



KAMADGIRI FASHION LIMITED

**ANNUAL
REPORT | 2020-2021**



Reusable Face Mask



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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 Kumat

Chief Financial Officer

Mr. Jagdish Prasad Dave

Company Secretary

Mr. Gaurav K. Soni

Statutory Auditors

M/s. DMKH & Co.

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) 41583131
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).

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, Embassy 247, L.B.S Marg,
Vikhroli (West), Mumbai – 400083.
Tel No.: (+91 22) 28515606/49186000/49186270
Email: rnt.helpdesk@linkintime.co.in

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 34th Annual Report on the business and operation of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2021.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Income from Operations	13,991.11	29,303.99
Other Income	377.11	34.36
(Loss) / Profit before exceptional items and tax	(800.14)	(488.02)
Exceptional Items	-	53.40
(Loss) / Profit before tax	(800.14)	(541.42)
Less: Provision for current tax	-	-
Less: Tax adjustment of earlier years	-	-
Less: Net deferred tax assets	(221.31)	(145.74)
(Loss) / Profit after tax	(578.83)	(395.68)
Other Comprehensive Income	36.05	19.49
Earning per share of ₹ 10/- each		
Basic (in ₹)	(9.86)	(6.74)
Diluted (in ₹)	(9.86)	(6.74)

COMPANY'S PERFORMANCE

Financial year 2020-21 has been a challenging year for the Company. During the year under review, the Company has achieved a turnover of ₹ 13,991.11 Lakhs as compared to ₹ 29,303.99 Lakhs in the previous year. The Company has opted alternate plans and tapped available opportunities to continue to run its operations and has involved itself in production of PPE Kits, Masks etc in addition to its regular production activities. The Loss after tax for the financial year 2020-21 was ₹ (578.83) Lakhs as compared to Loss after tax of ₹ (395.68) Lakhs during the previous year.

FUTURE PLAN

The operations of the Company have been impacted by the restricted business operations due to restrictions imposed to curb spread of COVID-19 pandemic during the last financial year 2019-20 and the impact of the same is elongating in the financial year 2020-21 too. The Company had now gradually started to open all its office(s), manufacturing unit(s) and warehouse(s), as per the guidelines of respective governments / local authorities from time to time. The Company is in the business of manufacturing of fabrics and readymade apparels which is a discretionary consumption product and though physical sales has suffered major setback during lockdown, online textile industry witnessed a big spurt in sales. The post-Covid era has provided a big opportunity for the online textile industry. The Company expects that demand for products of the Company is expected to rise very fast and would further improve with increase in consumer confidence. In the year 2021, e-retailers will prove to be a big game-changer by playing a pivotal role in recovery of the Indian economy in the post-Covid era. It has been predicted by Company that the trend of increased sales in the online textile industry will continue to persist in the future as well.

Online shoppers have already tasted the convenience, trust, and comfort of shopping on the Internet and will continue to enjoy and avail benefits in the future as well. Accordingly, it is assumed that e-retailers will emerge as the biggest winners in this entire success journey of the online textile industry.

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 RESERVES

In view of losses, the Board has decided not to transfer any amount to General Reserves for the financial year ended March 31, 2021.

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:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. 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, 2021 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, 2021, 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, Ms. Bindu Shah, the Independent Director of the Company, was reappointed at the Annual General Meeting (**'AGM'**) of the Company held on September 29, 2020 to hold office for a further term of 5 (five) years.

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

Mr. Pradip Kumar Goenka, Chairman and Managing Director and Mr. Tilak Goenka, Executive Director were re-appointed and appointed respectively at the AGM of the Company held on September 25, 2018 to hold office for a term of 3 (Three) years. Based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board it is proposed that these Directors be re-appointed for a further term of 3 (Three) consecutive years, subject to the approval of the Members of the Company at the ensuing AGM.

In terms of Regulation 17(6)(e) of the Listing regulations approval of shareholders is also being sought for approval of remuneration exceeding 5% of net profit being paid to Mr. Pradip Kumar Goenka and Mr. Tilak Goenka, Executive Directors of the Company.

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 of the Listing Regulations is appended as an annexure to 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. The appointment of Directors are made based on merit, apart from compliance of legal and contractual requirements, that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the NRC might consider relevant for the Board to function effectively. While appointing any person as an Independent Director, utmost care is to be taken as to the independence of such person.

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

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. The Company Secretary act as a Secretary of Audit Committee.

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.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

During the year under review, M/s. DMKH & Co., Chartered Accountants, Mumbai were appointed as statutory auditors of your Company at the 33rd (Thirty Third) AGM held on September 29, 2020 for a term of 5 (five) consecutive years and they hold office till the conclusion of 38th (Thirty-Eight) AGM.

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditor

The Company has appointed M/s. HS Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2020-21 in terms of provisions of Section 204 of the Act. The Secretarial Audit Report for the year ended March 31, 2021 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 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 2021-22. 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 2019-20 was filed with the Ministry of Corporate Affairs.

REPORTING OF FRAUDS

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/>.

CORPORATE SOCIAL RESPONSIBILITY

The company has constituted a Corporate Social Responsibility committee (CSR committee) in accordance with Section 135 of the Act. The Board of directors of the company has based on recommendation made by CSR committee, formulated and approved CSR Policy of the company and which has also been placed on website at a weblink : <https://www.kflindia.com/wp-content/uploads/2019/01/CORPORATE-SOCIAL-RESPONSIBILITY.pdf>

The disclosure including inter-alia the composition of CSR committee and the brief outline of CSR Policy as per Rule 8 of Companies (Corporate Social Responsibility policy) Rule 2014 is made in prescribed form which is annexed to this report as **Annexure A**.

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.

ANNUAL RETURN

In terms of provisions of Section 134 and 92(3) of the Act, an Annual Return in prescribed format is 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.

MATERIAL CHANGES AND COMMITMENTS

Your directors further state that there were no material changes have been taken place, other than as provided in this report, that could have an impact on the financial position of the company from the date of closure of financial year under review till the date of signing of this report.

VIGIL MECHANISM

The company has established a vigil mechanism to provide a framework to promote responsible and secure whistle blowing and to provide a channel to the employee(s) and director to report to the management, concern about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy/ies of the company as adopted /framed from time to time. The mechanism provide for adequate safeguard against victimization of employees and directors to avail of the mechanism and also provide for direct access to the chairman of the audit committee in exceptional cases.

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

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

PARTICULARS OF EMPLOYEES

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 D** 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 AND ADEQUACY OF INTERNAL FINANCIAL CONTROL

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.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aim at prevention of harassment of employees and lay down the guideline for identification reporting and prevention of sexual harassment. The company has complied with the provision relating To Internal Complaint Committee (ICC). Further ICC is responsible for redressal of complaint related to sexual harassment and follow the guideline as provided in the policy.

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, 2021:

Year of Dividend	Date of declaration	Last date for claiming due amount
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, 2,420 Equity shares and ₹ 20,515/- as unclaimed dividend 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.

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2021.

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

**June 28, 2021
Mumbai**

**Pradip Kumar Goenka
Chairman & Managing Director**

ANNEXURE A

Annual Report on CSR Activities for Financial Year 2020-21

1. Brief outline on CSR Policy of the Company

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.

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Pradip Kumar Goenka	Chairman	2	2
2.	Mr. Rahul Mehta	Member	2	2
3.	Mr. Anil Biyani	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

i. <https://www.kflindia.com/committee-of-directors/>

ii. <https://www.kflindia.com/wp-content/uploads/2019/01/CORPORATE-SOCIAL-RESPONSIBILITY.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1.	N.A	Nil	Nil
TOTAL		Nil	Nil

6. Average net profit of the company as per section 135(5). : ₹ 438.66 lakh

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 8.77 lakh

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c). : ₹ 8.77 lakh

8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
8.80	Nil	-	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) S.R No	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation Direct (Yes/No).	(11) Mode of Implementation-Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Plantation of 10,000 trees at SHAHID PULWAMA VAN. and also created fencing around it for safeguarding & borewell is developed for watering. Also lake development & water restoration work	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	yes	GUJRAT	VALSAD	1 year	8.80 lakh	8.80 lakh	Nil	NO Through implementing agency	Enviro creators foundation	291312
	TOTAL	-	-	-	-	-	8.80 lakh	8.80 lakh	Nil	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(1) S.R No	(2) Name of the Project.	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹).	(7) Mode of implementation - Direct (Yes/No).	(11) Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR Registration number.
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 8.80 lakhs
- (g) Excess amount for set off, if any : Nil

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	8.77 Lakh
(ii)	Total amount spent for the Financial Year	8.80 Lakh
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.03 Lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

S.R No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
-	-	-	-	-	-	-	-
-	TOTAL	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

(a) Date of creation or acquisition of the capital asset(s).

Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset.

Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

Mr. Tilak Goenka
 (Executive Director)

Mr. Pradip Kumar Goenka
 (Chairman CSR Committee)

Place: Mumbai
Date: June 28, 2021

ANNEXURE B

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR FINANCIAL YEAR ENDED ON MARCH 31, 2021

[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, 2021, 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, 2021, 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 in general 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. Board shifted Registered office of the Company vide its circular resolution dated September 03, 2020 from B-104, The Qube, off M. V. Road, Marol, Andheri (East), Mumbai – 400059 to A-403, The Qube, off M. V. Road, Marol, Andheri (East), Mumbai – 400059, with effect from September 03, 2020. In compliance with provisions of Section 117 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014.
2. Changed its Registrar and Share Transfer Agent ('RTA') from Sharex Dynamic (India) Private Limited to Link Intime India Private Limited pursuant to merger of operations of existing RTA i.e. Sharex Dynamic (India) Private Limited with new RTA Link Intime India Private Limited w.e.f. August 31, 2020.
3. Due to anticipated weakening of demand outlook owing to the nationwide lockdown and due to the outbreak of COVID-19 pandemic and its effect on operating and financial performance of the Company credit rating of the Company was revised to [ICRA]BB+ for Long term (Bank Facilities) and [ICRA]A4+ for Short Term Rating (Bank Facilities) by ICRA Limited as on April 22, 2020. Further, due to Weakening of revenues coupled with losses emanating from muted demand condition for domestic apparels and fabrics in the current fiscal and Dependence on working capital borrowings in the current fiscal due to elongated receivables from its major customers was revised to [ICRA]BB (Negative) for Long term (Bank Facilities) and [ICRA]A4 for Short Term Rating (Bank Facilities) by ICRA Limited as on November 06, 2020.
4. The Company at its 33rd Annual General Meeting held on Tuesday, September 29, 2020 passed following resolutions:
 - a. An Ordinary Resolution for appointment of M/s. DMKH & Co, Chartered Accountants (Firm Registration No. 116886W)), as the Statutory Auditors of the Company and to fix their remuneration for a period of 5 (Five) years pursuant to section 139 read with Companies (Audit and Auditors) Rules, 2014;
 - b. A Special Resolution for re-appointment of Ms. Bindu Shah as an Independent Director 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, 2021.
5. Board transferred 2,420 (Two Thousand Four Hundred and Twenty) equity shares and ₹20,515/- (Rupees Twenty Thousand Five Hundred and Fifteen only) as unpaid/unclaimed dividend and shares lying against them to Investor Education and Protection Fund authority for the financial year ended 2012-13 pursuant to Section 124(5) of the Act read with applicable rules made thereunder.

