

34<sup>th</sup> ANNUAL REPORT  
2019-2020





॥ अतुलितबलधामं हेमशैलाभदेहं दनुजवनकृशानुं ज्ञानिनामग्रगण्यम् ॥  
सकलगुणनिधानं वानराणामधीशं रघुपतिप्रियभक्तं वातजातं नमामि ॥





॥ वक्रतुंड महाकाय सूर्यकोटी समप्रभः ॥  
॥ निर्विघ्नं कुरु मे देव सर्वकार्येषु सर्वदा ॥

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## Corporate Information

### DIRECTORS

Mr. Rajendra V. Agarwal - Managing Director  
Mr. Ajay V. Agarwal - Whole-Time Director  
Mr. Anupkumar Singh - Executive Director  
Mrs. Medha Pattanayak - Independent Director  
Mr. Santanu Mukherjee - Independent Director  
Mr. Govind Shrikhande - Independent Director (Additional)

### COMPANY SECRETARY

Ms. Sakshi Bajaj

### STATUTORY AUDITORS

#### M/S. KANU DOSHI ASSOCIATES LLP

203, The Summit,  
Hanuman Road, W.E. Highway,  
Vile Parle (East), Mumbai, Maharashtra 400057

### SECRETARIAL AUDITORS

M/s. Yogesh Sharma & Co.  
Practicing Company Secretaries  
B/1, Neha Apartment, Opp. Badwaik Hospital,  
L.B.S. Marg, Bhandup (West), Mumbai – 400078

### BANKERS

#### State Bank of India

Overseas Branch  
The Arcade, 2nd Floor,  
World Trade Center,  
Cuff Parade, Colaba, Mumbai – 400 005.

#### Indian Bank

Mumbai Fort Branch  
United India Building, Sir P.M. Road,  
Fort Mumbai - 400001.

#### Bank of Baroda

Andheri West Branch,  
Khajina Mahal, 189, S V Road,  
Andheri West, Mumbai- 400058

#### Yes Bank Limited

Gr. Flr, Shri Amba Shanti Chambers,  
Opp Hotel Leela, Andheri Kurla Road,  
Andheri East Mumbai- 400059

### WORKS / OFFICE

#### Balaji Fabrics

Revenue Block No. 194 & 195,  
Kadodara Bardoli Road,  
Village Jolwa, Taluka Palsana,  
Dist. Surat, Gujarat

#### Balaji Industries

Survey No. 910/3  
Dokmandi, Village Amli,  
Silvassa, Dadra & Nagar Haveli

#### Laxmi Fab

Plot No. 58/3  
Govrnmnt Industrial Estate  
Masat, Silvassa,  
Dadra & Nagar Haveli

#### Laxmi Garment Fabrics

Bhotika House, Plot 11/A, 3rd Floor  
5th Cross, 1st Stage,  
Peenya Industrial Area  
Bangalore

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### REGISTERED OFFICE

Donear House, 8<sup>th</sup> Floor, Plot No. A-50, Road No. 1,  
MIDC, Andheri (East), Mumbai – 400 093

## NOTICE

**NOTICE** is hereby given that the Thirty-Fourth (34<sup>th</sup>) Annual General Meeting of the members of **Donear Industries Limited** ("the Company") will be held on Friday, September 25, 2020 at 03:00 P.M. through two-way Video Conferencing ("VC") facility / Other Audio Visual Means ("OAVM") to transact the following business:

### Ordinary business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mr. Rajendra Agarwal (DIN: 00227233), who retires by rotation and being eligible, offers himself for re-appointment.
4. **To re-appoint and fix the remuneration of Statutory Auditors of the Company**

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

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time and subject to such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as recommended by Audit Committee and approved by the Board of the Company, the approval of Members be and is hereby accorded for re-appointment of M/s. Kanu Doshi Associates LLP, Chartered Accountants (Firm Registration No. 104746W/W100096), as Statutory Auditors of the Company for a second term of five years to hold office from conclusion of this Annual General Meeting i.e. 34<sup>th</sup> Annual General Meeting till the conclusion of 39<sup>th</sup> Annual General Meeting of the Company to be held in the year 2025 at an annual remuneration/ fees as recommended by the Board and given in the explanatory statement, with a power to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision in the remuneration during the tenure of five years, in such manner and to such extent as may be mutually agreed with the Statutory Auditors;

**RESOLVED FURTHER THAT** any of the Director or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to file necessary intimation with Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities, in this regard on approval of said appointment by the Members and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

### Special Business:

5. **Ratification of remuneration of Cost Auditors of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Audit Committee, the remuneration payable to M/s. Y. R. Doshi & Co., Cost Accountant, Mumbai (Firm Registration No. 000003, Membership No. 3286), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021, amounting to Rs. 1,25,000/- (Rupees One Lakhs Twenty Five Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses) be ratified;

**RESOLVED FURTHER THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

6. **Appointment of Mr. Govind Shrikhande (DIN: 00029419) as an Independent Director of the Company:**

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

**"RESOLVED THAT** pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and subject to such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and pursuant to recommendation of the Nomination and Remuneration Committee, Mr. Govind Shrikhande (DIN: 00029419), who was appointed as an Additional Director (Non-Executive and Independent) of the Company by the Board of Directors with effect from November 11, 2019 and who holds office upto the date of the ensuing Annual General Meeting in terms of Section 161(1) of the Act and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years commencing from November 11, 2019 to November 10, 2024;

**RESOLVED FURTHER THAT** anyone of the Directors or Chief Financial Officer or Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time."

7. **Re-appointment of Mrs. Medha Pattanayak (DIN: 07157952) as an Independent Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time



being in force) and subject to such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and pursuant to recommendation of the Nomination and Remuneration Committee, Mrs. Medha Pattanayak (DIN: 07157952), who was appointed as an Independent Director of the Company at the 29<sup>th</sup> Annual General Meeting of the Company and who holds office of the Independent Director up to September 25, 2020 and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for second term of five consecutive years commencing from September 26, 2020 to September 25, 2025;

**RESOLVED FURTHER THAT** anyone of the Directors or Chief Financial Officer or Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time."

## 8. **Approval for Material Related Party Transactions:**

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 188 of the Companies Act, 2013 ("the Act") read with Companies (Meeting of Board and its Powers) Rules, 2014 ("the Rules") as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary and as recommended by Audit Committee and approved by the Board of Directors of the Company, the approval of Members be and is hereby accorded to ratify/ approve all contracts / arrangements /agreements entered into/to be entered by the Company with the related party(ies) within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, during the financial year 2020-21, the value of which either singly or all taken together may exceed the limits as specified under Listing Regulations as per details set out in the explanatory statement annexed hereto;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto including without limitation, negotiation, finalizing and executing necessary agreements, documents and such other papers or writings as may be deemed necessary or expedient and/or obtaining approvals, statutory or contractual, in relation to the above and/or approving the terms and conditions of transaction(s) thereof and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, in the best interest of the Company and to delegate all or any of its powers herein conferred to any Committee of Directors, Director(s) or Officer(s) of the Company, if Board deems fit, to give effect to this resolution."

### **Notes:**

1. In view of the continuing CoVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated May 5, 2020 read with Circular No.14/2020 dated April 8, 2020 and Circular No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (hereinafter referred to as "SEBI Circular") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA and SEBI Circulars, the AGM of the Company is being held through VC/OAVM. National Securities Depository Limited ("NSDL") shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM.
2. In view of the massive outbreak of the CoVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA and SEBI Circulars, physical attendance of the Members is not required at the AGM and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csymsharma@gmail.com with a copy marked to investor@donar.com / evoting@nsdl.co.in at least 48 hours before the commencement of AGM.
5. The Members can join the AGM through VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in Note No. 27 below. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members of the Company under the category of Corporate/Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.
7. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

8. The Statement pursuant to Section 102 of the Act and Secretarial Standard – 2 on General Meetings relating to the Special Business to be transacted at the AGM is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 to 8 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
9. A brief profile of Directors who retires by rotation/appointed/re-appointed including nature of their expertise along with related details as required under the provisions of Act, Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is provided in Annexure - I to this Notice.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to email at investor@donear.com to the Company on or before September 22, 2020. The same will be replied by the Company suitably.
11. The Registers as required under the Act and the documents referred to in the Notice shall be available for inspection. However a request for the same can be made at investor@donear.com. stating Folio no. / DP ID - Client ID. up to the date of AGM i.e., Friday, September 25, 2020.
12. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Link Intime India Private Limited having their office at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 (hereinafter referred to as "Registrar/RTA"). Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company's Registrar by quoting their Folio number or their DP ID and Client ID number, as the case may be at email id: rnt.helpdesk@linkintime.co.in.
13. **Book Closure:** The Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 19, 2020 to Friday, September 25, 2020 (both days inclusive).
14. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.
15. **Dividend:** Dividend as recommended by the Board of Directors for the financial year 2019-20, if declared at the AGM, will be paid within the time prescribed under the law subject to deduction of tax at source, as may be applicable, to those persons:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on Friday, September 18, 2020 (i.e. record date) in the list of Beneficial Owners to be furnished by Depositories in respect of the shares held in electronic form; and
  - (b) whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Friday, September 18, 2020 (i.e. record date) after giving effect to valid request(s) received for transmission/ transposition of shares; and valid requests of transfer of shares in physical form (re-lodgment cases i.e. requests for transfer(s) which were received prior to April 01, 2019 and returned due to deficiency in the documents) lodged with the Company/ its Registrar & Share Transfer Agents on or before Friday, September 18, 2020.
16. **TDS on Dividend:** Pursuant to Finance Act 2020, Dividend income will be taxable in the hands of Shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from Dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. A separate e-mail will be sent at the registered e-mail id of the Members describing about the detailed process to submit / upload the documents / declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents / declarations by the Members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company [www.donear.com](http://www.donear.com).

A Resident individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by updating the details on the link provided by the Company's RTA namely <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or by emailing the documents at [doneartaxexemption@linkintime.co.in](mailto:doneartaxexemption@linkintime.co.in) latest by Thursday, September 17, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending it on the link provided by the Company's RTA namely <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or by emailing the documents at [doneartaxexemption@linkintime.co.in](mailto:doneartaxexemption@linkintime.co.in) latest by Thursday, September 17, 2020.

The Company provides the facility to the Members for remittance of Dividend directly in electronic mode through Electronic Clearing Service or any other means. In view of the outbreak of the COVID-19 pandemic and resultant difficulties involved in dispatching of physical Dividend warrants, Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Bank Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio Number on the link of the Company's Registrar at [https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) or by emailing at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) / [investor@donear.com](mailto:investor@donear.com).

Shareholder holding shares in dematerialized form are requested to provide the said details to their respective Depository Participants. The Company or its RTA cannot act on any request received directly from the Members holding shares in dematerialized form for any change of bank particulars. Such changes are to be advised only to the Depository Participant of the Members.

17. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the bank account detail, the Company shall dispatch the dividend warrant/ bankers' cheque/demand draft to such Members, upon normalisation of postal services and other activities.
18. **IEPF:** Under the Act, dividends that are unclaimed / unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government. An amount of Rs. 20,996 being unclaimed/unpaid dividend of the Company for the financial year ended March 31, 2012 was transferred to IEPF.

The Company paid to IEPF on October 10, 2019, an amount of Rs. 1,929.20 towards dividend for the financial year ended March 31, 2019 on such Shares which were transferred to IEPF.



Members who have not encashed the dividend warrants/demand drafts so far in respect of the unclaimed and unpaid dividends declared by the Company for the Financial Year 2012-13 and thereafter, are requested to make their claim to RTA well in advance of the last dates for claiming such unclaimed and unpaid dividends as specified hereunder:

Dividend for the year	Date of Declaration	Due date for transfer to the IEPF
2012-2013	September 28, 2013	October 28, 2020
2013-2014	September 24, 2014	October 30, 2021
2014-2015	September 26, 2015	November 01, 2022
2015-2016	September 24, 2016	October 30, 2023
2016-2017	September 23, 2017	October 29, 2024
2017-2018	September 29, 2018	November 04, 2025
2018-2019	September 23, 2019	October 29, 2026

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2019 on the website of the Company at <https://www.donear.com>.

Members are requested to note that, pursuant to the provisions of Section 124 of the Act read with IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the MCA. In accordance with the aforesaid IEPF Rules, the Company has sent individual communication to all Members whose shares are due for transfer to the IEPF Authority and whose email IDs are available, informing them to claim their unclaimed/unpaid dividend before due date to avoid such transfer of shares to IEPF Authority and has also published notice in this regards in Newspapers.

Members whose unclaimed dividends/shares are transferred to the IEPF Authority can claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.

