

ANNUAL REPORT
2019-2020



Modern
DENIM LIMITED

BOARD OF DIRECTORS

Shri Sachin Ranka – Chairman & Managing Director

Shri Suvrat Ranka – Whole-Time Director

Shri T.C. Chejara – Non-Executive Director

Shri S.K. Sharma – Independent Director

Smt. Meenu Sacheti – Independent Director

Shri A.K. Tiwari – Independent Director

CHIEF FINANCIAL OFFICER

Shri C.S. Jain

COMPANY SECRETARY

Ms. Komal Sulaniya

AUDITORS

M/s Samir M Shah & Associates
Chartered Accountants,
Ahmedabad - 380 009

SECRETARIAL AUDITORS

Jyoti Soni & Associates,
Practicing Company Secretaries,
Jaipur - 302 002

REGISTERED OFFICE

Talheti, Village Karoli,
Tehsil Abu Road,
Sirohi 307510 (Rajasthan)
Phone : 02974-228377
E-mail : denim.modern@gmail.com

CORPORATE HEADQUARTER

68/69, Godavari,
Pochkhanwala Road,
Worli, Mumbai - 400 030

PLANT

Village - Moriya,
Distt. Ahmedabad - 380 015
(Gujarat)



NOTICE

NOTICE is hereby given that the 42nd Annual General Meeting of the Members of Modern Denim Limited will be held on Wednesday, the 30th September, 2020 at 1.00 P.M. at Registered Office of the Company at Talhetti, Village Karoli, Tehsil Abu Road, Dist. Sirohi - 307510 to transact the following business:

A. ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon.

- (2) To appoint a director in place of Shri T.C. Chejara (DIN: 07619881), who retires by rotation and being eligible, offers himself for re-appointment.

By the Order of the Board

Place: Ahmedabad

Date: 31st July, 2020

(Komal Sulaniya)

Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
2. The proxy form duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
6. Details of Directors retiring by rotation/seeking re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice.
7. The Share transfer books and Register of members shall remain closed from 23rd September, 2020 to 30th September, 2020 (both days inclusive) in connection with the Annual General Meeting.
8. In compliance with the MCA Circulars and the Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 42nd AGM along with the Annual Report for Financial Year 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories'). A copy of this Notice along with the Annual Report for Financial Year 2019-20 is uploaded on the Company's website www.moderndenim.com, websites of the BSE Limited at www.bseindia.com and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH - 13. Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Beetal in case the shares are held by them in physical form.
10. Members holding shares in physical mode are requested to dematerialize their shares by surrendering their share certificates to their Depository Participants (DPs). Members are requested to quote INE 01N301019 of the Company for dematerialization of the shares.
11. Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062.
12. Members who have not registered their email addresses so far are requested to register their e-mail ID's with M/s. Beetal Financial & Computer Services Pvt. Ltd, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective DPs in case the same is still not registered.
13. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the registrar and Share Transfer Agent.
15. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
16. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
17. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE account with a Bank in India, if not furnished earlier.
18. In terms of Section 101 and 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agents of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to denim.modern@gmail.com mentioning your Folio/DP ID & Client ID. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year 2019 will also be available on the Company's website www.moderndenim.com.
19. The Statutory Registers maintained under the provisions of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
20. Members are requested to send all communications relating to shares and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:
Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062
21. A Member desirous of getting any information on the accounts of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
22. A route map showing directions to reach the venue of the Annual General Meeting is given with the Annual Report.
23. **Voting**
All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. 23rd September, 2020 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

Voting through Electronic means

1. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014,

as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, the Company is pleased to provide its members the facility of "remote e-voting" (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting services provided by Central Depository Services (India) limited ("CDSL").

2. The facility for voting through Ballot/Poll Paper shall also be made available at the AGM and the members attending the meeting, who have not already cast their vote through remote e-voting, shall be able to exercise their right at the AGM.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on Sunday, 27th September, 2020 (9:00 am) and ends on Tuesday, 29th September, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 23rd September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The Board of Directors of the Company has appointed Shri Jyoti Soni, Practicing Company Secretary as Scrutinizer for scrutinizing the voting and remote e-voting process in a fair and transparent manner.
6. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.moderndenim.com and on the website of CDSL www.evotingindia.com and the same shall also be communicated to BSE Limited.
7. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 23rd September, 2020 may obtain the User ID and password in the manner as mentioned below.

