

# **KAMADGIRI FASHION LIMITED**



# ANNUAL REPORT 2019-2020





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## **Board of Directors**

Bank of Baroda

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. Haribhakti & Co. LLP, Chartered Accountants, Mumbai Bankers State Bank of India

## **Registered Office**

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

## CIN

L17120MH1987PLC042424

### Factory/Plant

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

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

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

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

## Registrar & Share Transfer Agent

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

(₹ in Lakhs)

### **BOARD'S REPORT**

#### Dear Members,

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

#### FINANCIAL HIGHLIGHTS

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

#### **COMPANY'S PERFORMANCE**

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

#### **IMPACT OF COVID-19**

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

#### DIVIDEND

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

#### PUBLIC DEPOSIT

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

#### TRANSFER TO GENERAL RESERVE

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

#### CORPORATE GOVERNANCE REPORT

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

#### MANAGEMENT DISCUSSION AND ANALYSIS

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

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



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

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

# POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

#### NUMBER OF BOARD MEETINGS

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

#### PERFORMANCE EVALUATION OF THE BOARD

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

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

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

#### COMMITTEES OF THE BOARD

#### Audit Committee

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

#### Other Committees

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

#### CORPORATE SOCIAL RESPONSIBILITY ('CSR') STATEMENT

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

#### **AUDITORS AND AUDITORS' REPORT**

#### Statutory Auditors

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

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

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

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

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

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

#### **Secretarial Auditor**

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

#### **Cost Auditor**

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

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

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

#### **REPORTING OF FRAUDS BY AUDITORS**

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

#### **POLICIES & DISCLOSURE REQUIREMENTS**

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

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

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

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

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

#### SECRETARIAL STANDARDS

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

#### EXTRACT OF ANNUAL RETURN

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

# PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

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

# SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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



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

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

# PARTICULARS OF REMUNERATION TO MANAGERIAL PERSONNEL

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

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

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

#### **RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY**

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

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

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

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

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

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

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

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

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

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

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

#### EQUITY SHARES IN THE SUSPENSE ACCOUNT

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

#### ACKNOWLEDGEMENT

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

#### For and on behalf of the Board

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

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

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

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

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

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

7. Responsibility statement of the CSR Committee

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

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





### **ANNEXURE B**

#### Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

To, The Members, Kamadgiri Fashion Limited

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

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

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

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

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

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

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

#### We further report that:

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

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