19. **Nomination:** Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
20. **Transfer of shares permitted in Demat Form only:** As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialization, Members are advised to dematerialize their shares held in physical form.  
Members are accordingly requested to get in touch with Company's RTA or any Depository Participant having registration with SEBI to open a Demat account. Members may also visit web site of depositories viz. National Securities Depository Limited viz. <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited viz. <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the demat procedure.
21. 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 their PAN to the Depository Participants with whom they maintain their demat account(s). Members holding shares in physical form should submit their PAN to the Company's Registrar.
22. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio number by emailing at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) / [investor@donear.com](mailto:investor@donear.com).
23. **Electronic Dispatch of Notice and Annual Report:** In compliance with the MCA and SEBI Circulars, Notice of the 34th 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 / Depositories. A copy of this Notice along with the Annual Report for Financial Year 2019-20 is uploaded on the Company's website [www.donear.com](http://www.donear.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
24. **Non-Resident Members:**  
Non-Resident Indian Members are requested to inform Registrar and Transfer Agents/ their respective Depository Participants immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their Bank Account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No., and address of the bank, if not furnished earlier, to enable the Company to remit dividend to the Bank Account directly.
25. Members who have not registered their E-mail IDs so far are requested to register the same with DP/RTA for receiving all the communications including Annual Reports, Notices etc. electronically. The Company through its RTA has enabled a following process for same:
  - a. **Registration of email ID for shareholders holding physical shares:**  
Members of the Company holding Equity Shares of the Company in physical form and who have not registered their email addresses may get their email addresses registered with RTA by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) or on their website [www.linkintime.co](http://www.linkintime.co). at the Investor Services tab by choosing the email/ bank registration heading and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and email ID. On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification. Members can also contact by emailing at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) / [investor@donear.com](mailto:investor@donear.com).

b. **For temporary registration for demat shareholders:**

Members of the Company holding Equity Shares of the Company in demat form and who have not registered their email addresses may temporarily get their email addresses registered with RTA by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) or on their website [www.linkintime.co.in](http://www.linkintime.co.in) at the Investor Services tab by choosing the email/bank registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID/ Client ID, PAN, mobile number and email ID. Members can also contact by emailing at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) / [investor@donear.com](mailto:investor@donear.com). This email ID will be used for sending annual report, notices for general meetings and other corporate communications as permitted.

26. **Procedure for Remote E-voting:**

- I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting during the proceeding of the AGM will be provided by NSDL.
- II. The remote e-voting period begins on Tuesday, September 22, 2020 at 09:00 A.M. and ends on Thursday, September 24, 2020 at 05:00 P.M. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 18, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- III. The voting rights of Members shall be in proportion to their shares of the paid up capital of the Company as on cut-off date of September 18, 2020. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any person who has ceased to be the member of the Company before the cut-off date will not be entitled for remote e-voting or voting at the meeting.
- IV. The details of the process and manner for remote e-voting are explained herein below:

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

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

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

**Details on Step 1 is mentioned below:**

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

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders/ Member' section.

A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

1. Your User ID details are given below :

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

2. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL

account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered with the Company/ Depository, please follow the instructions mentioned in **Note/ Step No. 25**, of this notice.
3. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:  
Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).  
Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).  
If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.  
Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
4. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
5. Now, you will have to click on "Login" button.
6. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

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

#### **27. Instructions for Members attending the AGM through VC/OAVM are as under:**

1. The Members can join the AGM through VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting. Member will be able to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM and submit votes on announcement by the Chairman. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.  
Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at 022-24994360 or Mrs. Soni Singh, Assistant Manager, NSDL at 022- 2499 4559 / [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or Mr. Anubhav Saxena, Assistant Manager, NSDL at [anubhavs@nsdl.co.in](mailto:anubhavs@nsdl.co.in) / 022-2499 4835.
5. Members who hold shares of the Company as on Friday, September 18, 2020 being the cut of date and who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DPID and Client ID/folio number, PAN, mobile number at [investor@donear.com](mailto:investor@donear.com) between Saturday, September 19, 2020 and Tuesday, September 22, 2020 (05:00 P.M. IST).
6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### **28. The instructions for Members for e-voting on the day of AGM are as under:**

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



4. For any grievances connected to voting during the AGM, Members can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at 022-24994360 or Mrs. Soni Singh, Assistant Manager, NSDL at 022- 2499 4559 / [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or Mr. Anubhav Saxena, Assistant Manager, NSDL at [anubhavs@nsdl.co.in](mailto:anubhavs@nsdl.co.in) / 022-2499 4835..
29. **General Guidelines for shareholders**
1. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csymsharma@gmail.com](mailto:csymsharma@gmail.com) with a copy marked to [investor@donear.com](mailto:investor@donear.com) / [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.  
  
In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  3. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-Voting, then he/she can use his/her existing User ID and password for casting the vote.
30. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
31. **Scrutinizer for E-Voting:** Mr. Yogesh Sharma (Membership No.: ACS 33235, C.P. No.: 12366), on the behalf of Yogesh Sharma & Co., Practicing Company Secretaries has been appointed as Scrutinizer to scrutinize the remote e-voting and the e-voting process at the AGM in a fair and transparent manner.
32. The Scrutiniser will submit his report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the stock exchanges on which the Company's shares are listed, NSDL and will also be displayed on the Company's website at [www.donear.com](http://www.donear.com).

By Order of the Board of Directors  
For **Donear Industries Limited**

Sakshi Bajaj  
Company Secretary

Mumbai,  
August 24, 2020

Registered Office:  
Donear House, 8th floor,  
Plot No. A-50, Road No. 1,  
MIDC, Andheri (East),  
Mumbai – 400 093

**Statement pursuant to Section 102 of the Companies Act, 2013****Item No. 4**

The Members of the Company at the 31st Annual General Meeting ("AGM") held on September 23, 2017 approved the appointment of M/s. Kanu Doshi Associates LLP, Chartered Accountants (Firm Registration No. 104746W/W100096), as the Statutory Auditors of the Company to hold office from the conclusion of the said AGM till the conclusion of 34<sup>th</sup> AGM. Accordingly, their present term gets completed on conclusion of this AGM in terms of the said approval.

The present remuneration of Auditors for conducting the Statutory Audit for the financial year 2019-20 is Rs. 7,00,000 (Rupees Seven Lakhs Only) plus goods and services tax as applicable and reimbursement of out-of-pocket expenses incurred and for other service(s) is Rs. 60,000 (Rupees Sixty Thousand Only).

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommends for the approval of the Members, the re-appointment of M/s. Kanu Doshi Associates LLP, Chartered Accountants, as Statutory Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 39<sup>th</sup> AGM. On the recommendation of the Committee, the Board also recommends for the approval of the Members, the remuneration of Rs. 7,00,000 (Rupees Seven Lakhs Only), exclusive of applicable taxes thereon and out of pocket expenses, for the Statutory Audit of financial year ending March 31, 2021 payable to M/s. Kanu Doshi Associates LLP. The power shall be granted to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision including upward revision of the remuneration for remaining tenure as may be mutually agreed with the Statutory Auditors and to pay the fees separately for every permitted service/statutory certification (other than statutory audit) rendered by Statutory Auditor from time to time.

Before recommending their re-appointment and remuneration, the Audit Committee considered various parameters like capability to serve a diverse business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge, etc., and found Auditors to be best suited to handle the scale and diversity associated with the audit of the financial statements of the Company. Also, the Committee found their performance to be satisfactory in their previous term.

Kanu Doshi Associates ('KDA'), founded in year 1979, is the team of experienced professionals with diverse industry experience across verticals. They have extensive experience in dealing with corporate and institutional clients. It offers wide array of professional services in the fields of Audit & Assurance, Accountancy, Tax, Internal Financial Control, Regulatory matters etc. KDA also offers business advisory services in fields of merger & acquisitions, restructuring, fund raising, valuation & due diligence etc. through its consulting arm i.e. KDA Corporate Advisors LLP. It is also member firm of ANTEA (Alliance of Independent Firms) which has a strong presence in Europe and Latin America.

M/s. Kanu Doshi Associates LLP have given their consent to act as the Auditors of the Company and have confirmed that they are not disqualified from being appointed and the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board of Directors recommends the ordinary resolution as set out in Item no. 4 for your approval.

**Item No. 5:**

The Board of Directors, at its Meeting held on June 30, 2020, upon the recommendation of the Audit Committee, approved the appointment of M/s. Y. R. Doshi & Co., Cost Accountant, Mumbai (Firm Registration No. 000003, Membership No. 3286), as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending March 31, 2021, at a remuneration of Rs. 1,25,000/- (Rupees One Lakhs Twenty Five Thousand only) (plus Goods and Services Tax and reimbursement of out of pocket expenses).

M/s. Y. R. Doshi & Co., Cost Accountant, have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

Pursuant to Section 148 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending March 31, 2021.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

**Item No. 6:**

The Board of Directors of the Company pursuant to recommendation of the Nomination and Remuneration Committee, has appointed Mr. Govind Shrikhande (DIN: 00029419) as an Additional Director (Non-executive and Independent) in their Meeting held on November 11, 2019 and who holds office upto the date of the ensuing Annual General Meeting in terms of Section 161(1) of Companies Act, 2013 ("the Act") and who qualifies for being appointed as an Independent Director. The Company has received a Notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. Govind Shrikhande holds a Masters' Degree in Marketing and Bachelors' Degree in Textile Technology. He has also served as Managing Director of Shoppers Stop for 8 years and stepped down in June 2018. He has worked in various capacities with Fabric, Apparel & Retail Business. He is presently in new role as Mentor of startups in Digital and Retail areas. & Independent Board Member of a few companies. He has an overall experience of 36 years and holds expertise in Strategy, People Management, Scaling up, Marketing, Loyalty & Analytics and Digitization.

Mr. Govind Shrikhande is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as a Director. The Company has also received declarations from Mr. Govind Shrikhande stating that he meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Govind Shrikhande is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority. In the opinion of the Board, Mr. Govind Shrikhande, fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations and he is independent of the management.

Accordingly, the Board of Directors has proposed to the Members of the Company, the appointment of Mr. Govind Shrikhande (DIN: 00029419) as Independent Director on the Board of the Company, not liable to retire by rotation, who shall hold office for a term of five consecutive years commencing from November 11, 2019 to November 10, 2024.

Mr. Govind Shrikhande would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof and profit related commission as may be approved by the members, from time to time.

The Board is of the view that Mr. Govind Shrikhande's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends his appointment to the Members.

Brief Profile of Mr. Govind Shrikhande, including nature of his expertise as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is attached as Annexure – I to this Notice.

Save and except Mr. Govind Shrikhande and his relatives, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out in Item No. 6 of the Notice for approval of the Members.

#### **Item No. 7:**

Mrs. Medha Pattanayak (DIN: 07157952) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), by Shareholders at the 29th Annual General Meeting of the Company held on September 26, 2015. Accordingly, she hold office as Independent Director of the Company up to September 25, 2020 ("first term" in line with the provisions of the Act). The Company has received notice in writing from a Member under Section 160 of the Act, proposing the candidature of Mrs. Medha Pattanayak, for the office of Director of the Company.

Mrs. Medha Pattanayak is B.Sc. in physics and Certified Associate of Indian Institute of Bankers (CAIIB). She joined State Bank group in 1988 and has worked through various assignments for about 25 years till she sought voluntary retirement from the Bank in 2013. She has handled primarily large corporate clients during her stint at the IFB & head of an Asset Management team at overseas branch of the bank at Mumbai. She worked as the Branch Manager of the bank's Dadar branch, a specialized MSME branch. She has also worked as a Vice President in SBI Capital Markets for a period of 4 years gaining experience of the Capital Markets and Investment banking activities. She holds an expertise in Banking, Investment Banking and other loan related facilities.

Mrs. Medha Pattanayak is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director. The Company has received declarations from Mrs. Medha Pattanayak stating that she meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Listing Regulations. Mrs. Medha Pattanayak is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority. In the opinion of the Board, Mrs. Medha Pattanayak, fulfil the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

The Nomination and Remuneration Committee at its Meeting held on August 24, 2020 on the basis of performance evaluation of Independent Directors and taking into account the business knowledge, experience and the contribution made by Mrs. Medha Pattanayak during her tenure, has recommended to the Board that continued association of Mrs. Medha Pattanayak as Independent Director of the Company would be beneficial to the Company. Based on the above and the performance evaluation of Independent Director, the Board recommends the re-appointment of Mrs. Medha Pattanayak, as Independent Director of the Company, not liable to retire by rotation, to hold office for second term of five consecutive years commencing from September 26, 2020 upto September 25, 2025.

Mrs. Medha Pattanayak would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof and profit related commission as may be approved by the members, from time to time.

Brief Profile of Mrs. Medha Pattanayak including nature of her expertise as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is attached as Annexure – I to this Notice.

Save and except Mrs. Medha Pattanayak and her relatives, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

#### **Item No. 8:**

The Chairman informed the Board that pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meeting of Board and its powers) Rules, 2014, the Company is required to obtain consent of the Board and prior approval of the Members by resolution in case Related Party Transactions ("RPT") exceed such sum as specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business on an arm's length basis. The Company shall enter the RPT(s) in the ordinary course of business and at arm's length basis.

However, pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), approval of Audit Committee is required for all related party transactions and approval of Members is required for all material related party transactions even if they are entered into in the ordinary course of business on an arm's length basis.

For this purpose, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual consolidated turnover as per the last audited financial statements of Company.

During the Financial year 2020-21, the value of RPT either singly or all taken together may exceed the limit of 10% of the total turnover as per the financials of 2019-20 of the Company.



