

KUMAKA

INDUSTRIES LIMITED

CIN: L99999MH1973PLCO16315



46th

Annual Report
2019-20

KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2019-20

CIN: L99999MH1973PLC016315

(Incorporated on 13-02-1973)

46th Annual Report 2019-20

CORPORATE INFORMATION

Board of Directors

Shri Pankaj Kadakia

Chairman & Managing Director

Dr. Indula Panchal

Non Executive Woman Director

Dr. Niranjana Pandya

Non Executive Independent Director

Dr. T. D. Tiwari

Non Executive Independent Director

Mr. Bharat A Parikh

Chief Financial Officer

Ms. Chandni Pansuriya

Company Secretary

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.

B-102 & 103, First Floor,

Shangrilla Complex, OPP. HDFC Bank,

Nr. Radhakrishna Char-rasta,

Akota, Vadodara-390020

Tel. No.: 0265-2356573/6794

Fax No.: 0265-2356791

e-mail: alpesh.gandhi@linkintime.co.in

REGISTERED OFFICE:

404, Sharda Chambers,

33, New Marine Lines,

Churchgate,

Mumbai-400020

STATUTORY AUDITORS

M/s. SCA & Associates

Chartered Accountants,

Mumbai

CORPORATE OFFICE

&

CORRESPONDENCE ADDRESS:

B. P. C. Road, Vadodara-390005

Ram Krishna Chambers,

5b, 5th Floor,

Tel. No.: 0265-2330019

SECRETARIAL AUDITORS

M/s Devesh Pathak & Associates,

Practicing Company Secretaries

Vadodara

FACTORY/PLANT :

Plot No. 180- GIDC,

Sidhpur Industrial Estate,

Abu- Ahmadabad Highway - 384151

website: www.kumukaindustries.com

e-mail: secretarial@kumukaindustries.com

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NOTICE

Dear Member(s),

NOTICE is hereby given that the 46th Annual General Meeting (AGM) of the Members of *KUMAKA INDUSTRIES LIMITED*, will be held on Monday, September 21, 2020 at 04.00 p.m. through video conferencing (VC)/Other Audio Visual Means (OVAM), to transact the business as given below. The venue of the meeting shall be deemed to be the Registered Office of the Company at 404 Sharda Chambers, 33, New Marine Lines, Churchgate, Mumbai. 400020:

Ordinary Business:

1. **To receive, consider and adopt the Audited Financial Statement for the year ended on March 31, 2020 along with the reports of the Board of Directors' and Auditors' thereon.**
2. **To appoint a Director in place of Mr. Pankaj Kadakia (DIN-00166339), who retires by rotation and being eligible, offers himself for re-appointment.**

Special Business:

3. **To approve Contract/Arrangement for Related Party transactions between the Company and Shri Manilal Harilal Kadakia Charitable Trust.**

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other provisions, applicable if any of the Companies Act, 2013 ("Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Shri Manilal Harilal Kadakia Charitable Trust., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for Sale of mineral water, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 50 Lakhs per annum w.e.f. 1st April, 2020 for the period of five years, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

Date: 18th July, 2019
Place: Mumbai

By the Order of the Board,

Pankaj M Kadakia
Chairman and Managing Director
(DIN-00166339)

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NOTES

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') with respect to the Special Business set out in the notice is annexed hereto and forms part of this notice.

2. COMMUNICATION TO MEMBERS

- (i) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC without the physical presence of Members at a common venue. In compliance with these MCA Circulars, the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
- (ii) Since, the AGM is being conducted through VC/OAVM in terms of aforesaid circular the facility for appointment of proxies by the members will not be available. However, body corporate shareholders may appoint representative for voting through remote e-voting or for participation and e-voting in the AGM to be held through VC/OAVM.
- (iii) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.kumakaindustries.com; websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- (iv) Members attending the meeting through VC shall only be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- (v) Copy of annual report and notice of AGM will also be available on the website of the Company at www.kumakaindustries.com and at the website of www.linkintime.co.in. Soft copies of the full annual report will be sent to those shareholders who will request the same.
- (vi) All the documents referred to in the accompanying notice, will be available for inspection at the registered office of the Company on all working days except Saturday and Sunday, between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
- (vii) In case you have any query relating to the enclosed financial statements, you are requested to send the same to the Company Secretary at the Corporate office of the Company or on email Id "secretarial@kumakaindustries.com", at least 10 days before the date of AGM so as to enable the management to keep the information ready.

3. BOOK CLOSURE:

Register of Members and Share Transfer Books of the Company will remain closed from Monday, 14th September, 2020 to Monday, 21st September, 2020 (both days inclusive) for the Annual General Meeting.

4. CUT OFF DATE:

(i) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Monday, 14th September, 2020 (the "Cut-off Date") only shall be entitled to vote through Remote E-voting or at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-off date.

5. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration- fill in the details and upload the required documents and submit.

OR

(ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

6. VOTING BY MEMBERS

The voting period begins on 18th September, 2020 at 09:00 am and ends on 20th September, 2020 at 05:00 pm. During this period shareholders of the Company, as on the cut-off date Of 14th September, 2020, may cast their vote electronically.

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/members holding shares in **physical form shall provide Event No + Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
- Shareholders/members holding shares in **NSDL demat account shall provide 'D', above**
- Shareholders/members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

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- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - Click “confirm” (Your password is now generated).
 - NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.
2. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.
 4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
 5. E-voting page will appear.
 6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
 7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
 8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.
If you have forgotten the password:
Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on ‘Submit’.
- In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.
 - Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
 - The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular “Event”.
Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
In case shareholders/members have any queries regarding e-voting, they may refer the Frequently Asked Questions (‘FAQs’) and Insta Vote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

7. JOINING OF AGM THROUGH VC:

Instructions for Shareholders/Members to attend the Annual General Meeting through Insta Meet (VC/OAVM) are as under:

- 1) Shareholders/Members are entitled to attend the Annual General Meeting through VC provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis upto 1000 members.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

Shareholders/ Members will be provided with Insta Meet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for Insta Meet <<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
2. Click “Go to Meeting”

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at secretarial@kumakaindustries.com from 14/09/2020 to. 19/09/2020.

The first 5 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@kumakaindustries.com. The same will be replied by the Company suitably.

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Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through Insta Meet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for Insta Meet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through Insta Meet facility and have not cast 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 facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through Insta Meet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to maildeveshpathak@rediffmail.com with copies marked to the Company at secretarial@kumakaindustries.com and to its RTA at alpesh.gandhi@linkintime.co.in.

8. SCRUTINIZER

(i) M/s. Devesh Pathak & Associates, Practicing Company Secretaries having consented to act as a scrutinizer has been appointed as scrutinizer ("Scrutinizer") for scrutinizing the e-

voting process at the AGM as well as Remote E-voting) in a fair and transparent manner.

9. DECLARATION OF RESULTS

The Result of voting (Remote E-voting and the e-voting at the AGM) on the resolutions will be declared within 48 hours from the date of AGM by the Chairman or any person authorized by him for this purpose. The results declared along with the report of the Scrutinizer will be placed on the website of the company i.e. www.kumakaindustries.com and on the website of LIPL i.e. www.linkintime.co.in, immediately after the result is declared and simultaneously communicated to the BSE.

10. NOMINATION

Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 or any statutory re-enactment(s) thereof, are requested to submit the request in prescribed form SH-13 to the RTA.

11. DETAILS UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND IN TERMS OF CLAUSE NO. 1, 2, 5 OF SECRETARIAL STANDARDS – 2 IN RESPECT OF THE DIRECTORS SEEKING APPOINTMENT/ RE APPOINTMENT:

Brief Resume:

Name of Director	Pankaj Kadakia
DIN	00166339
Date of birth	16/09/1950
Experience	43 years
Nationality	Indian
Qualifications	M. S. (Polymer materials) from Polytechnic Institute of Brooklyn, New York, USA, B.S. (Chemical Engineering) B.Sc (chemistry) from Bombay University
Expertise in specific functional areas	Successful execution of various projects of the Company as well as marketing and financial management.
Terms and conditions of re appointment	Re-appointment as a Retiring Director
Details of remuneration and remuneration last drawn	As detailed in corporate governance report
Date on which first appointment on Board	12/07/2014
Details of shareholding in the company	2829450 shares
Relationship with other directors / key managerial person (if any)	Not Related
Number of board meetings attended during the year	As detailed in corporate governance report
Details of directorship/ committee chairmanship membership in other companies	Nil

Date – 18th July, 2020

Place-Vadodara

By order of the Board

Sd/-

Pankaj M Kadakia

Chairman and Managing Director

(DIN-00166339)

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act"):

Item no. 3

The Board of Directors of the Company has approved contract/arrangement with Shri Manilal Harilal Charitable Trust, a related party for the sale of mineral water on the major terms and conditions as set out below pursuant to Section 188 and other provisions, applicable, if any of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 at its meeting held on 7th February, 2020

The following are the particulars under Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014:

Sr. No.	Particulars	Description
1.	Name of the Related Party	Shri Manilal Harilal Kadakia Charitable Trust
2.	Name of the Director or KMP who is Related	Mr. Pankaj Kadakia – CMD* Mr. Niranjan M. Pandya – ID**
3.	Nature of Relationship	Mr. Pankaj Kadakia and Mr. Niranjan M. Pandya are Trustees
4.	Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangements	(i) Contract/arrangement for sale of mineral water (ii) Duration for 5 years w.e.f. 1 st April, 2020 (iii) Monetary value upto Rs. 50 Lacs per annum

NOTE:

*CMD – Chairman and Managing Director

**ID – Independent Director

The Board of Directors is of the opinion that the transactions are on an arm's length basis and are in the ordinary course of business. However, by abundant precaution, your Directors recommend and seek your approval to the resolution as set out in item no. 3 of the accompanying Notice as an Ordinary Resolution. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Pankaj Kadakia, Dr. Niranjan M. Pandya and their relatives, shall be deemed to be, financially or otherwise, interested or concerned in this resolution.

