, Udaipur, Pune, New Delhi. Their Head office is situated at 803-804, Ashok Heights, Nicco Circle, Near Bhuta School, Old Nagardas X Road, Gundavali Andheri (East), Mumbai – 400069.

No Director and Key Managerial Personnel of the Company nor their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set out at Item no. 3 for the approval by the shareholders of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 4

Re-appointment of Ms. Bindu Shah as an Independent Director

In line with the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 including the Rules made thereunder ('the Act') and the erstwhile Listing Agreement, Ms. Bindu Shah was appointed as Independent Director of the Company at the Annual General Meeting ('AGM') of the Company held on September 25, 2015, to hold office for 5 (five) consecutive years for a term up to September 24, 2019.

The Board of Directors of the Company and the Nomination and Remuneration Committee have evaluated her as an Independent Director and on the basis of the said evaluation have concluded that she fulfils her responsibilities towards the Company in a professional and ethical manner, actively participate in discussions during the Board and Committee meetings and act objectively and constructively while bringing an independent opinion during deliberations at the said meetings. The Board considers that her continued association would be of immense benefit to the Company.

It is now proposed that she be re-appointed for a second term of 5 (five) consecutive years, commencing from September 25, 2020 till September 24, 2025 and approval of Members by way of Special Resolution to be passed at the ensuing AGM.

Ms. Bindu Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Company has also received declaration from her that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Company has also received separate notice in writing from a member, proposing her candidature for the office of Director of the Company.

In the opinion of the Board, she also fulfills the conditions for her re-appointment as Independent Director as specified in the Act and the Listing Regulations. She is independent of the management.

Details of the Directors required to be provided pursuant to Regulation 26(4) and 36(3) of the Listing Regulations and SS – 2 (Secretarial Standards on General Meetings) are provided as an Annexure to this Notice.

Except for Ms. Bindu Shah, Independent Director of the Company, no other Director, Key Managerial Personnel of the Company nor their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set out at Item no. 4 for the approval by the shareholders of the Company.

Item No. 5

Ratification of Remuneration payable to Cost Auditors for the financial year ending March 31, 2021

The Board on the recommendation of the Audit Committee has approved the appointment of Ms. Ketki D. Visariya, Cost Accountant, Mumbai as Cost Auditor for the financial year ending March 31, 2021 at a remuneration of ₹ 0.90 lakh plus applicable taxes and out of pocket expenses.

Pursuant to provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders. Accordingly, the consent of the shareholders is sought for passing a resolution as set out at Item no. 5 for ratification of remuneration payable to the Cost Auditor.

No Director and Key Managerial Personnel of the Company nor their respective relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set out at Item no. 5 for the approval by the shareholders of the Company.

By Order of the Board
For **Kamadgiri Fashion Limited**

Gaurav K. Soni
Company Secretary
Membership No. 55040

Mumbai
September 03, 2020

Registered Office

A-403, 'The Qube',
off. M.V. Road, Marol, Andheri (East),
Mumbai – 400059.

ANNEXURE TO THE NOTICE

Additional Details of Directors seeking appointment/re-appointment/fixation of remuneration at the 33rd Annual General Meeting [Pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings)] are as follows:

Name of Director	Mr. Tilak Goenka	Ms. Bindu Shah
Age	34 years	45 years
Date of 1st Appointment	August 14, 2018	September 25, 2015
Qualification	Post Graduate Diploma in Family Managed Business	B.Com (H), FCS, PGDBM
Expertise in specific functional areas	Business Development, Monitoring and guiding on product development and design innovation, Development of IT infrastructure, system and administration	Legal and Corporate Laws, Corporate Governance and ethics
Other Directorships as on July 27, 2020	<ul style="list-style-type: none"> • Jagruti Synthetics Limited • Raheja Princess Apartments Private Limited 	<ul style="list-style-type: none"> • Fineotex Chemical limited
Committee Membership / Chairmanship Committee of other Boards as on July 27, 2020[#]	-	-
Last Remuneration Paid (2019-20)	₹ 44.60 Lakhs	-
Sitting fees paid	-	₹ 0.98 Lakhs
Shareholding (no. of equity shares) as on March 31, 2020	4,96,102	-
Number of Meetings of the Board attended during the year	4	4

[#]Membership of statutory committees