Pursuant to the requirements prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, the details in relation to such transactions with related parties, are as under:

Name of the Related Party	Nature of Transactions	Monetary value of transactions (Rs. in Lakhs)	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Any other information relevant or important for the Members to take decision on the proposed resolution
<b>Neptune Fabs</b>	Purchase of Goods, Fixed Assets, Rent receivables, Other Recovery of Expenses & Other Services	350.50	Mr. Rajendra Agarwal and Mr. Ajay Agarwal	Related party as per the definition provided under the Act and/or Listing Regulation.	The transaction have been reviewed and approved by the Audit Committee and Board. All the transactions entered /to be entered into by the Company shall be in ordinary course of business and at arm's length basis.
<b>Venus Textiles</b>	Purchase of Goods, Fixed Assets, Rent receivables, Other Recovery of Expenses & Other Services	815.57			
<b>Lotus Fabrics</b>	Purchase of Goods, Fixed Assets, Rent receivables, Other Recovery of Expenses & Other Services	394.00			
<b>Mercury Industries</b>	Sale & Purchase of Goods, Fixed Assets, Rent receivables, Other Recovery of Expenses & Other Services	1003.00			
<b>GBTL Limited</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	6316.00			
<b>OCM Private Limited</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	3510.00			
<b>Donear Synthices Limited</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	25.00			
<b>Vinayak Textiles</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	263.00			
<b>Krishna Fabrics</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	248.00			
<b>Laxmi Enterprises</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	203.00			
<b>Hanuman Fabrics</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	320.00			
<b>Shiv Textiles</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	300.00			
<b>Mr. Rajendra Agarwal</b>	Loan Received	2000.00			
<b>Mr. Ajay V. Agarwal</b>	Loan Received	500.00			
<b>R. Ajay Kumar Real Estate LLP</b>	Leasing of Property	25.00			
<b>UN Reality Private Limited</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	30.00			
<b>V.R.A. Reality Private Limited</b>	Sale & Purchase of Goods, Fixed Assets & Other Services	30.00			

The Audit Committee and the Board of Directors of the Company at their respective Meetings held on June 30, 2020 have reviewed and approved the above related party transactions and recommended for the approval of Members of the Company.

The contracts/ arrangements /transactions with the above entities are necessary in the ordinary course and have a significant role in the Company's operations. Therefore, the Board of Directors recommends the resolution as set out at Item no. 8 for approval of shareholders as an Ordinary Resolution.

Pursuant to Regulation 23 of the Listing Regulations, all entities falling under the definition "Related Party" shall abstain from voting in respect of the proposed resolution given in the notice, irrespective of whether the entity is a party to the particular transaction or not.

Except Mr. Rajendra Agarwal and Mr. Ajay Agarwal and their relatives, none of the other directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financial or otherwise, in the resolution set out at item no. 8 of this Notice.

## Annexure – I

Information as required pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), in respect of Directors seeking appointment/re-appointment/payment of remuneration at the Annual General Meeting:

Name of Director	Mr. Rajendra Agarwal	Mr. Govind Shrikhande	Mrs. Medha Pattanayak
DIN	00227233	00029419	07157952
Date of Birth	September 19, 1962	September 07, 1960	November 5, 1964
Age	58 Years	60 Years	56 Years
Date of first Appointment on the Board	September 29, 1993	November 11, 2019	May 05, 2015
Qualifications	The Promoter and Managing Director of the Company. He is a gold medalist in Textile Technology.	Mr. Govind Shrikhande holds a Master's Degree in Marketing and Bachelor's Degree in Textile Technology.	Mrs. Medha Pattanayak is B.Sc. in physics and Certified Associate of Indian Institute of Bankers (CAIIB)
Experience and Expertise in Specific Functional Area	He has over two decades of techno-commercial experience in the textile industry.	Mr. Govind has also served as Managing Director of Shoppers Stop for 8 years and stepped down in June 2018. He has worked in various capacities with Fabric, Apparel & Retail Business. He is presently in new role as Mentor of startups in Digital and Retail areas. & Independent Board Member of a few companies. He has an overall experience of 36 years and holds expertise in Strategy, People Management, Scaling up, Marketing, Loyalty & Analytics and Digitization.	Mrs. Medha joined State Bank group in 1988 and has worked through various assignments for about 25 years till she sought voluntary retirement from the Bank in 2013. She has handled primarily large corporate clients during her stint at the IFB & head of an Asset Management team at overseas branch of the bank at Mumbai. She worked as the Branch Manager of the bank's Dadar branch, a specialized MSME branch. She has also worked as a Vice President in SBI Capital Markets for a period of 4 years gaining experience of the Capital Markets and Investment banking activities. She holds an expertise in Banking, Investment Banking and other loan related facilities.
Terms and conditions of appointment / re-appointment / revision / remuneration	As approved in the Annual General Meeting held on September 29, 2018.	As per the resolution at Item No. 6 of the Notice.	As per the resolution at Item No. 7 of the Notice.
Remuneration last drawn	During the year 2019-20, Mr. Rajendra Agarwal was paid a remuneration of Rs. 28.03 Lakhs from the Company	-	During the year 2019-20, Mrs. Medha Pattanayak was paid sitting fees of Rs. 0.09 Lakhs.
Number of Board Meetings attended during the year 2019-20	6 (Six) out of 6 (Six)	1 (One) out of 2 (Two) held since his appointment.	6 (Six) out of 6 (Six)
Directorship held in other Listed companies (As on March 31, 2020)	-	V-Mart Retail Limited	-
Directorship in other Companies (excluding foreign companies & Section 8 companies) (As on March 31, 2020)	OCM Private Limited	India Retails & Hospitality Private Limited	-
Chairmanship/ Membership of Committees of the Board of Directors of other Companies (As on March 31, 2020)	<ul style="list-style-type: none"> <li>Donear Industries Limited</li> <li>Audit Committee - Member</li> <li>Stakeholders Relationship Committee - Member</li> <li>Risk Management Committee - Chairperson</li> <li>Corporate Social Responsibility Committee - Member</li> </ul>	<ul style="list-style-type: none"> <li>V-Mart Retail Limited</li> <li>Audit Committee - Member</li> <li>Nomination and Remuneration Committee - Member</li> <li>Corporate Social Responsibility Committee - Member</li> <li>Risk Management Committee - Member</li> </ul>	<ul style="list-style-type: none"> <li>Donear Industries Limited</li> <li>Audit Committee - Chairperson</li> <li>Nomination and Remuneration Committee - Member</li> <li>Stakeholders Relationship Committee - Chairperson</li> <li>Risk Management Committee - Member</li> <li>Corporate Social Responsibility Committee - Chairperson</li> </ul>
Shareholding as on March 31, 2020	38,61,814	1,651	-
Relationship with other Directors / Key Managerial Personnel(s)	Mr. Rajendra Agarwal is brother of Mr. Ajay Agarwal, who is the Whole-time Director of the Company.	Not related to any other director or KMP of the Company.	Not related to any other director or KMP of the Company.

Note: For further details related to remuneration drawn and proposed, directorship/committee membership, please refer to Directors' Report and Corporate Governance Report forming part of the Annual Report.

By Order of the Board of Directors  
For **Donear Industries Limited**

**Sakshi Bajaj**  
Company Secretary

Mumbai,  
August 24, 2020

Registered Office:  
Donear House, 8th floor, Plot No. A-50, Road No. 1,  
MIDC, Andheri (East), Mumbai – 400 093

## DIRECTOR'S REPORT

### Dear Members,

Your Directors present the Thirty-Fourth (34th) Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2020.

### Financial Performance

The financial performance of the Company is as follows:

(Rs. in Lakhs)

Particulars	Financial Year	
	2019-20	2018-19
Revenue from Operations	54,793.92	59,432.16
Other Income	463.47	270.86
Total Revenue	55,257.39	59,703.02
Profit before Depreciation and Amortisation expense, Finance Costs and Tax expense	5,183.88	5,942.07
Less: Depreciation and Amortisation expense	915.62	955.99
Less: Finance Costs	2,422.20	2,734.24
Profit before Tax	1,846.06	2,251.84
Less: Tax expense	650.99	833.43
Profit after Tax	1,195.07	1,418.41
Other Comprehensive Income	5.94	(3.27)
Total Comprehensive Income	1,201.01	1,415.14
Earnings Per Equity Share of Face Value of Rs. 2/- each		
- Basic and Diluted (in Rs.)	2.30	2.73

### Review of Financial Performance

The Total Revenue for Financial Year 2019-20 was Rs. 55,257.39 Lakhs as compared to Rs. 59,703.02 Lakhs in previous Financial Year. The Profit before Tax stood at Rs. 1,846.06 Lakhs as against Rs. 2,251.84 Lakhs in the Previous Year. The Net Profit for the year stood at Rs. 1,195.07 Lakhs against Rs. 1,418.41 Lakhs reported in the Previous Year.

The segment revenue from operations for Financial Year 2019-20 (a) Textile: Rs. 54,021.25 Lakhs (Previous Year: Rs. 58,592.98 Lakhs), (b) Rental Business Rs. 772.67 Lakhs (Previous Year: Rs. 839.18 Lakhs). The segment Profit before Tax for Financial Year 2019-20 (a) Textile: Rs. 4,802.78 Lakhs (Previous Year: Rs. 5,720.00 Lakhs), (b) Rental Business Rs. 607.51 Lakhs (Previous Year: Rs. 619.06 Lakhs).

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 business operations of the Company detailed in this Report.

### Impact of COVID-19

In the last month of FY 2019-20, the COVID-19 pandemic evolved rapidly into a global crisis, forcing governments to enforce lock-downs on all activity. Due to country-wide lockdown, the Company's operations were hit, significantly since 1<sup>st</sup> day of lockdown till the 2nd week of May 2020, when lockdown was gradually lifted.

The extent of COVID-19 and consequent lockdown directly impacted the length of the recovery cycle. However, the Company have been taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. The Company began to take several initiative to bring down costs and improve liquidity position and conserve cash. These initiatives are well under way and the Company is expected to get benefits in near future and will ensure that the manufacturing facilities operate smoothly.

The Company in the midst of the COVID-19 has launched a modern type of fabric known as NEO-TECH Fabrics which kills virus that accumulates on the cloth within 30 minutes. This has created a sensation in the textile market and most of the garment manufacturers are approaching the Company for procurement of Fabrics for their garment.

### Management Discussion and Analysis

#### 1. Industry structure and developments:

The textile and apparel industry is one of the earliest industries to have developed in India. Its inherent and unique strength is its incomparable employment potential owing to the presence of the entire value chain from fiber to apparel manufacturing within the country. It is the biggest employer after agriculture and provides employment to over 45 million people directly and 60 million people indirectly.

India is the second-largest manufacturer of textiles and clothing in the world. India is also the second-largest exporter of textiles and apparel with a share of 5% of global trade. Exports of textile and clothing products, including handicrafts, from India have slightly increased to US\$ 40.4 billion during the year 2018-19, registering a growth of 3%. However, India's global share is way behind that of China, which has approximately 38% of the global textile and clothing trade. The share of textile and clothing in India's total exports stood at 12% in FY-19. With 48% total textile and apparel export, EU-28 and the United States are India's major textile and apparel export destinations.

The major development that textile industry would witness is the demand of hygienic product where more focus should be given to produce and supply anti-bacterial and anti-viral fabrics.

#### 2. Opportunities:

The central government has embraced 'Atmanirbhar' or 'self-reliance' as a development strategy to reboot the Indian economy. While pursuing such a policy will, no doubt, boost the country's manufacturing and exports, the government should not lose sight of sectors which are already self-reliant and can, with a little help, play a larger role in the global market. If there is one sector in the country that is self-reliant end-to-end, it is textile sector. Your Company being in this sector welcome the opportunity to grow by capacity building, restraining imports as much as possible, utilizing technical manpower availability, wide fiber base and utilizing government policies for modernization and also for raw material cost controls.



Moreover, 100% Foreign Direct Investment is allowed in the textile sector under the automatic route which can also support to take the measures for increasing production, spending in cost effective technologies, etc.

### 3. Challenges:

Though India has the best textile industry, it also face numerous challenges like changing tax structure at the state and central government levels making garments expensive, rising interest rates, labor wages and workers' salaries, etc.

The Indian textile industry has its own limitations such as access to the latest technology and failures to meet global standards in the highly competitive export market. There is fierce competition from countries in the low-price garment market. In the global market tariff and non-tariff barriers coupled with the quota are posing a major challenge to the Indian textile Industry. The environmental and social issues like child labour and personal safety norms are also some of the challenges for the textile industry in India.

### 4. Future Outlook of Textile Industry:

The coronavirus disease (CoVID-19) is affecting every sphere of life including manufacturing activities, businesses, etc., across the globe and India is also not spared from the panic situation. The textile industry predominantly employs migrant workers from different States which has returned to their native places which result in mass stoppage in production. Further, with the expected steep reduction in demand due to sudden stoppage of exports/imports and also domestic sales, the industry is likely to face unprecedented hardships and losses. However post coronavirus, the future of the textile industry in India has a positive outlook and is mirrored by increasingly strong consumption rates in the domestic market as well as the growing demand for exports. Moreover, the industry has earned a unique place in the economy due to its strong future outlook, numerous employment opportunities it has generated and the strong export numbers it has generated.