Instructions to members for voting electronically are as under:-

- (i) The voting period begins on Sunday, 27th September, 2020 (9:00 am) and ends on Tuesday, 29th September, 2020 (5:00 pm.) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**ANNEXURE TO THE NOTICE
DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name	Shri T.C. Chejara
DIN	07619881
Date of Birth	10/09/1953
Qualifications	Chartered Accountant
Expertise in Specific area	Finance and Accounts
Date of First appointment on the Board of the Company	01/10/2016
Relationship with other Director	None
Shareholding in the Company	Nil
Directorship held in other Public companies	Modern Insulators Limited
Chairman/ Member in the Committees of the Board of Companies in which he is Director	Member of the Audit Committee and Stakeholders Relationship Committee of Modern Denim Limited

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To The Members of Modern Denim Limited,

Your Directors are pleased to present the 42nd Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL PERFORMANCE

(₹ in Crores)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from Operations	67.62	74.88
Other income	3.09	0.48
Total revenue	70.71	75.35
Profit before finance cost and depreciation	1.81	(3.47)
Finance cost	-	-
Depreciation	0.98	0.99
Profit before exceptional items and tax	0.83	(4.46)
Exceptional Items	(3.15)	-
Profit/(Loss) before tax	(2.32)	(4.46)
Tax expense	-	-
Profit/ (Loss) after tax	(2.32)	(4.46)
Other comprehensive income (Net of tax)	(0.06)	(0.02)
Total comprehensive income	(2.38)	(4.48)
Retained earnings at the beginning of the year	(163.17)	(158.69)
Retained earnings at the end of the year	(165.31)	(163.17)

OPERATIONS

During the Financial Year ended on 31st March, 2020, your company achieved a turnover of ₹ 67.62 Crores as against ₹ 74.88 Crores in the previous year. Because of very difficult business conditions prevailing in the domestic textile market, your Company has occurred a net loss of ₹ 2.38 Crores as against ₹ 4.48 Crores in the previous year. Your Company has taken several remedial steps to meet the challenges viz. measures of saving in cost at all fronts of operation and optimize use of its available resource etc. As a result of these remedial steps, the Company could minimize its net losses. However, in view of the said accumulated losses, your Directors are unable to declare any dividend for the year under review.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report other than the impact of COVID-19 on the domestic and international business operations of the Company.

EXPORTS

The exports of the Company during the year under review were down to ₹ 2.18 Crores as compared to ₹ 8.66

Crores of previous year. Due to cutthroat pricing and recessionary business conditions in the global market, the Company had to face a dent on its export performance. However, the Company is continuing its efforts to enhance its presence with its new range of products in overseas markets.

ANALYSIS AND REVIEW

Your Company is engaged in the business of denim fabric manufacturing. The Company manufactures various types of denim fabrics including basic denim, stretch denim, ring, multi/mixed count denim, cross hatch, face & back denim & blended denim fabric. The Company's plant at Ahmedabad has a composite denim mill with installed production capacity of 30 MMPA. Our experienced marketing and designing teams ensure that our products meet the latest trends in the denim market.

Before the impact of COVID-19 pandemic, denim markets across the world were witnessing a considerable upswing in demand, primarily from the new generation. Further, people in rural areas of India were increasingly adopting denim as a daily wear. The growing apparel market for denim was expected to present real business opportunities to the Company.

INDUSTRY OVERVIEW

Post normalcy from COVID-19, the denim industry is expected to gain momentum in domestic and international markets and look forward to the growth to continue in the coming years. We foresee our Company to benefit substantially from the fact that an increasing number of global denim brands and consumers are looking at Indian denim industry as an emerging denim export region owing to its quality standards, cost effectiveness and a large pool of skilled workforce.