**For HS Associates
Company Secretaries**

**Hemant S. Shetye
Partner**

**FCS No.: 2827
CP No.: 1483**

Date: 28th June, 2021

Place: Mumbai

ICSI UDIN: F002827C000527450

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: 28th June, 2021

Place: Mumbai

ICSI UDIN: F002827C000527450

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KAMADGIRI FASHION LIMITED** having CIN **L17120MH1987PLC042424** and having registered office at **B-104, THE QUBE M.V. ROAD, MAROL, ANDHERI (EAST) MUMBAI- 400059** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have 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 other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	ANIL L BIYANI	00005834	29/05/2012
2.	RAHUL MEHTA NARENDRA	00165521	14/02/2011
3.	PRADIP KUMAR NARAYAN PRASAD GOENKA	00516381	26/08/2015
4.	TILAK PRADIP GOENKA	00516464	14/08/2018
5.	SANJEEV MAHESHWARI	02431173	14/02/2011
6.	BINDU DARSHAN SHAH	07131459	21/03/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For HS Associates
Company Secretaries

Hemant Shetye
Partner
FCS: 2827
COP: 1483
Mumbai.
Date: 28th June, 2021
ICSI UDIN: F002827C000527483

ANNEXURE C

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

June 28, 2021
 Mumbai

Pradip Kumar Goenka
 Chairman & Managing Director

ANNEXURE D**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 2020-21, ratio of the remuneration of Managing Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2020-21 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 2020-21 (₹ in Lakhs)	% increase in remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director to MRE for Financial Year 2020-21
Mr. Pradip Kumar Goenka (Chairman & Managing Director)	20.70	Nil	13.81%
Mr. Tilak Goenka (Executive Director)	17.70	Nil	11.81%
Mr. Anil Biyani (Non-Executive Director)	0.44	N.A.	N.A.
Mr. Rahul Mehta (Independent Director)	1.08	N.A.	N.A.
Mr. Sanjeev Maheshwari (Independent Director)	1.04	N.A.	N.A.
Ms. Bindu Shah (Independent Director)	1.08	N.A.	N.A.
Mr. Jagdish Prasad Dave (Chief Financial Officer)	08.87	Nil	N.A.
Mr. Gaurav K. Soni (Company Secretary)	04.16	Nil	N.A.

- II. The MRE of the Company during the financial year was ₹1.50 Lakhs previous year it was ₹ 1.75 Lakhs.
- III. The decrease in MRE in the financial year 2020-21, as compared to the financial year 2019-20 by 14.32% .
- IV. There were 1712 permanent employees on the rolls of Company as on March 31, 2021.
- V. Average percentage decrease made in the salaries of employees other than the managerial personnel in financial year i.e. 2020-21 was 29.62% . As regards, comparison of managerial remuneration of 2020-21 over 2019-20, 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.

For and on behalf of the Board

**June 28, 2021
Mumbai**

**Pradip Kumar Goenka
Chairman & Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMIC SCENARIO

Last year, the coronavirus pandemic and shutdown measures to contain it plunged the Indian economy into a recession for the first time in nearly a quarter of a century. Although domestic consumption declined, Despite the downturn last year, India become the fastest-growing G20 economy in 2021. Although, the second wave and new virus variants have now posed a new risk to growth. For India to achieve its growth potential, the government will need to implement an effective vaccination rollout and promote a more resilient, inclusive and sustainable economy. India's economy has reached a "decisive point", which requires reforms over the next 12 to 18 months to create jobs for millions of workers between now and 2030.

Although India's economy has gradually been shifting away from agriculture and towards services, manufacturing, and industries, the government will need to support workers' transitions out of agriculture – which still employs a large segment of the working population in rural regions. As part of their recent budget, India has included programmes to revive the economy, but with renewed uncertainty and key reforms still needing implementation across various sectors, leading experts are pointing out that measures that regenerate investment, integrate cleantech solutions into the economy and upskill the workforce will help drive India's recovery and long-term sustainable growth.

INDIAN TEXTILES INDUSTRY

Indian textile industry is the second largest producer of textiles in the world with a massive raw material and textiles manufacturing base. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. Economy of India is largely dependent on the textile manufacturing and trade in addition to other major industries. Indian textile industry is one of the largest contributors to the country's exports.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings.. The textiles sector is the second largest provider of employment after agriculture. Thus, growth and all-round development of this industry has a direct bearing on the improvement of the India's economy.

KEY GROWTH DRIVERS FOR INDIA

- Technology. The technology sector had a great year in 2020.
- Service Sector. It is the fastest-growing sector in the Indian economy and is a key driver of India's economic growth.
- Health and Nutrition Products.
- Healthcare Sector.
- Infrastructure.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

- Production-Linked Incentive (PLI) Scheme in Man-made fiber and technical textiles with financial outlay under Atmanirbhar Bharat package

- Availability of skilled manpower
- Large and growing domestic market
- It is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry.

THREATS

- Competitive manufacturing costs
- Obsolete Machinery
- Erratic Power Supply
- Low Productivity of Labour

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. Previous year setup ,readymade garment manufacturing unit at Sanjan, Gujarat is also gradually achieve its optimum capacity. "Risqué" Men's Casual Shirt Brand, is gaining foot hold in the online market. 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 Risqué face mask" – An antiviral and antibacterial mask.

OUTLOOK

The second wave and new virus variants 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 improve, the Company is gradually moving forward. "**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 Risqué 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 a well-established and robust internal control systems in place which are commensurate with the nature of its businesses, size & scale and complexity of its operations. Roles and responsibilities are clearly defined and assigned. internal audits are undertaken on a continuous basis by a reputed CA firm and Corporate Audit team of the Group covering all units and

business operations periodically to independently validate the existing controls. The Internal audit program is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE SALES

The Company's Sales were at ₹ 13,991.11 Lakhs for the financial year ended March 31, 2021 as against ₹ 29,303.99 Lakhs in the previous financial year. Because of second wave and new virus variants have posed various challenges to the overall operations and business of the Company.

LOSS/PROFIT BEFORE TAX

Loss Before Tax of the Company for the financial year ended March 31, 2021 stood at ₹ (800.14) Lakhs as against Loss after tax of ₹ (541.42) Lakhs in the previous financial year. The operations of the Company have been impacted by the restricted business operations due to restrictions imposed to curb spread of COVID-19 pandemic during the last financial year 2019-20 and the impact of the same is elongating in the financial year 2020-21 too.

INTEREST

Interest & other borrowing cost outflow is ₹ 810.74 Lakhs for the financial year ended March 31, 2021 as against ₹ 783.15 Lakhs in the previous financial year.

NET LOSS/PROFIT

Net Loss of the Company for the financial year ended March 31, 2021 stood at ₹ (578.83) Lakhs as against Loss of ₹ (395.68) Lakhs in the previous financial year. Because of second wave and new virus variants have posed various challenges to the overall operations and business of the Company.

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 ₹ 8583.16 Lakhs as at March 31, 2021. Return on Capital employed during 2020-21 is 0.12% as compared to 2.67% during the previous financial year 2019-20.

SURPLUS MANAGEMENT

The Company had incurred cash losses of ₹ (143.11) Lakhs for the financial year ended March 31, 2021 as compared to cash profit of ₹ 181.50 Lakhs in the previous financial year.

SIGNIFICANT FINANCIAL RATIOS

Particulars	2020-21	2019-20
Operating profit margin (%)	(3)	20
Net profit margin (%)	(4.27)	(1.36)
Debtors turnover (times)	2.84	5.68
Inventory turnover (times)	2.21	3.24
Debt equity ratio (times)	1.58	1.34
Current ratio (times)	1.10	1.15
Interest service coverage ratio (times)	1.31	1.23
Return on Net worth (%)	(15)	(9)

Debt- Equity ratio of the company has increased from 1.34 in the previous financial year to 1.58 as a March 31, 2021

The operations of the Company have been impacted by the restricted business operations due to restrictions imposed to curb spread of COVID-19 pandemic during the last financial year 2019-20 and the impact of the same is elongating in the financial year 2020-21

EARNINGS PER SHARE ('EPS')

The Company's Basic EPS has decreased from ₹ (6.74) in the previous financial year to ₹ (9.86) and Diluted EPS has decreased from ₹ (6.74) in the previous financial year to ₹ (9.86) for the financial year ended as on March 31, 2021.

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 1,712 as on March 31, 2021. 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, 2021, 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’**). Your Company ensures compliance with the regulations 17 to 27 read with Chapter V and clause (b) to (i) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the applicable provisions of the Companies Act, 2013 including amendments thereto (the **“Act”**).

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, 2021 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	1	2	1	-
Mr. Rahul Mehta (Non-Executive & Independent)	Gini & Jony Limited	1	6	2	-
Mr. Sanjeev Maheshwari (Non-Executive & Independent)	Mudra Share & Stock Broker Limited	1	1	2	-
Ms. Bindu Shah (Non-Executive & Independent)	Fineotex Chemical Limited	1	-	3	-
Mr. Tilak Goenka (Promoter & Executive)	None	-	2	-	-

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 2020-21, 4 (Four) Board Meetings were held i.e. on July 27, 2020, September 15, 2020, November 12, 2020 and February 12, 2021. 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	Present	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. The Board is of the opinion that all of the Independent Directors are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement and they continued to demonstrate these characteristics during 2020-21.

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

Further, a certificate from a Company Secretary in Whole time Practice certifying that none of the Directors on the Board of the Company has been debarred or disqualified by the SEBI/ MCA or any such statutory authority from being appointed or continuing as a Director of the Company is annexed herewith.

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

Except Mr. Tilak Goenka and Mr. Pradip Kumar Goenka who are relatives, no other Directors of the Company are inter-se related.

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 2020-21, i.e. on July 27, 2020, September 15, 2020, November 12, 2020 and February 12, 2021.

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 July 27, 2020 and February 12, 2021.

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, 2021 are given as under:

Name of Director	Salary p.a. (₹ in Lakh)	Fixed Component – Contribution to Provident Fund (₹ in Lakh)	Bonus, Benefits & Other Allowances	Service Contract (Years)	Notice Period (Months)	Severance Fees (₹)
Mr. Pradip Kumar Goenka	20.70	-	Nil	3	3	Nil
Mr. Tilak Goenka	17.70	-	Nil	3	3	Nil

The details of sitting fees paid to the Non-Executive Directors of the Company during the year ended March 31, 2021 are given as under:

Name of the Director	Mr. Rahul Mehta	Mr. Sanjeev Maheshwari	Mr. Anil Biyani	Ms. Bindu Shah
Sitting fees (₹ in Lakh)	1.08	1.04	0.44	1.08

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-justice 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 July 27, 2020 and February 12, 2021.

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:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) 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.
- (4) 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

During the year 2020-21, Mr. Gaurav K. Soni, Company Secretary acted as the compliance officer of the Company.

During the financial year 2020-21, there were no complaints received by the Company. There was no complaint pending as on March 31, 2021.

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 July 27, 2020 and February 12, 2021.

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 6 (Six) 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
2019-20	September 29, 2020	10:00 a.m.	A- 403, , The Qube, off M. V. Road Marol, Andheri (East) Mumbai 400059	1
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

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 generally 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 2020-21 and Notice of 34th 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.