### 5. Human Resources / Industrial Relations front:

Your Company's HR showed a strategic and coherent approach in managing the talent and put an endeavor in employing people and developing their capacities, utilizing and maintaining their services. Our Company continuously carries out the necessary improvements to attract and retain the best talent which results in low attrition rates.

The Company's policy of providing on the job training has been instrumental in developing a good work force for the Company. Moreover, the Company has an induction process wherein employees are made familiar with the organization structure, their reporting authority, various units/plants location, major achievements and other related facts in order to make them congenial while working in the Company.

### 6. Risk Management and Internal control systems

The Company has in place a Risk Management framework through its Policy, the main objective of which is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving the risks which are material in nature and are associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on material risk related issues. The policy is available on the website of the Company at the link: <http://www.donear.com/donear2006/downloads/RiskManagementPolicy.pdf>.

Further, the Company's activities are expose to credit risk, liquidity risk, market risk, price risk and Interest Rate Risk. The sources of such risk and how Company manages such risk and the impact thereof are provided in the relevant note forming part of the Financial Statements, which forms part of this Annual Report.

Internal Audit plays a key role in providing an assurance to the Board of Directors with respect to the Company having adequate Internal Financial Control Systems. The Internal Financial Control systems provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. The Company has adequate internal control system which commensurate with its size, scale and complexities of its operations.

### Dividend

The Board at its meeting held on June 30, 2020, has recommended a dividend of Rs. 0.20 (10 %) per Equity Share of Rs. 2.00 each for the financial year ended March 31, 2020, subject to the approval of the Members of the Company at the ensuing Annual General Meeting ("AGM").

The provisions under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") regarding formulating Dividend Distribution Policy are not applicable to the Company. Hence, the Company declares the dividend by maintaining a balance between profit retention and a fair, sustainable and consistent distribution of profits among its Members.

### Transfer to General Reserves

The Board has decided not to transfer any amount to the General Reserve for the year under review.

### Credit Rating

Your Company has obtained ratings from India Ratings and Research Private Limited ("Ind-Ra"). During the year under review, Ind-Ra have reaffirmed their ratings to the Company's Fund-based / Non-fund-based working capital facilities and Term Loan.

For more details, please refer the Corporate Governance Report, which forms part of this Annual Report.

### Issue of Equity Shares

During the year under review, the Company hasn't issued any equity shares and there is no change in issued and paid-up capital of the Company. The Company has also not issued any shares with differential voting rights.

### Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 ("the Act"), your Directors, confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed;
- they 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 at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care towards 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 irregularities;
- the annual accounts are prepared on a going concern basis;
- they have laid down Internal Financial Controls, which are adequate and are operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**Directors and Key Managerial Personnel**

In accordance with the provisions of Section 152 of the Act, Mr. Rajendra Agarwal, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A resolution seeking Members' approval for his re-appointment forms part of the Notice. This re-appointment as a Director shall not constitute a break in his appointment as Managing Director of the Company.

During the year, Mr. Santkumar Agarwal (DIN:00153607), an Independent Director of the Company has resigned from the Board of the Company and consequently from the various Committees of the Board in which he was a Chairman / Member with effect from November 11, 2019 owing solely due to personal reasons. It has also been confirmed that there was no other material reasons for his resignation. The Board places on record its sincere appreciation for the contribution made by him during his tenure as an Independent Director and Chairman/Member on various Committees of the Board.

The Board, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Govind Shridhar Shrikhande (DIN: 00029419) as an Additional Director (Non-executive and Independent Director) in its meeting held on November 11, 2019 and who holds office upto the date of the ensuing Annual General Meeting in terms of Section 161(1) of the Act and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company. Accordingly, a resolution seeking Members' approval for his appointment as an Independent Director of the Company for a period of 5 (Five) years, forms part of the Notice.

Mrs. Medha Pattanayak (DIN: 07157952) was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years from the conclusion of 29<sup>th</sup> Annual General Meeting held on September 26, 2015 up to the conclusion of 34<sup>th</sup> Annual General Meeting. Accordingly, the first tenure of Mrs. Medha Pattanayak as Independent Director would come to an end on September 25, 2020.

The Board, based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board, have re-appointed Mrs. Medha Pattanayak as Independent Director of the Company for the second term of five consecutive years with effect from September 26, 2020 and recommended the same to the Members at ensuing Annual General Meeting of the Company. Accordingly, a resolution seeking Members' approval for her re-appointment as an Independent Director of the Company for second term of 5 (Five) years, forms part of the Notice.

Additional information on appointment/re-appointment of directors as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is given in the Notice convening the forthcoming AGM.

Mr. Santanu Mukherjee, Mrs. Medha Pattanayak and Mr. Govind Shrikhande, Independent Directors, hold office for their respective term. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

The Company has received declarations from all the Independent Directors of the Company confirming that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and are independent of the management and also possess the requisite integrity, experience, expertise, proficiency and qualifications. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualifications of Directors) Rules, 2014.

Further, Mr. Shreedhar Hirimbi has resigned from the post of Company Secretary and Compliance officer with effect from May 01, 2019 due to his personal reasons. The Board places on record its sincere appreciation for the contribution made by him during his tenure. Consequent to such resignation and based upon the recommendation of Nomination and Remuneration Committee, Ms. Poonam Barsaiyan was appointed as Company Secretary and Compliance officer of the Company with effect from May 30, 2019.

During the same year, Ms. Poonam Barsaiyan also resigned as Company Secretary and Compliance Officer of the Company with effect from October 18, 2019 due to her personal reasons. Consequent to such resignation and based upon the recommendation of Nomination and Remuneration Committee, Ms. Sakshi Bajaj was appointed as Company Secretary and Compliance officer of the Company with effect from January 24, 2020.

During the year under review, the Board has also identified the list of core skills, expertise and competencies of the Board of Directors as are required in the context of the business and sector applicable to the Company and mapped with each of the Directors on the Board. The same is disclosed in the Report of Corporate Governance forming part of the Annual Report.

**Number of Meetings of the Board**

During the year under review, six meetings of the Board of Directors of the Company were held. The details of such Board meetings and attendance of Directors therein, are given in the Corporate Governance Report, which forms part of this Annual Report.

**Subsidiary / Associate / Joint Venture Companies**

The Company doesn't have any Subsidiary, Associate or Joint Venture. Accordingly, the provisions relating to consolidation of financials doesn't apply on the Company.

**Committees of the Board**

The Board of Directors has constituted following Committees, viz.:

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

The details of such Committees including their composition, number of meetings held and attended and terms of reference as required under provisions of the Act and Listing Regulations are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

There were no instances where the Board had not accepted any of the recommendations of the Audit Committee.

## **Auditors and Auditors' Report**

### **Statutory Auditors**

The Members of the Company at the 31st Annual General Meeting ("AGM") held on September 23, 2017 approved the appointment of M/s. Kanu Doshi Associates LLP, Chartered Accountants (Firm Registration No. 104746W/W100096), as Statutory Auditors of the Company to hold office from the conclusion of the said AGM till the conclusion of 34<sup>th</sup> AGM. Accordingly, their present term gets completed on conclusion of ensuing AGM.

The Board, based upon the recommendation of the Audit Committee and performance evaluation carried out by the Committee, re-appoints M/s. Kanu Doshi Associates LLP, Chartered Accountants as Statutory Auditors of the Company for a period of five years from the conclusion of ensuing AGM till the conclusion of the 39<sup>th</sup> AGM subject to approval of Members at the ensuing AGM of the Company.

Accordingly, a resolution seeking Members' approval for re-appointment of Statutory Auditors of the Company for second term of 5 (Five) years, forms part of the Notice.

The Company has received consent letter signifying their willingness to be re-appointed as Statutory Auditors and a certificate from them that their re-appointment if approved by members, would be as per the criteria and limit as specified under the Act.

The Audit Report on the Financial Statements of the Company for financial year ended March 31, 2020 is made part of this Annual Report. The Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **Secretarial Auditors**

M/s. Yogesh Sharma & Co., Practicing Company Secretaries (Membership No. 33235 / Certificate of Practice No. 12366) were appointed as Secretarial Auditor to conduct the secretarial audit of the Company, as required under Section 204 of Act, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Listing Regulations.

The Secretarial Audit Report for the financial year 2019-20 is given as Annexure A, which forms part of this Report.

Their Audit Report confirms that the Company has complied with applicable provisions of the Act and the Rules made thereunder, Listing Regulations, other SEBI Regulations and laws applicable to the Company except the identification of short spending of required CSR amount.

### **Cost Auditors**

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are prepared and records have been maintained relating to Textile Division every year. The Cost Audit Report for the year ended March 31, 2019 was filed with the Central Government within the prescribed time.

The Board of Directors, on the recommendation of the Audit Committee has re-appointed M/s. Y. R. Doshi & Co., (Firm Registration No. 000003, Membership No. 3286), Cost Accountants, Mumbai, as Cost Auditors for undertaking Cost Audit for the financial year ending March 31, 2021. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The remuneration payable to Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Act and Rules therein. A resolution seeking member's approval for ratification of remuneration payable to Cost Auditor forms part of the Notice convening Annual General Meeting.

### **Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial 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 Act.

### **Significant and Material Orders**

There were no significant and material orders passed by any regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.

### **Annual Evaluation of Board Performance and Performance of its Committees and of Directors:**

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors.

The Nomination and Remuneration Committee, in order to facilitate the performance evaluation process, laid down the evaluation criteria for the performance of Executive / Non-Executive /Independent Directors, Chairman of the Board, Committees and the Board as a whole and approved specific evaluation forms.

These forms were circulated to each of the Director, as applicable, and Directors were requested to provide their valuable feedbacks and suggestions on the overall functioning of the Board and its Committees. Accordingly, Directors submitted their feedbacks on various parameters such as composition, manner of circulating agenda for meetings, participations, frequency of meetings, timeliness and accuracy of information, infrastructure for effective deliberations, flow of information between Board and Management, contribution towards corporate performance, internal control, management information system, etc.

The performance of individual directors was evaluated on the basis of parameters such as engagement, leadership, analysis, knowledge and skills, quality of decision making, interactions, ethics and integrity, willingness to devote time and efforts, corporate governance, relationships with stakeholders, relationships with Management, contribution, attendance, independent judgment, etc.

The Independent Directors at their separate meeting held on February 08, 2020, reviewed the performance of Non-Independent Directors, the Board as a whole, the Chairperson of the Board after taking into account the views of executive directors and also assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

### **Policy on Directors' Remuneration**

The Company's remuneration policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees as recommended by the Nomination and Remuneration Committee and approved by Board from time to time has been disclosed in the Corporate Governance Report, which forms part of this Annual Report and also available at the Company's website at <http://www.donear.com/donear2006/downloads/Nomination&RemunerationPolicy.pdf>

### **Corporate Social Responsibility (CSR)**

The composition and terms of reference of the Corporate Social Responsibility ("CSR") Committee is provided in the Corporate Governance Report, which forms part of this Annual Report.



The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure B of this Report in the format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014.

The company is endeavored to ensure full utilization of the allocated CSR Budget. The amount which remained unspent due to unavoidable circumstances, added to the CSR Budget for the Finance year 2020-21. However during the year 2017-18, the Company had spent Rs.128.70 Lakhs under CSR as against the requirement of Rs. 16.16 Lakhs majorly to a foundation which promotes educational supports to schools colleges, university to help the deserving and needy, also provides medical relief, create awareness among poor and needy people including destitute and orphan children.

#### **Deposits from Public**

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2020.

#### **Corporate Governance Report**

As per Regulation 34(3) read with Schedule V of the Listing Regulations, the Company's Corporate Governance Report for the year under review, forms part of this Annual Report.

A certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and other applicable provisions of Listing Regulations, is annexed to Corporate Governance Report and forms part of that Report.

#### **Particulars of Employees**

The information pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure C, which forms part of this Report.

There were no employees drawing monthly or yearly remuneration in excess of the limit specified in Rule 5(2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### **Secretarial Standards**

During the year under review, the Company has complied with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') in terms of Section 118(10) of the Act.

#### **Disclosure Requirements**

Policy for determining Materiality of Events of the Company is available on the website of the Company at the link: <http://www.donear.com/donear2006/downloads/PolicyonCriteriafordeterminingMaterialityofEvents.pdf>

Policy for archival of documents of the Company is available on the website of the Company at the link: <http://www.donear.com/donear2006/downloads/PolicyonPreservationofDocumentsandArchivalofDocuments.pdf>

The code of conduct for Directors and senior management of the Company is available on the website of the Company at the link: <http://www.donear.com/donear2006/downloads/codeofconduct.pdf>

There has been no change in the nature of business of the Company.

#### **Vigil Mechanism / Whistle Blower Policy**

The essence of Company's philosophy is based on fairness, transparency, accountability and responsibility aligned with best management practices and ethical values.

Accordingly, Company has put in place Vigil Mechanism / Whistle Blower Policy for its Stakeholders to report genuine concerns that could have serious impact on the operations and performance of business of the Company.

This Policy also aims to provide adequate safeguards against victimization of directors, employees and other stakeholders who use this policy / mechanism and contains the provision of direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

This policy is available on the website of the Company at the link: <http://www.donear.com/donear2006/downloads/WhistleBlowerPolicy.pdf>.

#### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act"), the Company has constituted Sexual Harassment Internal Complaints Committee, chaired by Head of Human Resource Department who introduced such Committee to female staff and imparted awareness on sexual harassment of women at workplace.

All Women employees whether contractual, permanent or temporary, were made aware of appropriate ways and methods of approaching and responding to sexual harassment concerns and incidents. Further, they were made aware of the present law protecting them against any sexual abuse and motivated them to share anything which they see absurd in relation to their safety.

During the year under review, there were no cases reported to the Board under the POSH Act.

#### **Particulars of Loans, Guarantees and Investments**

During the year under review, the Company has not made any investment. Further, the Company has not given any loans or corporate guarantee or provided any security during the year.

For more details, please refer relevant note forming part of the Financial Statements, which forms part of this Annual Report.

#### **Particulars of Contracts or Arrangements with Related Parties**

During the year under review, all transactions entered into by the Company with related parties were repetitive in nature, in ordinary course of business, on arm's length basis and were in compliance with the applicable provisions of the Act and the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee and/or Board, as applicable for its review and approval and out of those, the Related Party Transactions which are material or likely to be material are placed before shareholders, for their approval. The particulars of contracts or arrangements with Related Parties referred to in Section 188(1) of the Act are provided in the prescribed Form AOC-2 which is annexed as Annexure D, which forms part of this Report.

The contracts/ arrangements / transactions with the related parties are necessary in the ordinary course and have a significant role in the Company's operations.

Moreover, the Company has formulated a Policy on Related Party Transactions and also amended during the year to keep it in line with the Act and Listing Regulations and is available on the website of the Company at the link: <http://www.donear.com/donear2006/downloads/RelatedPartyTransactionsPolicy.pdf>

Disclosure of transactions with related parties as required under Listing Regulations and the applicable Accounting Standards is given in the relevant note forming part of the Financial Statements.

#### **Particulars Regarding Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgo**

The particulars as required under Section 134(3)(m) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are given in Annexure E, which forms part of this Report.

#### **Investors Education and Protection Fund ("IEPF")**

##### **(a) Transfer of unclaimed dividend**

Members are hereby informed that pursuant to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more, in the account of the Investor Education and Protection Fund ("the IEPF"). Accordingly, a Final Dividend of Rs. 20,996 for FY 2011-12, which remained unpaid or unclaimed was supposed to be transferred to the IEPF Authority by November 22, 2019 but due to technical interruption on MCA Site, the payment was reverted back and after several communications with MCA, the Company finally transferred the said amount to the Investor Education and Protection Fund on May 14, 2020.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2012-13 and thereafter –

<b>Dividend for the year</b>	<b>Date of Declaration</b>	<b>Due date for transfer to the IEPF</b>
2012-2013	September 28, 2013	October 28, 2020
2013-2014	September 24, 2014	October 30, 2021
2014-2015	September 26, 2015	November 01, 2022
2015-2016	September 24, 2016	October 30, 2023
2016-2017	September 23, 2017	October 29, 2024
2017-2018	September 29, 2018	November 04, 2025
2018-2019	September 23, 2019	October 29, 2026

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s) are requested to make their claim to Link Intime India Private Limited, Registrar and Transfer Agent, well in advance of the above due dates. It may be noted that unclaimed dividend for FY 2012-13 declared on September 28, 2013 can be claimed by the Members by October 17, 2020.

##### **(a) Transfer of shares to IEPF**

Pursuant to the provisions of the Act read with Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred 1,047 Equity Shares of face value of Rs. 2/- each to the demat account of the IEPF Authority. Due to technical interruption on MCA Site and consequent delay in transfer of unpaid or unclaimed dividend amount to IEPF as stated above and further due to hurdles caused by COVID-19 pandemic since mid of March, the transfer of shares was also delayed and then finally made and completed on July 09, 2020. The Company had sent individual notice to all the Members whose shares were due to be transferred to the IEPF Authority and had also published newspaper advertisement in this regard. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company at link: <http://www.donear.com/donear2006/downloads/Unclaimed/shareholderswhosesharesareliabletotransfertolIEPFY2011-12.pdf>.

##### **(b) Claim from IEPF Authority**

Members/Claimants whose shares, unpaid/ unclaimed dividends and other benefits arising on those shares have been transferred to the IEPF Authority, can claim the same by making an application to the IEPF Authority in e-Form IEPF-5 (available at [www.iepf.gov.in](http://www.iepf.gov.in)) and by sending duly signed physical copy of the same to the Company along with requisite documents as prescribed in the instruction kit of e-Form IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

##### **(c) The Company paid to IEPF on October 10, 2019, an amount of Rs. 1,929.20 towards dividend for the financial year ended March 31, 2019 on such Shares which were transferred to IEPF.**

##### **(d) Details of unclaimed dividend on the website**

As per the Rules, the Company has uploaded the information in respect of unclaimed dividends on its website at link: [http://www.donear.com/donear2006/Unclaimed\\_Dividend.asp](http://www.donear.com/donear2006/Unclaimed_Dividend.asp). The same is also available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).

#### **Extract of Annual Return**

In accordance with Sections 92 and 134(3) of the Act and Companies (Management and Administration) Rules, 2014, an extract of annual return in the prescribed Form MGT-9 is given in Annexure F, which forms part of this Report.

The copy of extract of annual return is also available on the website of the Company [www.donear.com](http://www.donear.com).

#### **Acknowledgement**

The Board thanks our all stakeholders for their continued support and patronage extended to the Company and places on records its sincere appreciation of the whole hearted contribution made by our employees, for the Company's consistent growth and achievements.

For and on behalf of Board of Directors

Mumbai  
August 24, 2020

Rajendra V. Agarwal  
Managing Director  
DIN: 00227233

Ajay V. Agarwal  
Whole-Time Director  
DIN: 00227279

Annexure - A  
Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> 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,  
**DONEAR INDUSTRIES LIMITED**  
Donear House, 8<sup>th</sup> Floor,  
Plot No. A - 50 Road No. 1, MIDC,  
Andheri (East), Mumbai - 400093

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DONEAR INDUSTRIES LIMITED, (CIN - L99999MH1987PLC042076)**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and scanned copies of the documents provided by the company through e-mail, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 ('Audit Period') has generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the 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- Not applicable to the Company during the Audit period**);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(**Not applicable to the Company during the Audit period**);
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Audit period**);
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit period**);
  - (g) 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;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit period**);
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit period**);
  - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. Listing Agreements entered into by the Company with BSE & NSE Limited

During the period under review and as per representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc except the following:

*The Company has spent short amount on CSR Activities than, what is required to be spent as per Section 135 of Companies Act, 2013.*

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:

- i. Factories Act, 1948
- ii. Water (Prevention and Control of Pollution) Act, 1974
- iii. Air (Prevention and Control of Pollution) Act, 1981
- iv. Environment Protection Act, 1986

I 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 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 at Board Meetings and Committee Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

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

I further report that during the period there were no specific action/events having a major bearing on the company's affairs in above referred laws, rules, regulations, guidelines, standards, etc.

For YOGESH SHARMA & CO.

Place: Mumbai  
Date: 21<sup>st</sup> August, 2020  
UDIN: A033235B000603387

Prop. YOGESH M. SHARMA  
ACS: 33235 C.P:12366

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

## APPENDIX A

To,  
The Members,

### **DONEAR INDUSTRIES LIMITED,**

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was one on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, which I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. My examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For YOGESH SHARMA & CO.

Place: Mumbai  
Date: 21<sup>st</sup> August, 2020

Prop. YOGESH M. SHARMA  
ACS: 33235 C.P:12366



**Annexure B**

**Report on Corporate Social Responsibility (CSR) Activities**

Sr. No.	Particulars	Details
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 Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare and sustainable development of the community at large. The CSR Policy provides an overview of the projects or programs, which are proposed to be undertaken by the Company in the coming years. CSR Policy of the Company is available on the website of the Company at the link: <a href="http://www.donear.com/donear2006/downloads/CorporateSocialResponsibility(CSR)Policy.pdf">http://www.donear.com/donear2006/downloads/CorporateSocialResponsibility(CSR)Policy.pdf</a>
2	The Composition of the CSR Committee.	1. Mrs. Medha Pattanayak - Non-Executive - Independent Director, Chairperson 2. Rajendra Agarwal –Managing Director, Member 3. Ajay Agarwal –Whole-time Director, Member
3	Average net profit of the Company for last three financial years.	Rs. 2,039.67 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	Rs. 40.79 Lakhs
5	Details of CSR spent during the financial year 2019-20:	
	a. Total amount to be spent for the financial year 2019-20	Rs. 40.79 Lakhs
	b. Total amount spent for the financial year 2019-20	Rs. 1.43 Lakhs
	c. Amount unspent, if any	Rs. 39.36 Lakhs

**6 Manner in which the amount spent during the financial year 2019-20 is detailed below:**

(Rs. in Lakhs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount spent on the projects or programs:	Cumulative Expenditure upto the Reporting Period	Amount spent direct or through implementing agency
a	Rural Development	Rural Development	Mumbai, Maharashtra	0.31	0.31	Sai Prabodhan Trust
b	Rural Development	Rural Development	Mumbai, Maharashtra	1.12	1.12	Friends of Tribal Society
			Total	1.43	1.43	

**7. Reasons for not spending the amount specified in point no. 5(c) above:**

The company is endeavored to ensure full utilization of the allocated CSR Budget. The amount which remained unspent due to unavoidable circumstances, added to the CSR Budget for the Finance year 2020-21. However during the year 2017-18, the Company had spent Rs.128.70 Lakhs under CSR as against the requirement of Rs. 16.16 Lakhs majorly to a foundation which promotes educational supports to schools colleges, university to help the deserving and needy, also provides medical relief, create awareness among poor and needy people including destitute and orphan children.

**8. Responsibility Statement of the CSR committee:**

It is hereby confirmed that the CSR Committee has implemented and monitored the CSR initiatives in line with CSR objective and policy of the Company.

Mumbai  
August 24, 2020

Mr. Rajendra Agarwal  
Chairman & Managing Director

Mrs. Medha Pattanayak  
Chairperson of CSR Committee

**Annexure C**

**Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- I. The ratio of the remuneration of each Director to the Median Remuneration of the Employees ("MRE") of the Company and the percentage increase in remuneration of each Director and Key Managerial Personnel ("KMP"), for the financial year 2019-20 are as under:

	Name and Designation	Increase in Remuneration (%)	Ratio of remuneration of each Director to MRE
1.	<b>Managing Director:</b>		
	Rajendra Agarwal	0.00%	7.42
2.	<b>Whole Time Director:</b>		
	Mr. Ajay Agarwal	0.00%	2.78
3	<b>Executive Director:</b>		
	Mr. Anup Kumar Singh	2.72%	2.94
	<b>Key Managerial Personnel:</b>		
1.	Mr. Ashok Agarwal (Chief Financial Officer)	14.01%	5.16
2.	Ms. Poonam Barsaiyan (Company Secretary from May 30, 2019 till October 18, 2019)	0.00%*	1.06
3	Ms. Sakshi Bajaj (Company Secretary with effect from January 24, 2020)	0.00%*	1.11

\* Annualized

Other Directors of the Company are paid only sitting fees which is not considered as remuneration.

- II. The percentage increase in the median remuneration of employees in the Financial Year 2019-20: Nil.
- III. There were 852 permanent employees on the rolls of the Company as on March 31, 2020;
- IV. Average percentage increase in the salaries of employees other than the managerial personnel for the financial year 2019-20 was in the range of 3% to 5%. There was an increase of 2% to 3% in the remuneration to managerial personnel for the same period; and
- V. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of Board of Directors

Mumbai  
August 24, 2020

Rajendra V. Agarwal  
Managing Director  
DIN: 00227233

Ajay V. Agarwal  
Whole-Time Director  
DIN: 00227279

## Annexure - D FORM NO. AOC. 2

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

This Form pertains to the 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 arm's length transactions under third proviso thereto.