OUTLOOK, OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Though the Corona pandemic has had its substantial negative effect on India and the Indian denim industry also had to suffer unusually, but with the corrective economic measures and encouragement provided by the Government and the gradual opening up of the lock down, the situation is going to improve significantly. The interstate movement of goods is gradually picking up and the retail sector has started witnessing a healthy trend. The demand for denim is expected to grow manifold in the coming years. Besides, after having affected from COVID-19, there is a serious move from all reputed international retail brands and customers from most of the countries to source their demand of denim fabric from India instead of China. The major threat to Indian denim industry is the increasing competition that it has to face within the country and outside, which compels the Company to compromise with moderate margins. The continuous catering of the innovative products as per changing fashion on competitive prices to its customers is the other challenge the Company would have to manage.

IMPACT OF GLOBAL CRISIS: COVID-19 PANDEMIC

Nationwide lockdown declared by Govt. of India in March-2020 due to COVID-19 has impacted normal business operations of the company during that period. The company has resumed its business activities in line with guidelines issued by Govt. authorities and taken all appropriate steps to smoothen operations and strengthen liquidity position.

The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables etc. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of the financial statements. However, the Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is closely monitoring the situation as it evolves in the future.

SCHEME OF ARRANGEMENT FOR THE MERGER OF MODERN DENIM LIMITED INTO THE COMPANY

The Board of Directors of your Company approved the merger/ amalgamation of the Company with Modern Insulators Limited under the ambit of Board for Industrial & Financial Reconstruction (BIFR). Modern Denim Limited was a sick Company and the same was registered with BIFR under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). However, SICA stood repealed and BIFR stand dissolved in terms of Sick Industrial Companies (Special Provisions) Repeal Act, 2003. After repeal of SICA, the Board of Directors has approved the scheme of compromise, arrangement and amalgamation of the Company with Modern Insulators Limited under the provisions of section 230-232 of the Companies Act, 2013 which is under process of approval from concerned authorities.

The consolidation of two companies will facilitate savings in the administrative cost and also beneficial in terms of saving of Income Tax under the provisions of Income Tax Act, 1961.

FIXED DEPOSITS

The Company has an unpaid amount of Fixed Deposits & Interest thereon outstanding as on 31st March, 2020, the details of which have been given

in the Note No. 17 & 19 annexed with the financial statements. However, payment on compassionate ground are continued to be made as per decision of the committee formed by National Company Law Tribunal for this purpose.

The Company has not accepted any deposits during the year under review within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any Subsidiary, Joint Ventures & Associate Companies during the year.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2020 stood at ₹ 37.50 crore. None of the Directors of the Company hold instruments convertible into equity shares of the Company.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits/losses and cash flows for the year ended March 31, 2020. The Notes to the Financial Statements form an integral part of this Report.

CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from Practicing Company Secretary confirming compliance forms an integral part of this Report.

PARTICULAR OF LOANS, GUARANTEES AND INVESTMENT

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and schedule V of SEBI (LODR) Regulations, 2015, disclosures on particulars relating to loans, advances and investments are provided as part of the financial statements. There are no guarantees issued or securities provided by your Company in terms of Section 186 of the Act, read with the rules issued there under.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were on arm's length basis. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The details of contracts and arrangement with related parties for the financial year ended 31st March, 2020, are given in Note No. 35 to the Financial Statements forming part of this Annual Report.

Form AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the Annexure 'A' to the Report.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be seen at the link <http://www.moderndenim.com>. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Shri T.C. Chejara, Non-Executive Director retires by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming AGM on the terms and conditions

mentioned in the Notice convening the AGM. A brief profile of Shri T.C. Chejara has also been provided therein.

All Independent Directors of the Company 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 in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

The Ministry of Corporate Affairs ('MCA') vide Notification No. G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs ('IICA'). All Independent Directors of your Company are registered with IICA.

In the opinion of the Board, the independent directors possess the requisite integrity, experience, expertise, proficiency and qualifications.

KEY MANAGERIAL PERSONNEL

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Sachin Ranka, Chairman & Managing Director, Shri Suvrat Ranka, Whole Time Director, Shri C.S. Jain, Chief Financial Officer and Ms. Komal Sulaniya, Company Secretary are the Key Managerial Personnel (KMP) of the Company. The appointment and remuneration of Directors and KMPs are as per policy of the Company.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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 Listing Regulations.