Presentations, if any, are first discussed to the stock exchange before they are communicated to the institutional investor & analysis. They are also hosted on the website of the company.

11. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Day, Date and Time: Thursday, September 27, 2021 at 10:00 a.m. through Video Conferencing / Other Audio-Visual Means

b) Financial Year

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

c) Listing on Stock Exchange

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

d) Listing Fees

Listing fees for the year 2021-22 has been paid to BSE where shares of the Company are listed.

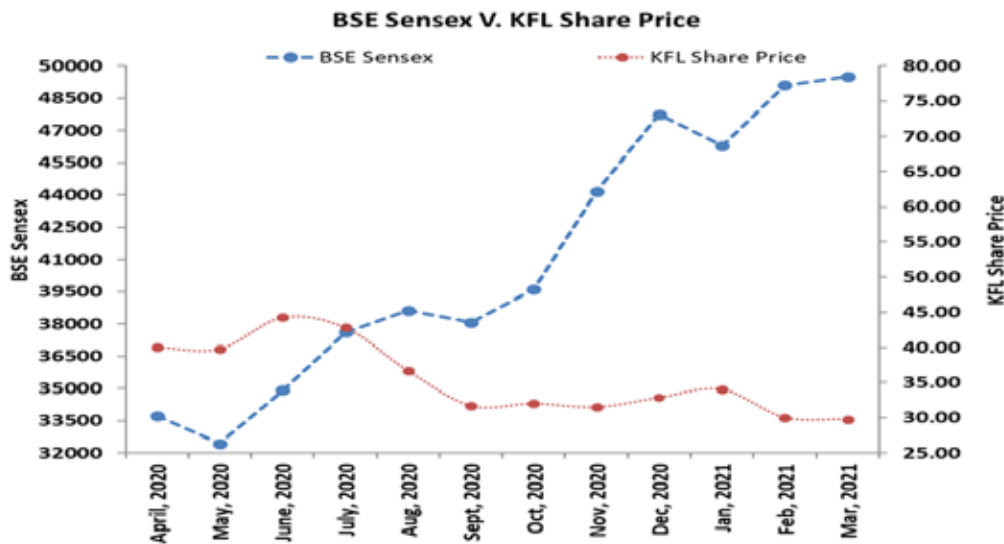
e) Stock Code & ISIN

Stock Code at BSE is 514322. ISIN is INE535C01013.

f) 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, 2021 was as follows:

Month	(Amount in ₹)		Volume
	High	Low	
April, 2020	40.00	31.40	1,405
May, 2020	42.00	36.10	983
June, 2020	51.40	34.50	2,759
July, 2020	46.45	38.25	11,158
August, 2020	44.00	31.30	65,828
September, 2020	40.35	27.50	26,189
October, 2020	42.00	25.20	15,485
November, 2020	36.50	25.00	25,722
December, 2020	37.50	28.15	32,479
January, 2021	38.70	29.00	44,355
February, 2021	41.00	29.10	24,328
March, 2021	34.00	28.70	15,192

ii. Performance of the stock in comparison to BSE Sensex

g) Registrar and Share Transfer Agent

The Company has appointed Link Intime India Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

Link Intime India Pvt. Ltd.
 C-101, Embassy 247, L. B. S. Marg,
 Vikhroli (West), Mumbai – 400083.
 Tel No.: (022) 49186270
 Fax No.: (022) 49186060
 Email: rnt.helpdesk@linkintime.co.in

h) Share Transfer System

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.

i) **Distribution of shareholding as on March 31, 2021**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Upto 500	1,429	88.05	2,14,291	3.66
501 – 1000	71	04.37	55,985	0.95
1001 – 5000	90	05.55	2,11,675	3.60
5001 – 10000	9	0.55	64,106	1.09
10001 and above	24	1.48	53,23,314	90.7
Total	1,623	100.00	58,69,371	100.00

Categories of Shareholders as on March 31, 2021

Category	Number of shares	% of Shareholding
Promoters	18,14,330	30.91
Banks/MFs/FIs/NBFCs/Central Govt./State Govt./ Institution/IEPF	25,377	0.43
Private Bodies Corporate	30,95,180	52.73
Indian Public	9,26,761	15.80
NRIs/OCBs	7,594	0.13
Clearing Members	129	NA
Total	58,69,371	100.00

j) **Dematerialisation of shares**

About 99.16% of the shares have been dematerialised as on March 31, 2021. 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.

k) **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.

l) **Credit ratings**

During the year under review, ICRA Ltd. revised the credit rating twice. On April 22, 2020, credit rating of the Company was revised to [ICRA]BB+ for Long term (Bank Facilities) and [ICRA]A4+ for Short Term Rating (Bank Facilities), due to anticipated weakening of demand outlook owing to the nationwide lockdown and due to the outbreak of COVID-19 pandemic and its effect on operating and financial performance of the Company. On November 06, 2020, was further revised to [ICRA]BB (Negative) for Long term (Bank Facilities) and [ICRA]A4 for Short Term Rating (Bank Facilities), due to Weakening of revenues coupled with losses emanating from muted demand condition for domestic apparels and fabrics in the current fiscal and Dependence on working capital borrowings in the current fiscal due to elongated receivables from its major customers.

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

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

n) **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

A-403, 'The Qube', off. M. V. Road Marol,
Andheri (E), Mumbai - 400059.
Tel: (+91 22) 41583131
Email: cs@kflindia.com
Website : www.kflindia.com

Link Intime India Pvt. Ltd.

Unit: **Kamadgiri Fashion Limited**
 C-101, Embassy 247, L. B. S. Marg,
 Vikhroli (West), Mumbai – 400083.
 Tel No.: (022) 49186270
 Fax No.: (022) 49186060
 Email: rnt.helpdesk@linkintime.co.in

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, 2021.

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.
- 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 Policy and Vigil Mechanism in place. The policy also provides a direct access to the Chairperson of the Audit Committee in exceptional cases. 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) There were no equity shares lying in the demat suspense account/ unclaimed suspense account as on March 31, 2021.
- h) 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.

- i) 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
- j) 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.
- k) 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.
- l) Total fees paid to the statutory auditor for all services:

Sr. No.	Particulars of Service	Amount (₹ in Lakhs)
1.	Statutory Audit	6.00
2.	Tax Audit	1.50
3.	Limited Review	1.50
4.	Company Law Matters	1.00
Total		10.00

- m) **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.

No. of complaints filed during 2020-21	No. of complaints disposed of during 2020-21	No. of complaints pending as at March 31, 2021
Nil	N.A.	Nil

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 2020-21.
- d) **Separate posts of Chairman and CEO:** The position of Chairman and Managing Director are 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

The Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2021.

For Kamadgiri Fashion Limited

June 28, 2021
Mumbai

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. We, DMKH & Co, Chartered Accountants, the Statutory Auditors of Kamadgiri Fashion Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 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.
6. 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.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation 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 para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2021.
8. 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

9. 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 **DMKH & Co.**
Chartered Accountants
Firm Registration Number: 116886W

Place: Mumbai
Date: June 28, 2021
UDIN: 21447848AAAAAP3170 (generated on August 4, 2021)

Anant Nyatee
Partner
Membership Number: 447848

INDEPENDENT AUDITOR'S REPORT

To
The Members
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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA's"). 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 the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note No. 6 of the Statement, which describes uncertainties and management's assessment of the impact of the COVID-19 pandemic on the operations and financial results of the Company. Further, due to Covid-19 related lock down restrictions, management was able to perform year end physical verification of Inventory and Fixed Assets at certain locations after the year end. We were unable to physically observe the verification of inventory and Fixed Assets that was carried out by the management and have relied on the management's representation provided for the same.

Our opinion is not modified in respect of this matter.

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 period. 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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>1. External Confirmations</p> <p>COVID-19 has impacted the procedure of external confirmation request to vendors and customers at the year-end and therefore, positive external confirmation request was sent through electronic mode. However, due to suspension of business activities of the many confirming parties, most confirmations were not received. The Company seeks and had sought confirmations from vendors and customers during the year.</p> <p>In such events, we auditors performed alternative audit procedures.</p> <p>This matter is considered to be key audit matter given the circumstances of the year-end confirmations under COVID-19 vis-à-vis non-COVID-19 scenario.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> Revised assessed risk and modify our audit procedures to mitigate these risks; Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.; Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions;

Key Audit Matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> • Performed alternative audit procedures like <ul style="list-style-type: none"> - For accounts receivable balances: scrutiny of ledger accounts and verification of subsequent receipts; - For accounts payable balances: scrutiny of ledger accounts and other documents/records, such as bills from vendors and subsequent payments.
2. Carrying value of Trade Receivables	
<p>The recoverability of Trade Receivables and the level of provisions for doubtful debts are considered to be a significant risk due to the pervasive nature of these balances to the Financial Statements and the importance of cash collection with reference to the working capital management of the business.</p> <p>As at March 31, 2021, Trade receivables constitutes approximately 33.36% of total assets of the Company.</p> <p>Expected credit loss involves judgement as it must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Management has made provision for expected credit loss of ₹ 18.87 lacs.</p> <p>The company is required to regularly assess the recoverability of its Trade Receivables, Hence it is a key audit matter in our audit of Ind AS Financial Statements.</p>	<p>Our audit procedures in respect evaluation of receivables included the following:</p> <ul style="list-style-type: none"> • Tested the ageing of trade receivables and receipts subsequent to the year-end; • Evaluated Management's assessment of the current financial situation of the major entities whose balances are receivable as the year-end. • Assessed the Company's expected credit loss calculations made in determining the recoverable amount. • Sent and obtained confirmations for major parities possible. • Assessed the design and implementation of key Controls around the monitoring of recoverability.
3. Valuation of Inventories	
<p>The net carrying value of inventory as on 31st March 2021 is 34.12% of Total Assets of the Company.</p> <p>Sales in the industry can be extremely volatile with the consumer demand changing significantly (Seasonal) based on current trends. As a result there is a risk that the carrying value of inventory exceeds its net Realizable Value.</p> <p>Hence we have determined valuation of inventories as a Key Audit Matter.</p>	<p>Our audit procedures with respect to valuation of inventories included the following:</p> <ul style="list-style-type: none"> • Evaluating the rationality of Inventory Policies such as the policy of inventory valuation and provision for obsolescence and understanding whether the valuation of inventory was performed in accordance with the Companies Policy. • Analyzing the inventory aging report and net realizable value Of Inventories. • Inspecting the post period sales situation and evaluating the net realizable value of measurement applied on aging inventory in order to verify the evaluation accuracy of the estimated inventory allowance by the company. • On account of COVID we could not perform the physical verification of inventory, however we have relied on managements inventory count procedures where quantities counted for selected samples were compared with quantities recorded. • We have also evaluated a section of controls over inventory existence across the company.
4. Revenue Recognition	
<p>Revenue is an important measure used to evaluate the performance of the company. There is a risk that the revenue is presented for amounts higher than what has been actually generated by the company.</p> <p>Consequently We Considered Revenue Recognition To Be A Significant Key Audit Matter.</p>	<p>Our audit procedures with respect to Revenue recognition included the following:</p> <ul style="list-style-type: none"> • Inspecting underlying documentation for any book entries which were considered to be material on a sample basis. • Inspecting the key terms and conditions of agreements with major customers on a sample basis to assess if there were any terms and conditions that may have affected the accounting treatment of the revenue recognition. • The accuracy and completeness of revenue was verified through Cut-Off testing and Analytical Reviews. • Assessing the design implementation existence and operating effectiveness of Internal Control Procedures implemented as well as test of details to ensure accurate processing of Revenue Transactions.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, 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 during the course of our 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.