### 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 March 31, 2020, which were not at arm's length basis.

### 2. Details of contracts or arrangements or transactions at arm's length basis:

The details of contracts or arrangements or transactions at arm's length basis entered into during the year ended March 31, 2020 are as follows:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts / Arrangements / transactions	Duration of the contracts / arrangements / transactions	Value of Transaction (Rs. In Lakhs)	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
1.	Neptune Fabs	Mrs. Bhaverdevi Agarwal, promoter of the Company is interested.	Leasing of Property, Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return) and other recovery of expenses	April 01, 2019 to March 31, 2020	184.15	The Related Party Transactions ("RPTs") entered during the year were in the ordinary course of business and on arms length basis.	Necessary approvals of the Audit Committee/ Board and Shareholders has been obtained on May 30, 2019 and September 23, 2019, respectively.	-
2.	Venus Textiles	Mrs. Neena Agarwal, promoter of the Company is interested.	Leasing of Property, Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return) and other recovery of expenses	April 01, 2019 to March 31, 2020	408.02		Necessary approvals of the Audit Committee/ Board and Shareholders has been obtained on May 30, 2019 and September 23, 2019, respectively.	-
3.	Lotus Fabrics	Mrs. Uma Agarwal, promoter of the Company is interested.	Leasing of Property, Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return) and other recovery of expenses	April 01, 2019 to March 31, 2020	197.54		Necessary approvals of the Audit Committee/ Board and Shareholders has been obtained on May 30, 2019 and September 23, 2019, respectively.	-
4.	Mercury Industries	Mr. Rahul Agarwal, promoter of the Company is interested.	Leasing of Property, Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return) and other recovery of expenses	April 01, 2019 to March 31, 2020	502.59		Necessary approvals of the Audit Committee/ Board and Shareholders has been obtained on May 30, 2019 and September 23, 2019, respectively.	-
5.	GBT Limited	Mr. Rahul Agarwal and Mrs. Uma Agarwal, promoters of the Company are interested.	Purchase and Sale of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return)	April 01, 2019 to March 31, 2020	3158.75		Necessary approvals of the Audit Committee/ Board and Shareholders has been obtained on May 30, 2019 and September 23, 2019, respectively.	-
6.	OCM Private Limited	Mr. Rajendra Agarwal, director and promoter of the Company is interested.	Purchase and Sale of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return)	April 01, 2019 to March 31, 2020	1755.61		Necessary approvals of the Audit Committee/ Board and Shareholders has been obtained on May 30, 2019 and September 23, 2019, respectively.	-
7.	R. Ajaykumar Real Estate LLP	Mrs. Bhaverdevi Agarwal, Mr. Rahul Agarwal and Mrs. Neena Agarwal, promoters of the Company are interested.	Leasing of Property and others	April 01, 2019 to March 31, 2020	18.00		Necessary approvals of the Audit Committee/ Board and Shareholders has been obtained on May 30, 2019 and September 23, 2019, respectively.	-
8.	Vinayaka Textiles	Mrs. Kavya Agarwal, promoter of the Company is interested.	Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return)	April 01, 2019 to March 31, 2020	131.68		Necessary approvals of the Audit Committee/ Board has been obtained on May 30, 2019	-
9.	Krishna Fabrics	Mr. Surya Agarwal, promoter of the Company is interested.	Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return)	April 01, 2019 to March 31, 2020	123.99		Necessary approvals of the Audit Committee/ Board has been obtained on May 30, 2019	-

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts / Arrangements / transactions	Duration of the contracts / arrangements / transactions	Value of Transaction (Rs. In Lakhs)	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
10	Laxmi Enterprises	Mr. Rahul Agarwal and Mr. Surya Agarwal, promoters of the Company are interested.	Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return)	April 01, 2019 to March 31, 2020	203.17		Necessary approvals of the Audit Committee/ Board has been obtained on May 30, 2019	-
11	Hanuman Fabrics	Mr. Ajay Agarwal, director and promoter of the Company is interested.	Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return)	April 01, 2019 to March 31, 2020	158.06		Necessary approvals of the Audit Committee/ Board has been obtained on May 30, 2019	-
12	Shiv Textiles	Ajay Vishwanath Agarwal (HUF), promoter of the Company is interested.	Purchase of Goods, Fixed Assets, Stores & Other Services (Net of Goods Return)	April 01, 2019 to March 31, 2020	159.16		Necessary approvals of the Audit Committee/ Board has been obtained on May 30, 2019	-

For and on behalf of Board of Directors

Mumbai  
August 24, 2020

Rajendra V. Agarwal  
Managing Director  
DIN: 00227233

Ajay V. Agarwal  
Whole-Time Director  
DIN: 00227279



**Annexure - E**

**Conservation of Energy, Technology Absorption and  
Foreign Exchange Earnings and Outgo, etc.**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo, pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is provided as under:

**(A) Conservation of Energy:**

**(i) The steps taken or impact on conservation of energy:**

1. Replacement of existing Galvanised Iron pipeline with PPCH pipeline at Compressor house;
2. Replacement of existing 3 inch air flow meter with new 6 inch air flow meter to reduce air pressure drop;
3. Installation of department wise air flow meter to measure and control air consumption;
4. Installation of running hours and energy meters on each machines in process and yarn dyeing to diagnose power consumption;
5. Department wise and machine wise, power & steam consumption daily report is prepared to compare, analyze and control;
6. Cooling water recovery of Sanforizing and Zero machine in process house;
7. Installation of softening plant backwash water recovery system;
8. Installation of centralize system for Drinking water;
9. Installation of waterjet effluent recycle system;
10. Energy saving submersible pumps installed at Effluent Treatment Plant ("ETP") for effluent transfer;
11. Installation of IE3 motors in 2 some looms;
12. Hot water line connection work in 5 Jet dyeing machines.

**(ii) The steps taken by the Company for utilising alternate sources of energy:** The Company has installed 1094 kilowatt ("KW") capacity solar power plant.

**(iii) The capital investment on energy conservation equipment:** The Company has made Capital investment on energy conservation equipment of Rs. 27.5 Lakhs during the FY 2019-20.

**(B) Technology absorption:**

**(i) The efforts made towards technology absorption:** Following works carried out at Balaji, Silvassa Plant:

1. Main High Tension (HT) power cable laid underground;
2. Installation of VCB panels for power distribution;
3. Installation of Automatic Power factor control panel.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:** By installation of Automatic Power factor control panel, power factor improved from 0.970 to 0.999

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Not Applicable

**(iv) The expenditure incurred on Research and Development:** Nil

**(C) Foreign Exchange Earnings and Outgo:**

Foreign Exchange earnings and outgo during the year under review are as follows:

(Amount in Lakhs)

Particulars	Financial Year 2019-20	Financial Year 2018-19
Foreign Exchange Earnings	5,436.35	5,984.87
Foreign Exchange Outgo	361.87	464.61

For and on behalf of Board of Directors

Mumbai  
August 24, 2020

Rajendra V. Agarwal  
Managing Director  
DIN: 00227233

Ajay V. Agarwal  
Whole-Time Director  
DIN: 00227279

**Annexure – F**  
**FORM MGT-9**  
**Extract of Annual Return**

**As on the financial year ended on March 31, 2020**

*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]*

**I. Registration and Other Details:**

Sr. No.	Particulars	Details
1	CIN	L99999MH1987PLC042076
2	Registration Date	January 01, 1987
3	Name of the Company	Donear Industries Limited
4	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
5	Address of the Registered office and contact details	Donear House, 8th Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093 Tel. No.: 022 - 6834 8100 Fax. No.: 022- 6834 8313
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083 Tel. No.: 022 4918 6270 Fax No.: 022 4918 6060

**II. Principal Business Activities of the Company**

All the business activities contributing 10.00% or more of the total turnover of the Company are as follows:

Sr. No.	Name and Description of main products/ services	NIC Code of the product / service	% to total turnover of the Company
1	Cotton Fabrics	5209	33.82
2	Polyester Viscose Fabrics	5515	48.70

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shareheld	Applicable Section
1	Nil					

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Shareholding**

Category code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoters and Promoter Group									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	30478034	40000	30518034	58.69	30478034	40000	30518034	58.69	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	8254000	0	8254000	15.87	8254000	0	8254000	15.87	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	38732034	40000	38772034	74.56	38732034	40000	38772034	74.56	0.00
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00

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Category code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	<b>Total Shareholding of Promoter and Promoter Group</b> <b>(A) = (A)(1)+(A)(2)</b>	<b>38732034</b>	<b>40000</b>	<b>38772034</b>	<b>74.56</b>	<b>38732034</b>	<b>40000</b>	<b>38772034</b>	<b>74.56</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	146518	0	146518	0.28	0	0	0	0.00	(0.28)
(b)	Financial Institutions/ Banks	5350	0	5350	0.01	192	0	192	0.00	(0.01)
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>151868</b>	<b>0</b>	<b>151868</b>	<b>0.29</b>	<b>192</b>	<b>0</b>	<b>192</b>	<b>0.00</b>	<b>(0.29)</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	837029	0	837029	1.61	798772	0	798772	1.54	(0.07)
(b)	Individuals	10021622	17926	10039548	19.31	10985270	17023	11002293	21.16	1.85
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	6189241	17926	6207167	11.94	5900296	17023	5917319	11.38	(0.56)
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3832381	0	3832381	7.37	5084974	0	5084974	9.78	2.41
(c)	NBFCs registered with RBI	90136	0	90136	0.17	25000	0	25000	0.05	(0.13)
(d)	Any Other	2109385	0	2109385	4.06	1401709	0	1401709	2.70	(1.36)
	IEPF	9646	0	9646	0.02	9996	0	9996	0.02	0.00
	Trusts	0	0	0	0.00	10	0	10	0.00	0.00
	Hindu Undivided Family	1148960	0	1148960	2.21	1240929	0	1240929	2.39	0.18
	Non Resident Indians (Non Repat)	41248	0	41248	0.08	39058	0	39058	0.08	(0.00)
	Non Resident Indians (Repat)	79477	0	79477	0.15	74725	0	74725	0.14	(0.01)
	Directors and Relatives	0	0	0	0.00	1651	0	1651	0.00	0.00
	Clearing Member	830054	0	830054	1.60	35340	0	35340	0.07	(1.53)
	<b>Sub-Total (B)(2)</b>	<b>13058172</b>	<b>17926</b>	<b>13076098</b>	<b>25.15</b>	<b>13210751</b>	<b>17023</b>	<b>13227774</b>	<b>25.44</b>	<b>0.29</b>
	<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>13210040</b>	<b>17926</b>	<b>13227966</b>	<b>25.44</b>	<b>13210943</b>	<b>17023</b>	<b>13227966</b>	<b>25.44</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>51942074</b>	<b>57926</b>	<b>52000000</b>	<b>100.00</b>	<b>51942977</b>	<b>57023</b>	<b>52000000</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Custodian for GDRs and ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>51942074</b>	<b>57926</b>	<b>52000000</b>	<b>100.00</b>	<b>51942977</b>	<b>57023</b>	<b>52000000</b>	<b>100.00</b>	<b>0.00</b>

## (i) Shareholding of Promoters and Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in share holding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares Pledged/ encumbered	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	No. of Shares Pledged/ encumbered	% of Shares Pledged/ encumbered to total shares	
1	Bhavardevi Vishwanath Agarwal	4846785	9.32	40000	0.08	4846785	9.32	40000	0.08	0.00
2	Rahul Rajendra Agarwal	4756901	9.15	0	0.00	4756901	9.15	0	0.00	0.00
3	Rajendra V Agarwal	3861814	7.43	0	0.00	3861814	7.43	0	0.00	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in share holding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares Pledged/encumbered	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	No. of Shares Pledged/encumbered	% of Shares Pledged/encumbered to total shares	
4	Ajay Vishwanath Agarwal	3729500	7.17	0	0.00	3729500	7.17	0	0.00	0.00
5	Surya Ajay Agarwal	3643750	7.01	0	0.00	3643750	7.01	0	0.00	0.00
6	Neenadevi Ajay Agarwal	2917750	5.61	0	0.00	2917750	5.61	0	0.00	0.00
7	Donear Synthetics Limited	2600000	5.00	0	0.00	2600000	5.00	0	0.00	0.00
8	R Ajaykumar Real Estate LLP	2400000	4.62	0	0.00	2400000	4.62	0	0.00	0.00
9	Ajay Vishwanath Agarwal HUF	2369471	4.56	0	0.00	2369471	4.56	0	0.00	0.00
10	Umadevi Rajendra Agarwal	1871463	3.60	0	0.00	1871463	3.60	0	0.00	0.00
11	Donear Retail Private Limited	1840000	3.54	0	0.00	1840000	3.54	0	0.00	0.00
12	Rajendra V Agarwal HUF	1349000	2.59	0	0.00	1349000	2.59	0	0.00	0.00
13	Vishwanath L Agarwal HUF	1152500	2.22	0	0.00	1152500	2.22	0	0.00	0.00
14	Rajendra Synthetics Private Limited*	1040000	2.00	0	0.00	0	0.00	0	0.00	(2.00)
15	Sonia Synthetics LLP	360000	0.69	0	0.00	360000	0.69	0	0.00	0.00
16	Kavya Rahul Agarwal	19100	0.04	0	0.00	19100	0.04	0	0.00	0.00
17	Lav Kush Traders Private Limited	14000	0.03	0	0.00	14000	0.03	0	0.00	0.00
18	Rajendra Synthetics LLP*	0	0.00	0	0.00	1040000	2.00	0	0.00	2.00
<b>Total</b>		<b>38772034</b>	<b>74.56</b>	<b>40000</b>	<b>0.08</b>	<b>38772034</b>	<b>74.56</b>	<b>40000</b>	<b>0.08</b>	<b>0.00</b>

\* Rajendra Synthetics Private Limited got converted into Limited Liability Partnership.

(iii) **Change in Promoters and Promoter Group Shareholding**

Sr. No.	Name, Date and Reasons	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Rajendra Synthetics LLP*</b>				
	At the beginning of the year	0	0	0	0
	January 31, 2020 - Transfer due to change in constitution	1040000	2.00	1040000	2.00
	At the end of the year			1040000	2.00
2	<b>Rajendra Synthetics Private Limited*</b>				
	At the beginning of the year	1040000	2.00	1040000	2.00
	January 24, 2020 - Transfer due to change in constitution	(1040000)	(2.00)	0	0.00
	At the end of the year			0	0.00

\* Rajendra Synthetics Private Limited got converted into Limited Liability Partnership.