The Board evaluated its performance after seeking inputs from all the directors on the basis of 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 criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of Nomination & Remuneration Committee (NRC) had one-on-one meetings with the Executive and Non- Executive (Non-Independent) Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of 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 a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of executive directors and non-executive directors in the aforesaid meeting. The above evaluations were then discussed in the board meeting that followed the meeting of the independent directors and NRC, at which the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

MEETING OF THE BOARD

During the year 2019-20, Seven Board Meetings were held, on 01st April, 2019, 30th May, 2019, 14th August, 2019, 30th September, 2019 14th

November, 2019, 4th December, 2019 and 14th February, 2020. Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) read with section 134 (5) of the Companies Act, 2013:

- (a) that in the preparation of the Annual Accounts for the year ended 31st March, 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 at the end of the financial year and of the profit and loss of the Company for that period;
- (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;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s Samir M Shah & Associates, Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 122377W) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on September 27, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 27, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

The observations made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013 in the year under review.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Jyoti Soni & Associates, Company Secretaries, Jaipur to conduct the secretarial audit for the financial year 2019-20. The Secretarial Audit Report, issued by M/s Jyoti Soni & Associates, Company Secretaries for the financial year 2019-20, forms part of this Report, and is set out in Annexure 'B' to this Report. The observations in Secretarial Audit Report which pertains mainly listing agreement requirements, stock exchange compliances etc. It is clarified that the company has started all the compliances related to stock exchange and are in process of revocation of its suspension from the Bombay Stock Exchange.

Internal Auditors

M/s Pramod & Associates, Chartered Accountants are the Internal Auditors of the Company. Internal Audit Report, their significant findings and follow up actions taken by the management is reviewed by the Audit Committee on a quarterly basis.

EXTRACT OF ANNUAL RETURN

As provided under Section 92 (3) of the Companies Act, 2013 and rules framed there under, the extract of annual return in Form MGT-9 is given in Annexure 'C' which forms part of this report.

In compliance with section 134(3)(a) of the Act, MGT 9 is uploaded on Companies website and can be accessed at <https://www.moderndenim.com/investors>.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at www.moderndenim.com

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company, which is in compliance of the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and SEBI (LODR), Regulations, 2015. The Policy provides for framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimisation or any other unfair practice being adopted against them. Adequate safeguards are provided against victimisation to those who avail of the mechanism, and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The details of the Vigil Mechanism are also provided in the Corporate Governance Report and the Whistle Blower Policy has been uploaded on the website of the Company, www.moderndenim.com.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create

transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s Pramod & Associates, Chartered Accountants, a firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors 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.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of section 135(1) of the Companies Act, 2013 the Board has constituted a Corporate Social Responsibility Committee comprising of Shri Sachin Ranka, Shri T.C. Chejara and Shri S.K. Sharma as its members.

During the year ended 31st March, 2020, one Meeting of Corporate Social Responsibility Committee was held i.e. on 14th February, 2020 and the same was attended by all the members of the Committee.

The Board has, on the recommendation of the Corporate Social Responsibility Committee, framed and adopted a policy for CSR available on the website of the Company moderndenim.com. The average profit calculated under section 198 of the Companies Act, 2013 is negative hence company is not required to spend any amount on CSR activity. Further Company has huge amount of accumulated losses for the past years which eroded the company's Net worth. The disclosures as per rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are disclosed in Annexure 'D' and forms part of this Report.

ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

PARTICULAR OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured

induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, is given in Annexure 'F' to this Report.

MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in this Report, no material changes and commitments, which could affect the Company's financial position, have occurred between the end of the financial year of the Company and the date of this Report.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the institute of Company Secretaries of India.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factor.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any Scheme;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future; and
- There was no instance of fraud during the year under review, which required the statutory auditors to report to the audit committee and/or board under section 143 (12) of the Act and the rules framed thereunder.