Management's Responsibilities 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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.

The 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 these 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 financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.
- Obtain sufficient appropriate audit evidence regarding Ind AS Financial Statements of the Company to express an opinion on the Ind AS Financial Statements.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Company does not have any branches. Hence, the provisions of section 143(3)(c) is not applicable.
 - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - e) In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rule issued there under to the extent applicable to the Company.
 - f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) 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, as amended, 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.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DMKH & CO.
Chartered Accountants
Firm Registration Number: 116886W

Anant Nyatee
Partner

Membership Number: 447848
UDIN: 21447848AAAAAJ1134

Place: Mumbai
Date: June 28, 2021

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kamadgiri Fashion Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls over financial reporting of **KAMADGIRI FASHION LIMITED** (the “Company”) as of March 31, 2021 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For DMKH & CO.

Chartered Accountants

Firm Registration Number: 116886W

Anant Nyatee

Partner

Membership Number: 447848

UDIN: 21447848AAAAAJ1134

Place: Mumbai

Date: June 28, 2021

Annexure ‘B’ to the Independent Auditor’s Report

(Referred to in Paragraph 2 under the heading of “Report on other Legal and Regulatory Requirements” of our report to the members of Kamadgiri Fashion Limited of even date)

Report on the Companies (Auditor’s Report) Order, 2016, issued in terms of Section 143(11) of the Companies Act, 2013 (“the Act”) of Kamadgiri Fashion Limited (“the Company”):

- i. In respect of company’s Property, Plant and Equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - b. The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - 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 Management has conducted physical verification of inventory at regular intervals during the year. In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noted on verification between physical stocks and the book records were not material having regard to the size of the Company and nature of its business.
- iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the order are 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. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Therefore, paragraph 3(v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanation given to us, maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. 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. According to the information and explanation given to us, in respect of statutory dues:
 - a. The Company has been generally regular during the year, in depositing undisputed statutory dues, including Provident Fund, Employees’ State insurance, Income-Tax, Goods and Service Tax, Cess and other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-Tax, , Goods and Service tax, Custom Duty, Cess and other material statutory dues 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 Statute	Nature of Dues	Amount in ₹ (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	125.33	2010-2011*, 2011-2012* 2018-2019*.	CIT (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	31.02	2001-2002, 2002-2003.	Commissioner (Appeals)
Maharashtra Value Added Tax Act, 2002	VAT	815.06	2014-2015, 2015-2016	Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	CST	32.15	2014-2015	Joint Commissioner (Appeals)

*Assessment Year

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a banks. Further there are no borrowings from financial institution, government or dues to debenture holders.
- ix. In our opinion and according to the information and explanation given by the management, we are of the opinion that money raised by Company by way of term loan has been applied for the purpose for which they were raised. The Company did not raise any money by way of Initial Public offer or further public offer.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the 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 Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For DMKH & CO.
Chartered Accountants
Firm Registration Number: 116886W

Anant Nyatee
Partner
Membership Number: 447848
UDIN: 21447848AAAAAJ1134

Place: Mumbai
Date: June 28, 2021

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31, 2021	As at Mar 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	2,859.28	3,058.06
Capital work-in-progress	2	-	28.47
Right of use Assets		676.11	1,262.40
Investment property	3	-	39.82
Intangible Assets	2	40.16	30.75
Intangible Assets under development	2.1	23.49	37.76
Financial Assets			
Other Financial Assets	4	239.45	208.36
Deferred tax assets (net)	5	276.48	67.30
Current Income tax assets (Net)	13	55.35	39.69
Other non current assets	6	10.09	22.94
Total Non-Current Assets		4,180.41	4,795.55
Current Assets			
Inventories	7	5,034.51	5,540.45
Financial Assets			
Trade Receivables	8	4,922.08	4,634.60
Cash and Cash Equivalents	9	37.73	18.22
Bank Balances other than above	10	12.89	51.45
Loans	11	18.50	18.43
Others Financial Assets	12	76.61	107.97
Other Current Assets	14	473.76	480.80
Total Current Assets		10,576.08	10,851.92
Total Assets		14,756.49	15,647.47
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	586.94	586.94
Other Equity	16	2,740.66	3,283.45
Total Equity		3,327.60	3,870.39
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	345.19	424.39
Lease Liability		580.32	997.21
Other financial liabilities	18	543.68	517.78
Provisions	19	314.08	315.71
Other non current liabilities	20	-	54.57
Total Non-Current Liabilities		1,783.27	2,309.66
Current Liabilities			
Financial Liabilities			
Borrowings	21	4,365.42	4,571.79
Lease Liability		187.15	319.41
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	22	295.81	287.86
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	2,679.10	2,766.42
Other Financial Liabilities	23	1,488.64	1,353.15
Other Current Liabilities	24	590.70	128.67
Provisions	25	38.80	40.12
Total Current Liabilities		9,645.62	9,467.42
Total Equity and Liabilities		14,756.49	15,647.47

Notes along with significant accounting policies form an integral part of the financial statements 1 to 46

As per our Report of even date.

For **DMKH & Co.**

Chartered Accountants
ICAI FRN No. 116886W

Anant Nyatee

Partner
Membership No. 447848

Date : June 28, 2021
Mumbai

For and on behalf of the Board

Pradip Kumar Goenka

Chairman & Managing Director
DIN No. 00516381

Jagdish Prasad Dave

Chief Financial Officer

Tilak Pradip Goenka

Director
DIN No. 00516464

Gaurav K. Soni

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

PARTICULARS	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
REVENUE			
I. Revenue From Operations	26	13,991.11	29,303.99
II. Other Income	27	377.11	34.36
III. Total Revenue (I+II)		14,368.22	29,338.35
IV. EXPENSES			
Cost of Materials Consumed	28	5,769.77	13,395.11
Purchases of Stock-in-Trade	-	1,960.41	4,634.21
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	946.62	477.23
Employee Benefits Expense	30	2,115.42	4,114.18
Finance Costs	31	810.74	783.15
Depreciation and Amortization Expenses	2	657.03	722.92
Other Expenses	32	2,908.37	5,699.57
Total Expenses (IV)		15,168.36	29,826.37
V. (Loss) / Profit Before Exceptional Items and Tax (III-IV)		(800.14)	(488.02)
VI. Exceptional Items		-	53.40
VII. (Loss) / Profit Before Exceptional Items and Tax (V-VI)		(800.14)	(541.42)
VIII. Tax Expense			
(1) Current Tax	41	-	-
(2) Deferred Tax (Net)	41	(221.31)	(145.74)
(3) Tax adjustment earlier year	41	-	-
		(221.31)	(145.74)
IX. (Loss) / Profit For The Year (VII-VIII)		(578.83)	(395.68)
X. Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
a) Remeasurement of defined employee benefit plans		48.17	26.04
b) Income tax relating to above		(12.12)	(6.55)
Other Comprehensive Income For The Year		36.05	19.49
XI. Total Comprehensive Income For The Year (IX + X)		(542.78)	(376.19)
Earnings Per Equity Share of Face Value of ₹ 10/- each			
Basic	35	(9.86)	(6.74)
Diluted	35	(9.86)	(6.74)

Notes along with significant accounting policies form an integral part of the financial statements 1 to 46

As per our Report of even date.

For **DMKH & Co.**
Chartered Accountants
ICAI FRN No. 116886W

Anant Nyatee
Partner
Membership No. 447848

Date : June 28, 2021
Mumbai

For and on behalf of the Board

Pradip Kumar Goenka
Chairman & Managing Director
DIN No. 00516381

Jagdish Prasad Dave
Chief Financial Officer

Tilak Pradip Goenka
Director
DIN No. 00516464

Gaurav K. Soni
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

PARTICULARS	Year Ended March 31, 2021	Year Ended March 31, 2020
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax after exceptional items	(800.14)	(541.40)
Adjustments for :		
Depreciation and amortisation expense	657.03	722.92
(Gain) / Loss on sale of Property, Plant and Equipments (Net)	(272.95)	3.03
Interest income	(0.68)	(6.78)
Finance costs	810.74	783.15
Allowance for Bad and Doubtful Debts	(3.75)	(12.20)
	1,190.39	1,490.12
Operating Profit before Working Capital changes	390.25	948.72
Movement in working capital :		
Decrease / (Increase) in Inventories	505.94	347.80
(Increase)/Decrease in Trade Receivable	(287.48)	980.54
(Increase) in Loans & Advances	(0.07)	(6.22)
(Increase)/Decrease in Others Financial Assets	0.27	(84.45)
(Increase) in Other Current and Non Current Assets	4.22	(87.14)
(Decrease) in Trade Payable	(79.37)	(276.09)
(Decrease) / Increase in Other Current and Non-Current Liabilities	407.46	(80.00)
(Decrease) in Other financial liabilities	161.39	(52.23)
Increase in Provisions	(2.97)	31.93
	709.39	774.14
Cash generated from operations	1,099.64	1,722.86
Income Tax Paid	-	(61.50)
	1,099.64	1,661.36
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Inflow:		
Sale of Property, Plant and Equipments	292.16	6.78
Interest Received/(Paid)	0.68	4.30
	292.84	11.08
Outflow:		
Purchase of Property, Plant and Equipments	(281.34)	(757.86)
Purchase of Intangible Assets	(9.41)	(46.62)
	2.09	(793.40)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Inflow:		
Proceeds from Long Term Borrowings	586.29	383.75
Proceeds from Short Term Borrowings (Net)	-	(6.94)
	586.29	376.81
Outflow:		
Repayment of Long Term Borrowings	(349.56)	(167.28)
Repayment of Short Term Borrowings	(206.37)	-
Interest Paid	(810.74)	(759.09)
Dividend Paid	-	(141.52)
Payment of Lease Liability	(301.85)	(162.49)
	(1,668.52)	(1,230.38)
NET CASH USED IN FINANCING ACTIVITIES	(1,082.23)	(853.57)
Net Increase In Cash And Cash Equivalents (A+B+C)	19.51	14.39
Opening Balance Of Cash And Cash Equivalents	18.22	3.83
Closing Balance Of Cash And Cash Equivalents	37.73	18.22
Notes to Cash Flow Statements:		
Cash & Cash Equivalents comprise of:		
Cash on hand	8.94	8.31
Bank Balances with Scheduled Banks:		
In Current Accounts	28.79	9.91
TOTAL	37.73	18.22

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, 2020	Net Cash Flow	Non Cash Changes		As At March 31, 2021
			Fair Value Changes	Current/Non Current Classification	
Borrowings Non current	424.39	465.75	-	(544.95)	345.19
Other Financial Liabilities	174.58	915.32	-	(544.95)	544.95
Borrowings current	4,571.79	(206.37)	-	-	4,365.42

As per our Report of even date.