(vi) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Manju Devi Kejriwal</b>				
	At the beginning of the year	632844	1.22	632844	1.22
	At the end of the year			632844	1.22
2	<b>Renu Agarwal</b>				
	At the beginning of the year	565216	1.09	565216	1.09
	At the end of the year			565216	1.09
3	<b>Rajesh Suresh Agarwal</b>				
	At the beginning of the year	560360	1.08	560360	1.08
	At the end of the year			560360	1.08
4	<b>Rahul Niranjanlal Bhageria</b>				
	At the beginning of the year	0	0.00	0	0.00
	April 05, 2019 - Market Purchase	195000	0.38	195000	0.38
	August 02, 2019 - Market Purchase	1956	0.00	196956	0.38
	August 09, 2019 - Market Purchase	80140	0.15	277096	0.53
	August 16, 2019 - Market Purchase	62091	0.12	339187	0.65
	August 23, 2019 - Market Purchase	18033	0.03	357220	0.69
	August 30, 2019 - Market Purchase	28337	0.05	385557	0.74
	September 13, 2019 - Market Sell	(8352)	(0.02)	377205	0.73
	October 11, 2019 - Market Purchase	13728	0.03	390933	0.75
	October 25, 2019 - Market Purchase	1341	0.00	392274	0.75
	At the end of the year			392274	0.75
5	<b>Ankit Arun Jogani</b>				
	At the beginning of the year	12500	0.02	12500	0.02
	June 21, 2019 - Market Purchase	3000	0.01	15500	0.03
	August 02, 2019 - Market Purchase	8947	0.02	24447	0.05
	August 09, 2019 - Market Purchase	8499	0.02	32946	0.06
	August 16, 2019 - Market Purchase	42740	0.08	75686	0.15
	August 23, 2019 - Market Purchase	36079	0.07	111765	0.21
	August 30, 2019 - Market Purchase	22640	0.04	134405	0.26
	September 06, 2019 - Market Purchase	30023	0.06	164428	0.32
	September 13, 2019 - Market Purchase	14958	0.03	179386	0.34
	September 20, 2019 - Market Purchase	18871	0.04	198257	0.38
	December 13, 2019 - Market Purchase	440	0.00	198697	0.38
	March 13, 2020 - Market Purchase	15000	0.03	213697	0.41
	March 20, 2020 - Market Purchase	49994	0.10	263691	0.51
	March 27, 2020 - Market Purchase	41601	0.08	305292	0.59
	March 31, 2020 - Market Purchase	38511	0.07	343803	0.66
	At the end of the year			343803	0.66
6	<b>Santosh Sitaram Goenka</b>				
	At the beginning of the year	274861	0.53	274861	0.53
	May 03, 2019 - Market Purchase	1670	0.00	276531	0.53
	May 24, 2019 - Market Purchase	2550	0.00	279081	0.54
	January 24, 2020 - Market Purchase	3916	0.01	282997	0.54
	February 21, 2020 - Market Purchase	2765	0.01	285762	0.55
	March 20, 2020 - Market Purchase	1771	0.00	287533	0.55
	At the end of the year			287533	0.55

Sr. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	<b>Sunita Santosh Goenka</b>				
	At the beginning of the year	216768	0.42	216768	0.42
	February 07, 2020 - Market Purchase	8015	0.02	224783	0.43
	February 14, 2020 - Market Purchase	15194	0.03	239977	0.46
	March 06, 2020 - Market Purchase	3000	0.01	242977	0.47
	March 20, 2020 - Market Purchase	3851	0.01	246828	0.47
	At the end of the year			246828	0.47
8	<b>Suresh Kumar Bhageria HUF</b>				
	At the beginning of the year	245000	0.47	245000	0.47
	At the end of the year			245000	0.47
9	<b>Globe Capital Market Limited</b>				
	At the beginning of the year	219082	0.42	219082	0.42
	April 05, 2019 - Market Purchase	817	0.00	219899	0.42
	April 12, 2019 - Market Sell	(521)	(0.00)	219378	0.42
	April 19, 2019 - Market Sell	(19)	(0.00)	219359	0.42
	April 26, 2019 - Market Sell	(953)	(0.00)	218406	0.42
	May 03, 2019 - Market Sell	(1750)	(0.00)	216656	0.42
	May 10, 2019 - Market Purchase	2200	0.00	218856	0.42
	May 17, 2019 - Market Sell	(1500)	(0.00)	217356	0.42
	May 24, 2019 - Market Sell	(500)	(0.00)	216856	0.42
	May 31, 2019 - Market Purchase	1306	0.00	218162	0.42
	June 07, 2019 - Market Sell	(1100)	(0.00)	217062	0.42
	June 14, 2019 - Market Purchase	910	0.00	217972	0.42
	June 21, 2019 - Market Purchase	2090	0.00	220062	0.42
	June 29, 2019 - Market Sell	(2000)	(0.00)	218062	0.42
	July 05, 2019 - Market Sell	(846)	(0.00)	217216	0.42
	July 12, 2019 - Market Purchase	1796	0.00	219012	0.42
	July 19, 2019 - Market Purchase	2031	0.00	221043	0.43
	July 26, 2019 - Market Sell	(300)	(0.00)	220743	0.42
	August 09, 2019 - Market Purchase	2469	0.00	223212	0.43
	August 16, 2019 - Market Sell	(1000)	(0.00)	222212	0.43
	August 23, 2019 - Market Sell	(3650)	(0.01)	218562	0.42
	August 30, 2019 - Market Sell	(2100)	(0.00)	216462	0.42
	September 27, 2019 - Market Sell	(500)	(0.00)	215962	0.42
	October 11, 2019 - Market Sell	(300)	(0.00)	215662	0.41
	November 01, 2019 - Market Purchase	702	0.00	216364	0.42
	November 08, 2019 - Market Sell	(702)	(0.00)	215662	0.41
	November 15, 2019 - Market Purchase	504	0.00	216166	0.42
	November 22, 2019 - Market Sell	(504)	(0.00)	215662	0.41
	January 03, 2020 - Market Purchase	1000	0.00	216662	0.42
	January 10, 2020 - Market Sell	(1000)	(0.00)	215662	0.41
	January 24, 2020 - Market Purchase	1000	0.00	216662	0.42
	January 31, 2020 - Market Sell	(1000)	(0.00)	215662	0.41
	At the end of the year			215662	0.41
10	<b>Deepakkumar Vishwambharlal Bhageria</b>				
	At the beginning of the year	200000	0.38	200000	0.38
	At the end of the year			200000	0.38
11	<b>J. L. Shah Securities Private Limited</b>				
	At the beginning of the year	286662	0.55	286662	0.55
	April 05, 2019 - Market Sell	(3806)	(0.01)	282856	0.54

Sr. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	April 12, 2019 - Market Sell	(5017)	(0.01)	277839	0.53
	April 19, 2019 - Market Purchase	2110	0.00	279949	0.54
	April 26, 2019 - Market Sell	(104)	(0.00)	279845	0.54
	May 03, 2019 - Market Purchase	1000	0.00	280845	0.54
	May 10, 2019 - Market Purchase	3140	0.01	283985	0.55
	May 17, 2019 - Market Sell	(7300)	(0.01)	276685	0.53
	May 31, 2019 - Market Sell	(7985)	(0.02)	268700	0.52
	June 07, 2019 - Market Sell	(2847)	(0.01)	265853	0.51
	June 14, 2019 - Market Sell	(6392)	(0.01)	259461	0.50
	June 21, 2019 - Market Sell	(31432)	(0.06)	228029	0.44
	June 29, 2019 - Market Purchase	8000	0.02	236029	0.45
	July 05, 2019 - Market Sell	(10900)	(0.02)	225129	0.43
	July 19, 2019 - Market Purchase	375	0.00	225504	0.43
	July 26, 2019 - Market Sell	(375)	(0.00)	225129	0.43
	August 09, 2019 - Market Purchase	852	0.00	225981	0.43
	August 23, 2019 - Market Sell	(852)	(0.00)	225129	0.43
	August 30, 2019 - Market Sell	(221123)	(0.43)	4006	0.01
	September 13, 2019 - Market Sell	(3806)	(0.01)	200	0.00
	September 30, 2019 - Market Purchase	5631	0.01	5831	0.01
	October 18, 2019 - Market Sell	(2472)	(0.00)	3359	0.01
	October 25, 2019 - Market Purchase	2387	0.00	5746	0.01
	November 01, 2019 - Market Sell	(2406)	(0.00)	3340	0.01
	November 08, 2019 - Market Purchase	8390	0.02	11730	0.02
	December 13, 2019 - Market Sell	(8505)	(0.02)	3225	0.01
	December 27, 2019 - Market Purchase	1545	0.00	4770	0.01
	December 31, 2019 - Market Sell	(1823)	(0.00)	2947	0.01
	January 03, 2020 - Market Purchase	906	0.00	3853	0.01
	January 10, 2020 - Market Purchase	647	0.00	4500	0.01
	January 17, 2020 - Market Sell	(2500)	(0.00)	2000	0.00
	January 24, 2020 - Market Purchase	3000	0.01	5000	0.01
	January 31, 2020 - Market Purchase	9239	0.02	14239	0.03
	February 21, 2020 - Market Sell	(3517)	(0.01)	10722	0.02
	March 13, 2020 - Market Sell	(9878)	(0.02)	844	0.00
	March 20, 2020 - Market Sell	(344)	(0.00)	500	0.00
	March 27, 2020 - Market Sell	(500)	(0.00)	0	0.00
	At the end of the year			0	0.00
12	<b>Choice Equity Broking Private Limited</b>				
	At the beginning of the year	199890	0.38	199890	0.38
	April 05, 2019 - Market Sell	(195000)	(0.38)	4890	0.01
	April 12, 2019 - Market Sell	(2500)	(0.00)	2390	0.00
	April 19, 2019 - Market Purchase	433	0.00	2823	0.01
	April 26, 2019 - Market Purchase	67	0.00	2890	0.01
	May 03, 2019 - Market Purchase	300	0.00	3190	0.01
	May 10, 2019 - Market Sell	(800)	(0.00)	2390	0.00
	May 24, 2019 - Market Purchase	485	0.00	2875	0.01
	May 31, 2019 - Market Sell	(1500)	(0.00)	1375	0.00
	June 07, 2019 - Market Sell	(1000)	(0.00)	375	0.00
	June 14, 2019 - Market Purchase	500	0.00	875	0.00
	June 21, 2019 - Market Sell	(500)	(0.00)	375	0.00
	July 12, 2019 - Market Purchase	400	0.00	775	0.00
	July 19, 2019 - Market Purchase	100	0.00	875	0.00
	August 09, 2019 - Market Sell	(500)	(0.00)	375	0.00
	November 01, 2019 - Market Purchase	625	0.00	1000	0.00

Sr. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	December 06, 2019 - Market Sell	(990)	(0.00)	10	0.00
	January 24, 2020 - Market Purchase	810	0.00	820	0.00
	February 07, 2020 - Market Sell	(620)	(0.00)	200	0.00
	February 28, 2020 - Market Sell	(190)	(0.00)	10	0.00
	March 06, 2020 - Market Purchase	90	0.00	100	0.00
	March 13, 2020 - Market Sell	(30)	(0.00)	70	0.00
	March 27, 2020 - Market Purchase	430	0.00	500	0.00
	April 03, 2020 - Market Sell	(500)	(0.00)	0	0.00
	At the end of the year			0	0.00

\* Date wise Increase / Decrease in Shareholding during the year are taken based on the weekly benpos and do not reflect the actual date of transactions.

**(iv) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Rajendra Vishwanath Agarwal</b>				
	At the beginning of the year	3861814	7.43	3861814	7.43
	At the end of the year			3861814	7.43
2	<b>Mr. Ajay Vishwanath Agarwal</b>				
	At the beginning of the year	3729500	7.17	3729500	7.17
	At the end of the year			3729500	7.17
3	<b>Mr. Govind Shrikhande**</b>				
	At the beginning of the year	NA		1651	0.00
	At the end of the year			1651	0.00
4	<b>Mr. Santkumar Brijmohan Agarwal***</b>				
	At the beginning of the year	4800	0.01	4800	0.01
	At the end of the year			4800	0.01
5	<b>Mr. Shreedhar Hirimbi^</b>				
	At the beginning of the year	200	0.00	200	0.00
	At the end of the year			200	0.00

\* Date wise Increase / Decrease in Shareholding during the year are taken based on the weekly benpos and do not reflect the actual date of transactions.

\*\* Mr. Govind Shrikhande appointed as an Additional Director (Non-executive and Independent) by the Board with effect from November 11, 2019.

\*\*\* Mr. Santkumar Agarwal, an Independent Director has resigned from the Board of the Company with effect from November 11, 2019.

^ Mr. Shreedhar Hirimbi has resigned from post of Company Secretary and Compliance officer with effect from May 01, 2019.

None of the other Directors or KMP hold any shares in the Company.