APPRECIATION

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments and all regulatory bodies for their co-operation and support and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For and on behalf of the Board of Directors

Sachin Ranka

Chairman & Managing Director
DIN: 00335534

Place : Ahmedabad
Date : 31st July, 2020

Annexure A to Boards' Report
FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2020, which were not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Modern Insulators Limited	Purchase and sale Agreement	01.04.2019 to 31.03.2020	Omnibus approval given by the Audit Committee	30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020	NIL
Modern Insulators Limited	Loans & Advances received	01.04.2019 to 31.03.2020	Loans and advances received pursuant to the proposed amalgamation of the Company with Modern Insulators Ltd.	30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020	Nil

For Modern Denim Limited

Place: - Ahmedabad
Date: - 31st July, 2020

Sachin Ranka
Chairman & Managing Director
DIN : 00335534

Annexure B to Boards' Report
FORM MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

MODERN DENIM LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Modern Denim 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 my opinion thereon.

Based on our verification of the **Modern Denim Limited** 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 covering the financial year ended on **31st March, 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, minute books, forms and returns filed and other records maintained by **Modern Denim Limited** for the financial year ended on **31st March, 2020** according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;

- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**) and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**)
- The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and amendments thereof;

- As confirmed by the management, there are no sector specific laws that are applicable specifically to the Company.

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and Calcutta Stock Exchange but the trading of the company with stock Exchanges is suspended.
- (iii) The Sick Industrials Companies (Special Provisions) Act, 1985. The Company has been declared as Sick Company by the Board for Industrial and Financial Reconstruction (BIFR) and the company has submitted rehabilitation scheme to BIFR which was under examination /approval but as per the notification of government, BIFR has been abated w.e.f. 01.12.2016 and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

1. The Company has filed application for revocation of suspension of trading and the Company has complied with the SEBI (LODR) Regulations, 2015 except either not complied or delay in compliance of regulation 24A, 30, 31, 33, 34 and 40 of SEBI (LODR) Regulations, 2015. Further, the application for revocation is in process and trading is still suspended.
2. The company has Cumulative Redeemable preference shares amounting to Rs. 650 lacs which are not redeem yet. As per explanation given by the company, final redemption of Preference Shares shall be in accordance with the scheme of compromise, arrangement and amalgamation u/s 230-232 of the Companies Act, 2013 which is under process of approvals from concerned authorities.
3. The Company has unpaid Fixed deposits and interest thereon. For the same, Management has clarified that the Hon'ble Company Law Board has passed an order on 21.12.2001 that "the Repayment of Fixed Deposits shall be made by the company in accordance with revival scheme as and when approved by BIFR under the provisions of SICA after abatement of BIFR, Scheme of compromise, arrangement and amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities."
4. The company has unpaid non convertible debentures and interest

thereon which were due for redemption but same are not redeemed by the company as company expects waiver/relief under compromise, arrangement and amalgamation scheme u/s 230-232 of the Companies Act, 2013 which is under process of approvals from concerned authorities.

5. The Company has an outstanding amount of Share Application money pending for allotment which is pending from more than seven years. For the same, Management has clarified that its represent subscription pursuant to the Restructuring/ settlement scheme thus not refundable and Instrument will be issued in accordance with the scheme of compromise, arrangement and amalgamation u/s 230-232 of the Companies Act, 2013 which is under process of approvals from concerned authorities.

We further report that

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors in compliance with the Companies Act 2013 except observation given above. The changes in the composition of the Board of Directors that took place during the period 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.

All the decisions were taken unanimously in the meetings and no dissenting views observed in the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to ensure compliance with applicable laws, rules, regulations and guidelines. However, the company needs strengthen the monitoring system.

This report is to be read with our letter of even date which is annexed as **ANNEXURE 'A'** and forms an integral part of this report.

FOR JYOTI SONI & ASSOCIATES
Practicing Company Secretaries

Jyoti Soni
[Prop.]

Place: Jaipur
Date: 31/07/20

ACS No. 38058
CP No. 19478

UDIN : A038058B000533833

ANNEXURE 'A'

To,
The Members
MODERN DENIM 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 and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance

Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax except some dues as mentioned in Independent Auditors' Report. There are some disputed statutory dues, which have not been deposited on account of matter pending before appropriate authorities as mentioned in Independent Auditors' Report.

5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report 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 JYOTI SONI & ASSOCIATES
Practicing Company Secretaries

Jyoti Soni
[Prop.]

Place: Jaipur
Date: 31/07/20

ACS No. 38058
CP No. 19478

UDIN : A038058B000533833