For **DMKH & Co.**

Chartered Accountants
ICAI FRN No. 116886W

Anant Nyatee
Partner
Membership No. 447848

Date : June 28, 2021
Mumbai

For and on behalf of the Board

Pradip Kumar Goenka
Chairman & Managing Director
DIN No. 00516381

Jagdish Prasad Dave
Chief Financial Officer

Tilak Pradip Goenka
Director
DIN No. 00516464

Gaurav K. Soni
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
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 Other Equity
	Reserves and surplus				
	Securities premium reserve	Capital reserve	General reserve	Retained Earnings	
As at April 1, 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
Loss for the year	-	-	-	(578.83)	(578.83)
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Other Comprehensive Income					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	36.04	36.04
As at March 31, 2021	731.66	37.00	670.02	1,301.98	2,740.66

As per our Report of even date.

For **DMKH & Co.**Chartered Accountants
ICAI FRN No. 116886W**Anant Nyatee**Partner
Membership No. 447848Date : June 28, 2021
Mumbai

For and on behalf of the Board

Pradip Kumar GoenkaChairman & Managing Director
DIN No. 00516381**Jagdish Prasad Dave**

Chief Financial Officer

Tilak Pradip GoenkaDirector
DIN No. 00516464**Gaurav K. Soni**

Company Secretary

Notes to Financial Statements for the year ended March 31, 2021

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 A-403, "The Qube" M.V. Road, Marol, Andheri (East), Mumbai - 400 059.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 28, 2021.

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. 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.

V. 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.

VI. 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.

VII. **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.

VIII. **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.

IX. **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.

X. 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.

XI. 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.

XII. 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.

XIII. 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.

XIV. 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.

XV. 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.

XVI. 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.

XVII. 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.

XVIII. 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.

XIX. Standard issued but not yet effective

There are no standards that are issued but not yet effective on March 31, 2021

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, 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	-	876.93
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	142.87	62.12	67.47	37.97	4,683.65
As at April 1, 2020	49.91	740.24	3,362.11	220.96	142.87	62.12	67.47	37.97	4,683.65
Additions	-	34.96	216.29	6.75	9.57	6.46	1.89	-	275.91
Disposals	(2.23)	(44.55)	(160.58)	(22.68)	(1.70)	(0.04)	(0.12)	-	(231.90)
Balance at March 31, 2021	47.68	730.65	3,417.82	205.03	150.74	68.54	69.24	37.97	4,727.67
Accumulated Depreciation									
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	58.83	32.76	40.15	9.59	1,625.59
As at April 1, 2020	-	83.20	1,358.04	43.02	58.83	32.76	40.15	9.59	1,625.59
Depreciation charge for the year	-	30.47	287.53	21.31	12.25	6.90	10.32	5.85	374.63
Disposals	-	(8.81)	(101.34)	(12.54)	(4.78)	(4.29)	(0.08)	-	(131.84)
Balance at March 31, 2021	-	104.86	1,544.23	51.79	66.30	35.37	50.39	15.44	1,868.30
Net carrying amount									
As at March 31, 2021	47.68	625.79	1,873.59	153.24	84.44	33.17	18.85	22.53	2,859.28
As at March 31, 2020	49.91	657.04	2,004.07	177.94	84.04	29.36	27.32	28.38	3,058.06

2. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount at the beginning of the year	28.47	139.07
Additions during the year	-	28.47
Capitalised during the year	(28.47)	(139.07)
Carrying amount at the end of the year	-	28.47

2. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Amount
Software	
Gross Carrying amount	
As at April 1, 2019	49.20
Additions	15.64
Disposals	-
Balance as at March 31, 2020	64.84
Additions	17.66
Disposals	-
Balance as at March 31, 2021	82.50
Accumulated Amortisation	
As at April 1, 2019	27.40
Amortisation charge for the year	6.69
Disposals	-
Balance as at March 31, 2020	34.09
Amortisation charge for the year	8.25
Disposals	-
Balance as at March 31, 2021	42.34
Net carrying amount	
As at March 31, 2021	40.16
As at March 31, 2020	30.75

2.1 RIGHT OF USE ASSETS

(₹ in Lakhs)

Particulars	Amount
Office Premises	
Gross Carrying amount	
Balance as at April 1, 2020	1,554.77
Recognition on transition to Ind AS 116 (Refer Note 40)	-
Additions	110.64
Disposals	422.78
Balance as at March 31, 2021	1,242.63
Accumulated Amortisation	
Balance as at April 01, 2020	292.37
Depreciation charge for the year	274.15
Disposals and Transfer	-
Balance as at March 31, 2021	566.52
Net carrying amount	
Balance as at March 31, 2021	676.11
Balance as at March 31, 2020	1,262.40

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, 2019	42.93
Balance as at March 31, 2020	42.93
Disposals	(42.93)
Balance as at March 31, 2021	-
Accumulated Depreciation	
As at April 1, 2019	2.34
Depreciation charge for the year	0.78
Balance as at March 31, 2020	3.12
Depreciation charge for the year	(3.12)
Balance as at March 31, 2021	-
Net Carrying amount	
As at March 31, 2021	-
As at March 31, 2020	39.82

*Refer Note No. 1.2 Point No. III

4. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Deposit with others*	171.00	142.04
Electricity deposits	40.21	57.55
Fixed Deposits with Bank	28.24	8.77
TOTAL	239.45	208.36

* Includes Deposits to Related Party. (Refer Note No. 37)

5. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	57.10	60.30
Provision for Compensated absences	25.15	22.70
Property, Plant and Equipment	(156.87)	(179.76)
Unabsorbed tax losses	287.71	100.98
Others	63.39	63.08
TOTAL	276.48	67.30

6. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advance	9.50	19.31
Prepaid Expenses	0.59	3.63
TOTAL	10.09	22.94

7. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Charged by way of hypothecation against borrowings of the Company.)		
Raw Materials and components	1,617.96	1,227.07
Work-in-progress	1,540.19	1,661.88
Finished goods	1,720.30	2,489.13
Stores, Spares and Others	156.06	162.37
(Refer Note No. 1.2 Point No. VII)		
TOTAL	5,034.51	5,540.45

8. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Charged by way of hypothecation against borrowings of the Company.)		
Unsecured, considered good	4,922.08	4,634.60
Credit impaired	21.42	27.33
TOTAL	4,943.50	4,661.93
Less: allowance for bad and doubtful debts receivables	(21.42)	(27.33)
TOTAL	4,922.08	4,634.60

9. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
On Current Accounts	28.79	9.91
Cash on Hand	8.94	8.31
TOTAL	37.73	18.22

10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed Dividend account *	7.85	8.05
Fixed deposits with original maturity for more than 3 months but less than 12 months	5.04	43.40
TOTAL	12.89	51.45

* Earmarked for payment of unclaimed dividend

11. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
<u>Loans receivables considered good-Unsecured</u>		
Advance to Staff	18.50	18.43
TOTAL	18.50	18.43

12. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued But Not Due	6.40	12.59
Interest Subsidy & Interest Receivable	63.07	90.46
Security Deposits and Other Advances	7.14	4.92
TOTAL	76.61	107.97

13. CURRENT INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax [(Net of Advance tax of ₹ 1714.59 Lakhs (as at March 31st, 2020 ₹ 1656.49 Lakhs)]	55.35	39.69
TOTAL	55.35	39.69

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance other than capital advances		
Prepaid Expenses	21.41	54.34
Balances with Government Authorities	394.51	364.73
Other Advances	57.84	61.73
TOTAL	473.76	480.80

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	58,69,371.00	586.94
Add: issued During the Year	-	-
As at end of the year	58,69,371.00	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 % shares equity shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	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

Particulars	Other Equity				(₹ in Lakhs)
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total Other Equity
As at April 1, 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
Loss for the year	-	-	-	(578.83)	(578.83)
Dividends on equity shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Other Comprehensive Income					
Remeasurement of defined benefit obligation (net of tax)	-	-	-	36.04	36.04
As at March 31, 2021	731.66	37.00	670.02	1,301.98	2,740.66

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**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured		
(a) From Bank		
Term Loans (Refer Note 17.1)	272.51	424.11
Covid Loans (Refer Note 17.1a)	72.68	-
Vehicle Loans (Refer Note 17.2)	-	0.28
TOTAL	345.19	424.39

17.1 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.

17.1a Covid Loan from bank amounting of ₹ 490 Lakhs sanctioned during the FY 2020-2021 and end on FY 2022-2023. The Same is repayable in 36 Monthly installments of ₹ 26.73 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 7.40 % p.a to 12.15 % 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 2015-2016 and end on FY 2020-2021. The loan is repayable in 59 instalments of ₹ 0.28 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, 2021	As at March 31, 2020
Deposits from Dealers & Agent	543.68	517.78
TOTAL	543.68	517.78

19. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (Refer Note 34)	232.87	239.44
Compensated Absence	81.21	76.27
TOTAL	314.08	315.71

20. OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Others	-	-
Deferred Lease Expenses	-	54.57
TOTAL	-	54.57

CURRENT LIABILITIES

21. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loans repayable on demand (Refer Note 21.1)		
From Bank		
Cash credit from bank	2,830.35	3,047.88
Working Capital Demand Loan	1,535.07	1,523.91
TOTAL	4,365.42	4,571.79

21.1 Cash credit 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 @ 7.45% p.a to 12.00% p.a and the same is repayable on demand.

22. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) total outstanding dues of micro enterprises and small enterprises (Refer Note 22.1)	295.81	287.86
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,679.10	2,766.42
TOTAL	2,974.91	3,054.28

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(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	295.81	283.44
Interest due on above	17.43	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	17.43	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.

23. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of long term borrowings	544.95	174.58
Interest accrued and due	-	24.15
Unclaimed dividend	7.85	8.05
Acceptance	-	99.99
Capital Creditors	23.24	89.26
Employee Dues	292.71	350.79
Liabilities towards Incentive & discount	447.00	481.79
Others Liabilities	172.89	124.54
TOTAL	1,488.64	1,353.15

24. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue received in advance		
Advance Received from Customers	521.01	38.30
Others		
Statutory Dues	69.69	90.36
TOTAL	590.70	128.66

25. PROVISION

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (Refer to Note No. 34)	20.05	26.18
Compensated Absence	18.75	13.94
TOTAL	38.80	40.12

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Products	12,710.49	28,419.44
Sales of services (Job charges Received)	856.42	647.38
Other operating revenues	424.19	237.17
TOTAL	13,991.11	29,303.99

(₹ in Lakhs)

Reconciliation of Gross Revenue with the Revenue from Contracts with Customers	Year Ended March 31, 2021	Year Ended March 31, 2020
Gross Revenue	14,362.02	29,908.33
Less: Incentive & Discounts	(370.91)	(604.34)
Net Revenue recognised from Contracts with Customers	13,991.11	29,303.99

27. OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income on -		
Bank Deposits	0.68	6.78
Secutiry Deposits	10.19	6.55
Lease income	37.54	0.82
Other non operating income	27.88	8.01
Profit on Sale of Property, Plant and Equipments / Investment Properties	297.07	-
Reversal of Allowance of Doubtful Debts	3.75	12.20
TOTAL	377.11	34.36

28. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Inventory at the beginning of the year	1,227.07	1,048.30
Add: purchases	6,216.76	13,573.88
	7,443.83	14,622.18
Less : Inventory at the end of the year	1,674.06	1,227.07
COST OF MATERIAL CONSUMED	5,769.77	13,395.11