Date: 18th July, 2020

Place: Vadodara

By Order of the Board

Sd/-

Pankaj M Kadakia

Chairman and Managing Director

(DIN-00166339)

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BOARD'S REPORT

To,
The Members,
Kumaka Industries Limited.

Your Directors are pleased to present the 46th Annual Report on the business and operations of the Company and the Audited financial statement for the Year ended 31st March, 2020.

1. HIGHLIGHTS OF PERFORMANCE :

Following figures summarize the financial performance of the Company for the year 2019-2020

Financial Results:

Amount In Lacs.		
Particulars	31.03.2020	31.03.2019
Gross total Income	37.13	20.53
Profit / (Loss) before Depreciation, Taxes and exceptional items	6.19	(37.31)
(Less): Depreciation	(1.23)	(0.89)
(Less): Tax	-	-
(Less): Extraordinary/Exceptional Items	-	(16.25)
Net Profit /(Loss) after Tax carried to Balance Sheet	4.96	(54.45)

2. DIVIDEND

In view of carried forward losses, your directors do not recommend any Dividend for the year under review

3. APPROPRIATION OF RESERVES

The Company is not required to transfer any amount to reserve. Accordingly, no amount is transferred to any reserve.

4. SHARE CAPITAL

There was no change in the share capital during the year under review and the Paid up Equity Share Capital as on 31st March, 2020 was Rs.12,085 Crores. However, thereafter, Hon'ble National Company Law Tribunal, Mumbai Bench has approved the Scheme of Arrangement between the Company and its Equity shareholders on 6th July' 2020 as per the order appearing on the website www.nclt.gov.in. The material provisions of the scheme of Arrangement are as follows:

1. Ratification of reduction of 18,09,750 equity shares by conversion of 24,13,000 partly paid up equity shares into 6,03,250 fully paid up equity shares
2. Reduction of Share Capital by cancellation and extinguishment of 10,375 fully paid up shares allotted to 406 shareholders and transfer of fully paid up 10,375 by the promoters at the rate of 0.005 paise per share to restore the rights of the said 406 shareholders.
3. Rearranging and numbering the distinctive numbers of shares to reconcile the same with the paid-up share capital.
4. Issue and allotment of 21,04,865 fully paid up shares as bonus shares to public shareholders of the Company other than promoters.

Accordingly, paid up capital of the Company stands reduced to Rs. 12.075 Crores.

5. COMPANY'S PERFORMANCE / STATE OF COMPANY'S AFFAIRS

The Company earned Gross Total Income of Rs.37.13 Lacs for the year under review as against Rs.20.53 Lacs for the financial year 2019-20. After providing finance cost, depreciation and tax, Net profit of the Company is Rs. 4.96 Lacs compared to Loss of Rs. 54.45 Lacs of the previous year.

Future Prospects:

Starting of ETO sterilization plant in the March, 2020 was delayed due to COVID-19 pandemic. Then the plant has been taken up for trial run and would be operational soon. Its positive impact is likely to be reflected in the performance of the Company for the financial year 2020-21. The Company is undertaking various safety measures in compliance with the guidelines/directives issued by the Central/State Governments as well as local administration. The Company is closely monitoring from time to time developments and directives issued by the Central Government/ State Governments and the Local Authorities and necessary actions are being taken.

6. CHANGE IN SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY DURING THE YEAR

Neither the Company has any subsidiary/joint venture/associate company nor has any other company become/ceased to be subsidiary/joint venture /associate of the Company.

7. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:

- a) In the preparation of the annual accounts for financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the financial year ended March 31, 2019 under review;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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- d) The Directors have prepared the annual accounts for the financial year ended March 31, 2020 on a going concern basis;
- e) 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; and
- f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively..

8. DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

9. DETAILS OF DIRECTORS OR KMP WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

There was no change in the composition of the Board of Directors or the Key Managerial Personnel of the Company.

10. BOARD MEETINGS HELD DURING THE YEAR.

Five Meetings of Board of Directors were held during the year on 24/05/2019, 19/07/2019, 23/10/2019, and 07/02/2020. For details of meetings of the Board please refer to the Corporate Governance Report, which forms part of the Board's Report.

11. BOARD EVALUATION.

The Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ('The Listing Regulations')

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of

the Board, its committees and individual directors was also discussed.

12. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act has been stated in the Corporate Governance Report, which forms part of the Board's Report.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, attached to the Board's Report.

14. HUMAN RESOURCES

Human resources relations of the Company continued to be harmonious and cordial during the year under review.

15. AUDITORS

(1) Statutory Auditors:

M/S. SCA and Associates. Chartered Accountants were appointed as Statutory Auditors of the Company from the conclusion of 43rd Annual General Meeting until the conclusion of 48th Annual General Meeting of the Company. The Company has received necessary eligibility certificate and consent under Section 141 of the Act to acts as Statutory Auditors of the Company..

(2) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed DEVESH PATHAK & ASSOCIATES. Practising Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. The Secretarial Audit Report is annexed as **Annexure – 1**. The Secretarial Audit Report for the financial year ended March 31, 2020 contains observations.

In the regard, your Directors would like to state that The Hon'ble National Company Law Tribunal, Mumbai has approved the Scheme of Arrangement between the Company and its Equity shareholders on 6th July, 2020 as per the order appearing on the website www.nclt.gov.in mainly in respect of equity share capital as highlighted in paragraph no. 4 of this Report. Implementation of the scheme would go a long way addressing the observations by the Secretarial Auditors.

3) Internal Auditors:

Mr. Bhupendra Mali has been appointed as Internal Auditors of the Company in terms of Section 138 of The Companies Act, 2013 and rules framed thereunder, for the Financial Year 2019-20 by the Board of Directors, upon recommendation of the Audit Committee.

16. REPORTING OF FRAUDS

There have been no instances of fraud reported by

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Statutory Auditors under Section 143(12) of the Act and rules framed thereunder either to the Company or to the Central Government

17. MANAGEMENT DISCUSSION & ANALYSIS AS REQUIRED BY REGULATION 34(2) OF LODR, A MANAGEMENT DISCUSSION AND ANALYSIS FORMS PART OF THIS REPORT AND IS ANNEXED HERETO AS ANNEXURE-4.

18. AUDIT COMMITTEE & NOMINATION AND REMUNERATION COMMITTEE:

The details pertaining to composition of Audit Committee & Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report.

19. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Your Board has adopted a Policy on Directors' Appointment and Remuneration as required under Section 178 of The Companies Act, 2013. The Policy provides for the appointment and removal of Directors, Key Managerial Personnel and Senior Management employees and their remuneration. The terms of reference of the Nomination and Remuneration Committee are given in the Report on Corporate Governance under the section "Nomination and Remuneration Committee".

20. RISK MANAGEMENT:

The Board of the Company has formed a Risk Management Committee. The Committee is responsible for reviewing, implementing and monitoring the risk management plans and ensuring its effectiveness. Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Board's Report.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS.

The Company neither provided any loans nor gave any guarantees nor provided securities to any of the entities or made investments pursuant to Section 186 of the Companies Act, 2013 during the year under review.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

Particulars of contract/ arrangement with related parties as referred in sec 188 (1) of Companies Act 2013 in prescribed form AOC-2 is appended as **Annexure – 2** to the Board's Report.

23. CSR

The Company does not fall in any of the criteria as set out in Section 135(1) of the Act and accordingly the Company is not required to comply with the same. In respect of Corporate Social Responsibility.

24. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed there under. The Policy aims to provide protection to employees at the workplace and prevent and redress

complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee headed by Women Director, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment if any and recommend appropriate actions.

The Company has not received any complaint of sexual harassment during the financial year 2019-20.

25. CORPORATE GOVERNANCE REPORT:

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of the requirements stipulated under Regulation 34 of LODR.

A detailed report on Corporate Governance as required under Regulation 34 of LODR is appended along with the Certificate, issued by M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara, Gujarat, the Secretarial Auditors, in respect of the compliance of conditions on Corporate Governance forming part of the Board's Report as per Annexure-G. As regards observations, your Directors would like to state that the Hon'ble NCLT, Mumbai Bench has approved the scheme of Arrangement between the Company and its equity shareholders on 6th July, 2020 as per the order appearing on the www.nclt.gov.in. Implementation of the same would go a long way in addressing the observations.

26. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism /Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethical policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

27. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS:

The order issued by Hon'ble National Company Law Tribunal, Mumbai Bench on 6th July, 2020 approving the Scheme of Arrangement between the Company and its equity shareholders as highlighted in paragraph No. 4 of this report would not impact the going concern status of the Company. However, it is likely to favourably impact the Company's operation in future.

28. PARTICULARS OF EMPLOYEES AND REMUNERATION:

Pursuant to the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, no employee of the Company was paid remuneration exceeding the prescribed limits, during the Financial year 2019-20.

29. EXTRACT OF ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013:

The details forming part of the extract of the Annual Return in form MGT - 9 is annexed herewith as "**Annexure -3**".