29. CHANGES IN INVENTORIES OF FINSHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening Inventories		
Finished goods*	2,489.13	1,506.74
Work-in-Progress	1,661.88	3,174.90
TOTAL	4,151.01	4,681.64
Closing Inventories		
Finished goods	1,664.20	2,542.53
Work-in-Progress	1,540.19	1,661.88
TOTAL	3,204.39	4,204.41
TOTAL	946.62	477.23

* Difference in opening stock is due to last years write down of inventories to the net realizable value aggregating ₹ 53.40 lakhs (refer note no. 44)

30. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, Wages and Bonus	1,847.46	3,722.02
Contribution to Provident and Other Funds (Refer Note 34.1)	245.67	317.95
Staff Welfare Expenses	22.29	74.21
TOTAL	2,115.42	4,114.18

31. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest expenses*	772.92	711.62
Other borrowing cost	37.82	71.53
TOTAL	810.74	783.15

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

32. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
MANUFACTURING EXPENSES		
Consumption of stores, spare parts and others	162.27	349.42
Consumption of Packing Materials	127.98	305.35
Power and fuel	376.41	598.18
Job Work Charges	1,162.54	2,764.63
Repairs and Maintenances-Buildings.	3.79	21.01
Repairs and Maintenances-Machinery.	22.02	39.55
Repairs and Maintenances-Others.	92.95	113.73
Travelling and conveyance	66.83	152.21
Brokerage and commission	134.47	278.91
Advertisement and marketing expenses	211.98	169.00
Freight outward charges	152.54	333.96
CSR Expenses (Refer Note 43)	8.80	27.60
Lease rent amortization	0.21	-
Legal and professional fees	124.68	171.45
Loss on Sale of Property, Plant and Equipments	24.11	3.03
Insurance	57.10	35.55
Payment to the auditor (Refer note 33)	11.21	18.21
PPE Discarded	54.72	-
Miscellaneous expenses	113.76	317.78
TOTAL	2,908.37	5,699.57

33. PAYMENT TO THE AUDITORS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Audit Fee	6.00	9.25
(b) For Taxation matters	1.50	1.75
(c) Company Law matters	2.50	6.00
(d) Other services	1.00	1.00
(e) Reimbursement of expenses	0.21	0.21
TOTAL	11.21	18.21

34. 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, 2021	Year Ended March 31, 2020
Employers' contribution to provident fund	122.94	213.00

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 ₹ 12.31 lakhs (previous year ₹ 19.51 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, 2021	Year Ended March 31, 2020
Discount rate per annum	6.79%	6.82%
Expected rate of salary increase	3.00%	3.00%
Mortality rate	IALM (20012-14) ultimate, duly modified	IALM (20012-14) ultimate, duly modified

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Withdrawal rates:		
- Upto 30 years	3% to 5%	3% to 5%
- 31 to 44 years	2%	2%
- 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, 2021	Year Ended March 31, 2020
Current Service Cost	37.57	37.52
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	37.57	37.52
Interest Expense on DBO	17.44	18.93
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	17.44	18.93
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	55.00	56.45
Remeasurements - Due to Demographic Assumptions	-	14.12
Remeasurements - Due to Financial Assumptions	0.85	(44.13)
Remeasurements - Due to Experience Adjustments	(49.02)	3.97
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	(48.17)	(26.04)
Total Defined Benefit Cost recognized in P&L and OCI	6.83	30.41
Discount Rate	6.79%	6.82%
Salary Escalation Rate	3.00%	3.00%

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	As at March 31, 2021	As at March 31, 2020
Net Defined Benefit Liability / (Asset) at the beginning	265.23	261.27
Defined Benefit Cost included in P & L	55.00	56.45
Total Remeasurements included in OCI	(48.17)	(26.04)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(19.14)	(26.45)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at the end	252.92	265.23

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Employer contribution	19.14	26.45
Remeasurement gains/(losses):	-	-
- Return on plan assets (higher)/lower than discount rate	-	-
Benefits paid	(19.14)	(26.45)
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, 2021	Year Ended March 31, 2020
Opening defined benefit obligation	265.23	261.27
Current service cost	37.57	37.52
Past service cost	-	-
Interest cost	17.44	18.93
Remeasurement (gains)/losses:		
- Actuarial (gain)/loss from changes in financial assumptions	0.85	(44.13)
- Actuarial (gain)/loss from changes in demographic assumptions	-	14.12
- Actuarial (gain)/loss arising from experience adjustments	(49.02)	3.97
Benefits paid by employer	(19.14)	(26.45)
Benefits paid from plan assets	-	-
Closing defined benefit obligations	252.92	265.23

(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	252.92	0.00%
Salary Escalation - Up by 1%	286.33	13.20%
Salary Escalation - Down by 1%	224.56	-11.20%
Withdrawal Rates - Up by 1%	263.55	4.20%
Withdrawal Rates - Down by 1%	240.60	-4.90%
Discount Rates - Up by 1%	226.88	-10.30%
Discount Rates - Down by 1%	283.94	12.30%

(f) **Maturity Profile of Defined Benefit Obligations**

Expected Cash flow for following years:

Year 1	20.05
Year 2	9.04
Year 3	11.73
Year 4	16.41
Year 5	13.87
Year 6	14.51
Year 7	21.99
Year 8	16.51
Year 9	18.21
Year 10	17.19

The weighted average duration of the defined benefit obligation is 17.13

(g) The average expected future working life of members of the defined benefit obligation as at March 31, 2021 is 21.00 years (as at March 31,2020: 21.00 years)

(h) Best Estimate of Contribution during the next year

The Best Estimate Contribution for the Company during the next year would be ₹ 126.46 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 marker 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.

35. EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) (Loss)/profit after taxes as per statement of profit and loss attributed attributed to equity shareholders (₹ in Lakhs)	(578.83)	(395.68)
(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	(9.86)	(6.74)
(iv) Diluted Earning per share	(9.86)	(6.74)
(v) Face value per equity share	10.00	10.00

36. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Contingent Liabilities		
a) Claims against the Company not acknowledged as debt	1,045.96	1,005.62
b) Guarantees	35.90	35.90
c) Bonus Payable (As Per Revised Bonus Act)	23.64	23.64
	1,105.50	1,065.16
Commitments		
a) Other commitments - pending obligation under EPCG scheme	36.49	36.49
	36.49	36.49
TOTAL	1,141.99	1,101.65

37. 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 Pvt. 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 Kumat (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 Kumat	Relatives of the Key Management Personnel (KMP)
11	Mrs. Jyoti Kumat	

(ii) Related Party Transactions

(₹ in Lakhs)

Particulars	Transaction during the year		Outstanding Balance 31st March 2021		Outstanding Balance 31st March 2020	
	March 31, 2021	March 31, 2020	Receivable	Payable	Receivable	Payable
a) Sales of Products						
Jagruti Synthetics Pvt. Limited	77.96	41.91	-	2.00	11.54	-
b) Purchase of Goods						
Jagruti Synthetics Pvt. Limited	304.39	173.36	-	61.64	-	48.20
c) Job Charges Paid / Receipt						
Jagruti Synthetics Pvt. Limited	245.05	431.42	-	30.52	3.50	53.91
d) Rent Expenses						
Future Corporate Resources Pvt. Limited	-	85.99	-	-	-	31.14
Jagruti Synthetics Pvt. Limited	75.60	75.60	-	6.30	-	6.80
Mrs. Jyoti Kumat	3.38	5.64	-	0.28	-	0.51
e) Managerial Remuneration						
Mr. Pradip Kumar Goenka	20.17	54.00	-	2.25	-	4.50
Mr. Tilak Goenka	17.70	44.60	-	3.45	-	3.45
f) Salary						
Mr. Abhay Kumat	35.06	100.00	-	3.86	-	8.33
Mr. Abhas Kumat	7.84	16.95	-	1.28	-	1.28
g) Deposits Given						
Jagruti Synthetics Pvt. Limited	-	3.42	-	-	-	34.50

(iii) Directors Sitting Fees

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Mr. Sanjeev Maheshwari	1.01	0.94
Mr. Rahul Mehta	1.05	0.98
Mr. Anil Biyani	0.43	0.44
Mrs. Bindu Shah	1.05	0.98
TOTAL	3.54	3.34

38. 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.

39. 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, 2020	Office Premises	Total
Gross carrying amount		
Opening gross carrying amount	1,554.77	1,554.77
Additions	110.64	110.64
Disposals and transfers	(422.78)	(422.78)
Closing gross carrying amount	1242.63	1242.63
Accumulated depreciation		
Opening accumulated depreciation	292.37	292.37
Depreciation charged	274.15	274.15
Disposals and transfers	-	-
Closing accumulated depreciation	566.52	566.52
Net carrying amount as at March 31, 2021	676.11	676.11

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 2021
Balance as at beginning	1,316.62
Additions	110.64
Finance cost accrued during the year	-
Deletions	(456.39)
Payment of lease liabilities	203.40
Balance as at end	767.48
Non- Current	580.33
Current	187.15

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31 March 2021
Less than one year	187.16
One to five years	580.32
More than five years	-
TOTAL	767.48

Rental expense recorded for short-term leases was ₹ 16.18 Lakhs and ₹ 18.62 Lakhs for the year ended March 31, 2021 and March 31, 2020 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.

40. FAIR VALUE MEASUREMENTS

i. Categorywise classification of Financial Instruments

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2021	March 31, 2020
FINANCIAL ASSETS		
Amortised cost		
Other Non Current Financial Assets	239.45	208.36
Current		
Trade Receivables	4,922.08	4,634.60
Cash and Cash Equivalents	37.73	18.22
Bank Balances other than above	12.89	51.45
Loans	18.50	18.43
Other Financial Assets	76.61	107.97
Total	5,307.26	5,039.03

(₹ in Lakhs)

Particulars	Carrying Amount	
	March 31, 2021	March 31, 2020
FINANCIAL LIABILITIES		
Amortised cost		
Non Current		
Borrowings	345.19	424.39
Lease Liability	580.32	997.21
Other Financial Liabilities	543.68	517.78
Current		
Borrowings	4,365.42	4,571.79
Lease Liability	187.15	319.41
Trade Payables	2,974.91	3,054.28
Other financial liabilities	1,488.64	1,353.15
Total	10,485.31	11,238.01

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.

41. INCOME TAX EXPENSES

(₹ in Lakhs)

Particulars	For year Ended March 31, 2021	For year Ended March 31, 2020
(a) Income tax Expenses		
Deferred tax	(221.31)	(145.74)
Total Tax Expenses	(221.31)	(145.74)

(b) Reconciliation of tax Expenses and Accounting Profits

(₹ in Lakhs)

Particulars	For year Ended March 31, 2021	For year Ended March 31, 2020
(Loss) / Profit for the year	(800.14)	(541.42)
Tax Rates	25.168%	25.168%
Income tax expense calculated	(201.38)	(136.26)
(ii) Impact of adoption of new Tax regime U/s 115 BAA on Deferred Tax Liabilities	-	(5.91)
(iii) Tax adjustment for earlier year	-	-
(iv) Others	(19.93)	(3.57)
Income Tax Expense	(221.31)	(145.74)

(c) Deferred Tax Movements

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

Particulars						(₹ in Lakhs)
	Provision for gratuity	Provision for Compensated absences	Property, Plant and Equipment	Unabsorbed tax losses	Others	Total
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
(Charged)/credited to:	-	-	-	-	-	-
Profit or loss	(3.20)	2.45	22.89	186.73	0.31	209.18
Other comprehensive income	-	-	-	-	-	-
As at March 31, 2021	57.10	25.15	(156.87)	287.71	63.39	276.48

42. 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.

42.1 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.

42.1.1 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:

Particulars	Impact on Profit before tax	
	As at March 31, 2021	As at March 31, 2020
Interest rate - increase by 100 basis points (100 bps)*	(52.56)	(51.71)
Interest rate - decrease by 100 basis points (100 bps)*	52.56	51.71

* Holding all other variable constant

42.1.2 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).

42.2 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 ₹ 4922.08 lakhs and ₹ 4634.60 lakhs as of March 31, 2021 and March 31, 2020 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, 2021	As at March 31, 2020
0-180 days	4,468.81	4,243.84
More than 180 days	453.27	390.76
Total	4,922.08	4,634.60

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, 2021	As at March 31, 2020
Balance at the beginning of the year	27.33	37.58
Less:- Provision reversed	(5.91)	(10.25)
Balance at the end of the year	21.42	27.33

42.3 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 2021, The Company had a working capital of ₹ 930.46 Lakhs including cash and cash equivalent of ₹ 37.73 Lakhs.

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

42.3.1 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 2021				
Borrowings	4,910.37	345.19	-	5,255.56
Lease Liability	187.15	580.32	-	767.47
Trade Payables	2,974.91	-	-	2,974.91
Other Financial Liabilities	943.69	543.68	-	1,487.37
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

42.4 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	March 31, 2021	March 31, 2020
Total borrowings	5,255.56	5,170.76
Less : Cash and cash equivalents	(37.73)	(18.22)
Adjusted net debt	5,217.83	5,152.54
Total equity	3,870.39	4,388.08
Adjusted equity	3,870.39	4,388.08
Adjusted net debt to adjusted equity ratio	1.35	1.17

43. Corporate Social Responsibility Expenses

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
a) Gross Amount required to be spent by the Company during the year	8.80	15.12
b) Amount spent during the year	8.80	27.60

44. Write down of Inventories to the Net realizable value aggregating ₹ Nil (Previous Year ₹ 53.40 Lakhs) as a results of adverse impact on realisation due to Covid -19 outbreak.

45. 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.

46. 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 **DMKH & Co.**

Chartered Accountants
 ICAI FRN No. 116886W

Anant Nyatee

Partner

Membership No. 447848

Date : June 28, 2021

Mumbai

For and on behalf of the Board

Pradip Kumar Goenka

Chairman & Managing Director

DIN No. 00516381

Jagdish Prasad Dave

Chief Financial Officer

Tilak Pradip Goenka

Director

DIN No. 00516464

Gaurav K. Soni

Company Secretary

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2021

Sr. No., Employee Name, Designation, Experience (in Yrs), Date of Joining, Age, Qualification, Remuneration received (in ₹), Last Employment.

1. Mr. Abhay Kumart*, Chief Executive Officer, 40, September 29, 2009, 59, M. Com, 50,66,952/-, Stripes Apparels Ltd.; 2. Mr. Tilak Goenka#, Executive Director, 12, January 08, 2007, 35, B.M.S. and Post Graduate Diploma in Family Managed Business, 24,70,000/-, started with Kamadgiri Fashion Limited; 3. Mr. Pradip Kumar Goenka#, Chairman & Managing Director, 34, February 04, 1987, 61, Pre-University, 27,00,000/-, started with Kamadgiri Fashion Limited; 4. Mr. Mohan Menon, Chief-Planning and Distribution, 44, January 01, 2012, 65, 22,22,707/-, B.Com, Pantaloon Retail (India) Ltd.; 5. Mr. Abhas Kumart, Entrepreneur – New business & Brands, 7, June 01, 2018, 29, B.M.S, 11,75,002/-, Future Consumer Limited; 6. Mr. Pradeep Kumar Jain, AGM- Production, 30, September 15, 2018, 50, B. Com, 17,82,133/-, Goldmohur Design & Apparel Park Ltd.; 7. Mr. Gobind Bhatnagar, Genral Manager - Weaving, 30, June 19, 2020, 52, BSC (Maths) Diploma in Engineering of Textile Technology, 17,82,133/-, Shatrunjay Dyeing and Weaving Mills Ltd.; 8. Mr. Rajeev Dani, COO - True Value, 36, August 01, 2005, 54, Diploma, 12,01,321/-, Nahar Textiles Pvt. Ltd.; 9. Mr. Jagdish Prasad Dave, Chief Financial Officer, 29, October 01, 2009, 52, Chartered Accountant, 11,86,785/-, Raj Rajendra Textile Exports Ltd.; 10. Mr. Prashant Kumbhar, Manager - HR, 19, May 02, 2012, 40, Master in Management Studies, 10,32,768/-, Calyx Chemicals & Pharmaceuticals Limited;

*Pursuant to Rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, remuneration drawn is more than the Managing Director of the Company and holds more than 2% (two per cent) of the paid-up Equity Share Capital of the Company.

#Except Mr. Pradip Kumar Goenka and Mr. Tilak Goenka, who are related to each other, none of the above employees are related to any other Director of the Company.

Notes:

- 1) Remuneration shown above includes Salary, HRA, Ex-gratia, LTA, Perquisites, Variable Pay and contribution to Provident Fund etc. The monetary value of perquisite is calculated in accordance with the provisions of the Income Tax Act, 1961 and the related rules made there under;
- 2) The employees have adequate experience to discharge the responsibility assigned to him;
- 3) The nature of employment is contractual;
- 4) Terms and conditions of employment are as per policy of the Company.

For and on behalf of the Board

**June 28, 2021
Mumbai**

**Pradip Kumar Goenka
Chairman & Managing Director**

TRUE LINEN

Luxurious Everyday





KAMADGIRI FASHION LIMITED

Registered Office

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

Tel: (+91 22) 41583131

Website : www.kflindia.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) 4158 3131

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

NOTICE

NOTICE is hereby given that the 34th (Thirty Fourth) Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Monday, September 27, 2021 at 10:00 a.m. 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, 2021 together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pradip Kumar Goenka (DIN: 00516381) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To re- appoint Mr. Pradip Kumar Goenka as a Managing Director

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

“RESOLVED THAT pursuant to section 197,198, 203 and all other applicable provisions of the Companies Act, 2013 (**the “Act”**) read with Schedule V to the Companies Act, 2013 (**“Schedule”**), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), including any statutory modification to the Act, Schedule and Listing Regulations from time to time or any re-enactment thereof for the time being in force, and subject to statutory or regulatory approvals, if any, that may be required anytime during the tenure , Pradip Kumar Goenka be and is hereby re-appointed as a Managing Director of the Company for a period of 3 years effective from August 26, 2021 at a remuneration and allowances in the scale of 50,00,000 - 54,00,000/ per annum on such terms and conditions as may be agreed between the Company and Mr. Pradip Kumar Goenka or as may be prescribed under the applicable provisions of the Companies Act, 2013 or levied, imposed or otherwise obligated under any of the consents, approvals or permissions to be accorded by any of the regulatory or statutory authority while approving such re-appointment, with the powers to the Board of Directors (which term shall always be deemed to include any duly authorised committee thereof) to vary or increase the remuneration and allowances payable or to be provided to Mr. Pradip Kumar Goenka including monetary value thereof as specified herein to the extent the Board may consider appropriate or as may be permitted or authorised in accordance with the provisions of the Companies Act, 2013 for the time being in force, provided however, that the remuneration payable to Mr. Pradip Kumar Goenka at any time during his tenure shall be within such limits as may be approved by the Board of Directors, Shareholders, and/ or such other requisite authorities, as may be required.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Managing Director, the Company does not earn any profits or earns inadequate profit as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such matters, things, acts and deeds to give effect to the contents, terms, conditions or otherwise intent of this resolution.”

4. To re-appoint Mr. Tilak Goenka as an Executive Director

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

“RESOLVED THAT pursuant to section 196,197, 203 and all other applicable provisions of the Companies Act, 2013 (**the “Act”**) read with Schedule V to the Companies Act, 2013 (**“Schedule”**), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), including any statutory modification to the Act, Schedule and Listing Regulations from time to time or any re-enactment thereof for the time being in force, and subject to statutory or regulatory approvals, if any, that may be required anytime during the tenure, Mr. Tilak Goenka be and is hereby re-appointed as an Executive Director of the Company for a period of 3 years effective from August 14, 2021 at a remuneration and allowances in the scale of ₹ 35,00,000 – ₹ 80,00,000 per annum (including performance variable bonus upto ₹ 4,00,000) subject to compliance with the applicable provisions of the Companies Act, 2013 or levied, imposed or otherwise obligated under any of the consents, approvals or permissions to be accorded by any of the regulatory or statutory authority while approving such re-appointment, with the powers to the Board of Directors (which term shall always be deemed to include any duly authorised committee thereof) to vary or increase the remuneration and allowances payable or to be provided to Mr. Tilak Goenka including monetary value thereof as specified

herein to the extent the Board may consider appropriate or as may be permitted or authorised in accordance with the provisions of the Companies Act, 2013 for the time being in force, provided however, that the remuneration payable to Mr. Tilak Goenka at any time during his tenure shall be within such limits as may be approved by the Board of Directors, Shareholders, and/ or such other requisite authorities, as may be required.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Executive Director, the Company does not earn any profits or earns inadequate profit as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Executive Director the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such matters, things, acts and deeds to give effect to the contents, terms, conditions or otherwise intent of this resolution.”

5. Ratification of Remuneration payable to Cost Auditors for the financial year ending March 31, 2022

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

“**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, 2022 on a remuneration of ₹ 0.90 Lakh excluding applicable taxes thereon and other out of pocket expenses, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**Mumbai
September 4, 2021**

**Deepa Toshniwal
Company Secretary**

NOTES:

1. A statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the special business under item Nos. 3 to 5 of the AGM Notice is annexed herewith.
2. The Ministry of Corporate Affairs ("MCA") has, vide General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021 and No.10/2021 dated June 23, 2021 (collectively "MCA Circulars"), permitted the companies to hold the general meetings (including AGMs) through video conferencing or other audio visual means and pass the necessary resolutions thereat. Accordingly, the AGM of the Company is being convened and conducted through two-way video conference, in compliance with MCA Circulars and requirements of physical attendance of the members has been dispensed with.
3. In line with the MCA Circulars, the AGM Notice along with the Annual Report for 2020-21 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice will also be available on (i) the Company's website at [https:// www.kflindia.com, /annual-return/](https://www.kflindia.com/annual-return/) (ii) websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and (iii) on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.
4. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form, by writing to the Company's Registrar and Share Transfer Agent - Link Intime India Private Limited.
5. 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.
6. Pursuant to the MCA Circulars, the Company has enabled a process for the limited purpose of receiving the Company's annual report and AGM Notice (including remote e-voting instructions) electronically, the members may temporarily update their email address by accessing the link rnt.helpdesk@linkintime.co.in.
7. The Company has engaged NSDL to provide the facility to the members for attending the AGM from their respective locations through video conferencing and other audio-visual means. Detailed procedure as how to attend the AGM, are given separately.
8. The Company has availed a facility from NSDL to enable members to vote online during the remote e-voting period as well as during the AGM. Detailed procedure as how to vote electronically, are given separately.
9. As required under regulation 26(4) and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings ("SS-II"), requisite details of the Directors seeking appointment/ re-appointment at the AGM are provided in an annexure to this AGM Notice.
10. Pursuant to MCA Circulars and relaxation granted by the Securities and Exchange Board of India ("SEBI") vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular"), facility to the members to appoint of a proxy on his/ her stead, will not be available for the AGM. In view of the same, the Form of Proxy is not annexed to this AGM Notice.
11. Register of Directors and KMPs maintained under section 170 of the Act, shall be available for inspection by the members during the AGM. Members seeking to inspect such documents can send such intent through an email at cs@kflindia.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to cs@kflindia.
13. As the AGM is to be held through VC/ OAVM, the route map is not annexed to this AGM Notice.
14. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent (R & T Agent) at the following address:

Link Intime India Private Limited
C-101, Embassy 247, LBS Marg, Vikhroli (West), Mumbai 400083
Phone No. (022) 49186270; Fax No. (022) 49186060; E-mail: rnt.helpdesk@linkintime.co.in
14. 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, 2021:

Year of Dividend	Date of declaration	Last date for claiming due amount
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

15. 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.
16. Members are requested to send their queries with regard to the Annual Report at least seven days in advance to the Company through an e-mail at cs@kflindia.

Instructions for remote e-voting are as under :

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on September 24, 2021 at 09:00 A.M. and ends on September 26,2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 20,2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20/09/2021.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

Type of shareholders	Login Method
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.

4. 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***

5. Password details for shareholders other than Individual shareholders 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. 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 from your mailbox. 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) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. 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.nsd.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to < "Hemant Shetye" <hs@hsassociates.net>> with a copy marked to evoting@nsdl.co.in.
2. 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 www.evoting.nsd.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800 1020 990 and 1800 224 430 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (rnt.helpdesk@linkintime.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (rnt.helpdesk@linkintime.co.in) .. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/ AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting 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 aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (cs@kflindia.com). The same will be replied by the company suitably.
6. Registration of Speaker related point needs to be added by 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. 3

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 09, 2018 ('Amended Listing Regulations'), the remuneration payable to Executive Directors who are promoters or member of promoter group, shall be subject to the approval of the shareholders by Special Resolution at General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013 where there is more than one such director.

Mr. Pradip Kumar Goenka (DIN: 00516381) who is a part of promoter group was re-appointed as Chairman and Managing Director. In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying him remuneration even if the annual aggregate remuneration payable to Mr. Pradip Kumar Goenka, Chairman and Managing Director, exceeds 5% of the net profit of the Company as calculated under Section 198 of the Companies Act, 2013 in any year during the remaining tenure of his appointment.

Details of the Director as 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.

Information / Disclosure as required under Schedule V to the Companies Act , 2013 is given hereunder:

I. General Information:

1. Nature of Industry – The Company belongs to the textile industry and carries on the business of manufacturing and trading of fabrics and garments.
2. Date or expected date of commercial production - Commercial production has already commenced with effect from year 1992.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not applicable.
4. Financial performance based on given indicators:

(₹ in Lakhs)

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Income	13,991.11	29303.99
Loss / profit before tax	(800.14)	(541.42)
Loss / profit after tax	(578.83)	(395.68)

5. Foreign investments or collaborations - The Company is concentrating on domestic market and it is not into exporting. There is no foreign exchange collaboration.

II. Information about the Appointee

1. Background details – Mr. Pradip Kumar Goenka has been Director of the Company since inception. He has more than 39 years of experience in textile and yarn business. He is overseeing manufacturing operations of the Company.
2. During the year 2020-21, Mr. Pradip Kumar Goenka was paid total Remuneration of ₹ 20,70,000 . However , he was entitled to draw a remuneration of ₹ 54,00,000
3. Recognition and Awards – None
4. Job profile and his suitability – Mr. Pradip Kumar Goenka is entrusted with substantial power of management subject to the supervision of the Board. The job profile includes following responsibilities:
 - a. Guiding through strategic directions towards achieving business goals;
 - b. Monitoring and guiding on product development and design innovation;
 - c. Working on better utilisation of capacity;
 - d. Reduction of wastages and controlling of costs.

With his vast experience in the production, trading, procurement, business development and his matching management qualities, he is very much suitable for the above job profile.

5. Remuneration proposed – There is change no change in remuneration payable to him and he will continue to draw the remuneration of 54,00,000 Lakhs p.a.
6. Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) and commensurate with the size of the company, looking at the Company's future business opportunities, growth, profitability and affordability, it is proposed to continue the same remuneration. Accordingly, remuneration proposed for the Managing Director is justified.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any –
Mr. Pradip Kumar Goenka is a Managing Director of the company and is entitled to the remuneration and other monetary benefits as per the applicable law.

III. Other information:

1. Reasons of loss or inadequate profits – The Company is operating in a business which is very competitive, fast changing and has now very thin operating margins and because of COVID -19 pandemic during the last financial year 2019-20 and the impact of the same is elongating in the financial year 2020-21
2. Steps taken or proposed to be taken for improvement – The Company has initiated steps to control costs, better utilisation of available manufacturing facilities and investing on product innovations. The Company expects the continued focus on said measures, would help the Company to improve its profitability in the coming years.
3. Expected increase in productivity and profits in measurable terms – The Company is continuously working on increasing the productivity. However, it is very difficult to predict the profitability in prevailing scenario such as high and volatile raw material prices and inflation as well as pandemic situation.

iv. Disclosures:

Except for Mr. Pradip Kumar Goenka, Mr. Tilak Goenka, Directors of Company who are related to each other, and their relatives, none of the Directors/Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in this resolution.

Copy of the resolution of Nomination and Remuneration Committee approving re-appointment of Mr. Pradip Kumar Goenka and also copy of resolution of Board of Directors re-appointing and designating him as Chairman and Managing Director, Agreement executed with Mr. Pradip Kumar Goenka and all other relevant documents would be available for inspection between 11:00 AM to 04:00 PM on all working days till the date of Annual General Meeting.

The Board recommends the resolution set out at Item nos. 3 for the approval by the shareholders of the Company.

Item No. 4

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 09, 2018 ('Amended Listing Regulations'), the remuneration payable to Executive Directors who are promoters or member of promoter group, shall be subject to the approval of the shareholders by Special Resolution at General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013 where there is more than one such director.

Mr. Tilak Goenka (DIN: 00516464) who is a part of promoter group was re-appointed as Executive Director. In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying him remuneration even if the annual aggregate remuneration payable to Mr. Tilak Goenka, Executive Director, exceeds 5% of the net profit of the Company as calculated under Section 198 of the Companies Act, 2013 in any year during the remaining tenure of his appointment.

Details of the Director as 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.

Information / Disclosure as required under Schedule V to the Companies Act , 2013 is given hereunder:

I. General Information:

1. Nature of Industry – The Company belongs to the textile industry and carries on the business of manufacturing and trading of fabrics and garments.
2. Date or expected date of commercial production - Commercial production has already commenced with effect from year 1992.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not applicable.

4. Financial performance based on given indicators:

(₹ in Lakhs)

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Income	13,991.11	29303.99
Profit before tax	(800.14)	(541.42)
Profit after tax	(578.83)	(395.68)

5. Foreign investments or collaborations – The Company is concentrating on domestic market and it is not into exporting. There is no foreign exchange collaboration.

II. Information about the Appointee

1. Background details – Mr. Tilak Goenka has been working in the Company in different roles for past 11 years. He has more than 14 years of experience in textile industry. He conceptualised and is heading finished fabrics division of the Company.
2. During the year 2020-21, Mr. Tilak Goenka was paid total Remuneration of ₹ 17,70,000. However, he was entitled to draw a remuneration of ₹ 45,40,000
3. Recognition and Awards – None
4. Job profile and his suitability – Mr. Tilak Goenka is entrusted with leading the finished fabrics division. The job profile includes following responsibilities:
 - a. Business Development;
 - b. Guiding through strategic directions towards achieving business goals;
 - c. Monitoring and guiding on product development and design innovation;
 - d. Development of IT infrastructure, system and administration.

Considering his experience in the textile industry, role played by him in developing business of the Company and his matching management qualities, he is very much suitable for the above job profile.

5. Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) – Salary proposed to the Executive Director is very less as per the industry standards.
6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any
Mr. Tilak Goenka is a Executive Director of the company and is entitled to the remuneration and other monetary benefits as per the applicable law

iii. Other information:

1. Reasons of loss or inadequate profits – The Company is operating in a business which is very competitive, fast changing and has very thin operating margins. and because of COVID -19 pandemic during the last financial year 2019-20 and the impact of the same is elongating in the financial year 2020-21
2. Steps taken or proposed to be taken for improvement – The Company has initiated steps to control costs, better utilisation of available manufacturing facilities and investing on product innovations. The Company expects the continued focus on said measures, would help the Company to improve its profitability in the coming years.
3. Expected increase in productivity and profits in measurable terms – The Company is continuously working on increasing the productivity. However, it is very difficult to predict the profitability in prevailing scenario such as high and volatile raw material prices and inflation as well as Pandemic situation.

IV. Disclosures:

Except for Mr. Pradip Kumar Goenka, Mr. Tilak Goenka, Directors of Company who are related to each other, and their relatives, none of the Directors/Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in this resolution.

Copy of the resolution of Nomination and Remuneration Committee approving re-appointment of Mr. Tilak Goenka and also copy of resolution of Board of Directors re-appointing and designating him as Executive Director, Agreement executed with Mr. Tilak Goenka and all other relevant documents would be available for inspection between 11:00 AM to 04:00 PM on all working days till the date of Annual General Meeting.

The Board recommends the resolution set out at Item nos. 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, 2022**

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, 2022 at a remuneration of ₹ 0.90 lakh excluding applicable taxes thereon and other 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 appointment and payment 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**

**Mumbai
September 4, 2021**

**Deepa Toshniwal
Company Secretary**

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 34th 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.Pradip Kumar Goenka	Mr. Tilak Goenka
Age	62 years	35 years
Nationality	Indian	Indian
Date of first appointment	February 04, 1987	August 14, 2018
Qualification	Pre-University	Post Graduate Diploma in Family Managed Business
Expertise in specific functional areas	Strategic decision making, better utilisation of capacity, Monitoring and guiding on product development and design innovation	Business Development, Monitoring and guiding on product development and design innovation, Development of IT infrastructure, system and administration
Other Directorships	None	<ul style="list-style-type: none"> • Jagruti Synthetics Limited • Raheja Princess Apartments Private Limited
Terms and conditions of appointment	The appointments are governed under the provisions of the Companies Act, 2013 and offices are liable to retire by rotation	
Committee Membership / Chairmanship Committee in other companies	None	None
Any relationships between directors inter-se	Both directors are related to each other	
Last Remuneration Paid (2020- 21)	₹ 20.70 Lakhs	₹ 17.70 Lakhs
Shareholding (no. of equity shares)	6,49,200	4,96,102
Number of Meetings of the Board attended during the year 2020-21	4	4