### V. Indebtedness:

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

(Rs. in Lakhs)

Particulars	Term Loans	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	1012.20	24710.84	4420.75	1701.33	30832.92
ii) Interest due but not paid	0.00	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>1012.20</b>	<b>24710.84</b>	<b>4420.75</b>	<b>1701.33</b>	<b>30832.92</b>
<b>Change in Indebtedness during the financial year</b>					
i) Addition in principal amount	82.99	200933.69	846.50	747.58	202527.76
ii) Reduction in principal amount	811.34	204236.85	655.36	586.42	205478.63
<b>Net Change</b>	<b>(728.35)</b>	<b>(3303.16)</b>	<b>191.14</b>	<b>161.16</b>	<b>(2950.87)</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	283.85	21407.68	4611.89	1862.49	27882.06
ii) Interest due but not paid	0.00	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>283.85</b>	<b>21407.68</b>	<b>4611.89</b>	<b>1862.49</b>	<b>27882.06</b>

### VI. Remuneration of Directors and Key Managerial Personnel

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. in Lakh)

Sr. No.	Particulars of Remuneration		Name of Director			Total Amount
			Managing Director	Whole-time Director	Executive Director	
			Mr. Rajendra Agarwal	Mr. Ajay Agarwal	Mr. Anupkumar Singh	
(a)	Gross salary:					
	(i)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	24.00	9.00	10.81	43.81
	(ii)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	0.15	0.15
	(iii)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
(b)	Stock Option		-	-	-	-
(c)	Sweat Equity		-	-	-	-
(d)	Commission - as % of profit		-	-	-	-
(e)	Others, specify		-	-	-	-
	Contribution to Funds		4.03	1.51	0.17	5.72
	<b>Total (A)</b>		<b>28.03</b>	<b>10.51</b>	<b>11.13</b>	<b>49.68</b>
	<b>Ceiling as per the Act</b>		(Rs. 220.73 Lakhs being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

**B. Remuneration to other Directors**

(Rs. in Lakh)

Sr. No.	Particulars of Remuneration	Name of Independent Director				Total Amount
		Mrs. Medha Pattanayak	Mr. Santanu Mukherjee	Mr. Santkumar Agarwal*	Mr. Govind Shrikhande**	
(a)	Fee for attending board/ committee Meetings	0.09	0.09	0.09	-	0.27
(b)	Commission	-	-	-	-	-
(c)	Others, please specify	-	-	-	-	-
	<b>Total (B)</b>	0.09	0.09	0.09	-	0.27
	<b>Ceiling as per the Act</b>	(Rs. 22.07 Lakhs being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

<b>Total Managerial Remuneration (A+B)</b>	49.95
<b>Overall Ceiling as per the Act</b>	(Rs. 242.81 Lakhs being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

\* Mr. Santkumar Agarwal, an Independent Director has resigned from the Board of the Company with effect from November 11, 2019.

\*\* Mr. Govind Shrikhande appointed as an Additional Director (Non-Executive and Independent) by the Board with effect from November 11, 2019.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Rs. in Lakh)

Sr. No.	Particulars of Remuneration		Key Managerial Personnel				(Rs. in Lakhs)
			Chief Financial Officer	Company Secretary			Total Amount
				Mr. Ashok Agarwal	Mr. Shreedhar Hirimbi*	Ms. Poonam Barsaiyan**	
(a)	Gross salary:						
	(i)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	19.00	-	1.60	0.73	21.32
	(ii)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.15	-	0.06	-	0.21
	(iii)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-	-
(b)	Stock Option		-	-	-	-	-
(c)	Sweat Equity		-	-	-	-	-
(d)	Commission - as % of profit		-	-	-	-	-
(e)	Others, specify		-	-	-	-	-
	Contribution to Funds		0.34	-	0.02	0.03	0.39
	Total (C)		19.49	-	1.68	0.76	21.93

\*Mr. Shreedhar Hirimbi has resigned from post of Company Secretary and Compliance officer with effect from May 01, 2019

\*\*Ms. Poonam Barsaiyan was appointed as Company Secretary and Compliance officer of the Company with effect from May 30, 2019. She resigned as Company Secretary and Compliance officer of the Company with effect from October 18, 2019 due to her personal reasons.

\*\*\*Consequent to such resignation and based upon the recommendation of Nomination and Remuneration Committee, Ms. Sakshi Bajaj was appointed as Company Secretary and Compliance officer of the Company with effect from January 24, 2020.

**VII. Penalties /Punishment/Compounding of Offences:**

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2020.

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Corporate Governance

The Corporate Governance is based on the principle of achieving sustainable growth morally and in the best interest of all stakeholders.

Donear Industries Limited ("the Company") is committed to meet the expectations of stakeholders as a responsible corporate citizen. The Company believes that to succeed, it is must to maintain global standards of corporate conduct towards all its stakeholders. Moreover, the Company view almost like a trusteeship. It is not simply a matter of compliance of laws but to create an outperforming organization, adhering to ethical principles in all its dealing and enhancing shareholders value. The primary objective is to create and adhere to corporate culture of conscience and consciousness, transparency and openness and to develop capabilities and identify opportunities that best serve the goal of value creation. Good governance is an integral part of Donear Industries Limited Management, in its pursuit of excellence, growth and value creation with a clear focus on its employees, customers, shareholders and the community at large – its stakeholders, beyond the metric of stock market and market capitalization.

The Company endeavor to follow the best corporate governance practices, develop best policies, guidelines, communicate and train all its employees in order to foster a culture of compliance and obligation at every level of the organization. The Company is in compliance with the provisions of Corporate Governance specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### Board of Directors

The composition of the Board of Directors of the Company ("the Board") is in conformity with the requirement of Regulation 17 of the Listing Regulations and it consists of a balanced combination of Executive Directors, Non-executive Directors, Independent Directors and Woman Director. As on March 31, 2020, the Board of Directors of the Company comprises of Six (6) Directors with one-half of the total number of Directors comprises of Non-executive Independent Directors.

The Managing Director or Whole-time Director of the Company are not serving as an Independent Director in any other listed company and no Director of the Company holds directorship in more than seven listed entities. Further, none of the non-executive director serve as Independent Director in more than seven listed company, as per Regulation 17A of the Listing Regulations.

None of the Directors on the Board is a Member of more than ten Committees or Chairperson of more than five Committees (Committee being Audit and Stakeholders' Relationship Committee), as specified in Regulation 26 of Listing Regulations, across all the public companies in which he/she is a Director. Further, the maximum tenure of Independent Directors is in line with the provisions of Companies Act, 2013 ("the Act") and Rules made thereunder.

The information of composition of the Board, category and their Directorships and Committees' Membership / Chairpersonship across all the companies in which they are Directors, as on March 31, 2020 is as under:

Name of Director	DIN	Category	No. of Directorships*		No. of Memberships / Chairpersonships of Committees in public companies**	
			Public	Private / Non profit	Memberships	Chairpersonships
Mr. Rajendra Agarwal	00227233	Chairperson –Managing Director	1	1	2	0
Mr. Ajay Agarwal	00227279	Whole-time Director	1	0	1	0
Mr. Anupkumar Singh	07343361	Executive Director	1	0	0	0
Mrs. Medha Pattanayak	07157952	Independent Director	1	0	2	2
Mr. Santanu Mukherjee	07716452	Independent Director	5	2	5	1
Mr. Govind Shrikhande <sup>\$</sup>	00029419	Independent Director	2	1	1	0
Mr. Santkumar Agarwal <sup>\$\$</sup>	00153607	Independent Director	0	2	0	0

\* No. of directorships held by the Directors does not include directorships in foreign companies.

\*\* In accordance with Regulation 26 of the Listing Regulations, Memberships / Chairpersonships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

\$ Appointed as an Additional Director (Non-Executive and Independent) by the Board with effect from November 11, 2019 subject to approval of Members at ensuing Annual General Meeting of the Company.

\$\$ Mr. Santkumar Agarwal, an Independent Director has resigned from the Board of the Company with effect from November 11, 2019.

The details of directorships in other listed entities as on March 31, 2020 are as under:

Name of Director	Directorship in other listed entities	Category of directorship
Mr. Rajendra Agarwal	-	-
Mr. Ajay Agarwal	-	-
Mr. Anupkumar Singh	-	-
Mrs. Medha Pattanayak	-	-
Mr. Santanu Mukherjee	Suven Life Sciences Limited	Independent Director
	Bandhan Bank Limited	Independent Director
	Sumedha Fiscal Services Limited	Independent Director
Mr. Govind Shrikhande	V-Mart Retail Limited	Independent Director

The details of Shares held by the Directors in the Company as on March 31, 2020 are as follows:

Name of Director	Number of Shares held
Mr. Rajendra Agarwal	38,61,814
Mr. Ajay Agarwal	37,29,500
Mr. Anupkumar Singh	-
Mrs. Medha Pattanayak	-
Mr. Santanu Mukherjee	-
Mr. Govind Shrikhande	1,651

In terms of Regulation 25(8) of Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors, based on the declarations received from the Independent Directors, have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder and that they are independent of the management.

All Members of the Senior Management have confirmed to the Board that there are no material, financial and/or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

#### Board Meetings

During the year under review, six Board meetings were held on May 30, 2019, August 10, 2019, September 28, 2019, November 11, 2019, January 24, 2020 and February 08, 2020.

The gap between two meetings did not exceed one hundred and twenty days as prescribed under the Act and in Listing Regulations. Thirty-third Annual General Meeting ("AGM") of the Company was held on September 23, 2019.

The attendance of Directors at the above Board Meetings and AGM is as under:

Name of Director	No. of Board Meetings		AGM
	Held	Attended	
Mr. Rajendra Agarwal	6	6	Yes
Mr. Ajay Agarwal	6	6	Yes
Mr. Anupkumar Singh	6	3	No
Mrs. Medha Pattanayak	6	6	No
Mr. Santanu Mukherjee	6	5	No
Mr. Govind Shrikhande*	2	1	NA
Mr. Santkumar Agarwal**	4	4	Yes

\* Appointed as an Additional Director (Non-Executive and Independent) by the Board with effect from November 11, 2019 subject to approval of Members at ensuing Annual General Meeting of the Company.

\*\* Mr. Santkumar Agarwal, an Independent Director has resigned from the Board of the Company with effect from November 11, 2019.

#### Code of Conduct

The Company has adopted a Code of Business Conduct & Ethics ('the Code') which is applicable to Board of Directors and all Employees of the Company. This Code guides the Directors and Employees of the Company to act honestly, ethically and with integrity and to conduct their activities in professional, courteous and respectful manner. This code also specifically incorporates the duties of Independent Directors as laid down in Schedule IV of the Act. This code is available on the website of the Company at link: <http://www.donear.com/donear2006/downloads/codeofconduct.pdf>.

All Board Members and Senior Management Personnel have affirmed compliance with the Code. A declaration to this effect signed by the Managing Director forms part of this Report.

#### Re-appointment of Director

As required under Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2, particulars of the Director seeking re-appointment are given in the Explanatory Statement to the Notice of the AGM.

#### Matrix setting out Skill/ Expertise/ Competence as Identified by the Board

The composition of the Board comprising of directors who collectively have the skills, knowledge and experience to effectively govern and direct the organization. The Members of the Board are eminent persons with the considerable professional expertise and experience.

The Board identified the core skills/ expertise/ competence matrix which provides a guide as to the skills, knowledge, experience and other criteria appropriate in the context of its business(es) and sector(s), for the Board to function effectively.

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as given below:

Skills and its description	Mr. Rajendra Agarwal	Mr. Ajay Agarwal	Mr. Anupkumar Singh	Mrs. Medha Pattanayak	Mr. Santanu Mukherjee	Mr. Govind Shrikhande
<b>Technology</b> A significant background in technology, resulting in knowledge of how to anticipate technological trends and extend or create new business models.	✓	✓	✓	✓	✓	✓
<b>Leadership</b> Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession and long term growth.	✓	✓	✓	✓	✓	✓
<b>Financial</b> Proficiency in financial management and capital allocation.	✓	✓	-	✓	✓	✓
<b>Governance</b> Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.	✓	✓	✓	✓	✓	✓
<b>Strategy and Planning</b> Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments	✓	✓	✓	✓	✓	✓

## Independent Directors

The Company currently has three Non-Executive Independent Directors which comprise 50% of the total strength of the Board of Directors.

Mr. Santkumar Agarwal, resigned from the Board as an Independent Director of the Company w.e.f. November 11, 2019 owing solely due to personal reasons. Consequently, he also ceased to be Member/Chairman of the various Committees of the Board in which he was a Member / Chairman. It has been confirmed that there are no other material reasons for his resignation.

The Board, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Govind Shridhar Shrikhande (DIN: 00029419) as an Additional Director (Non-executive and Independent Director) in its meeting held on November 11, 2019 and who holds office upto the date of the ensuing Annual General Meeting in terms of Section 161(1) of the Act and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company. Accordingly, a resolution seeking Members' approval for his appointment as an Independent Director of the Company for a period of 5 (Five) years, forms part of the Notice.

Mrs. Medha Pattanayak (DIN: 07157952) was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years from the conclusion of 29<sup>th</sup> Annual General Meeting held on September 26, 2015 up to the conclusion of 34<sup>th</sup> Annual General Meeting. Accordingly, the first tenure of Mrs. Medha Pattanayak as Independent Directors would come to an end on September 25, 2020. The Board, based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board, have re-appointed Mrs. Medha Pattanayak as Independent Director of the Company for the second term of five consecutive years with effect from September 26, 2020 and recommended the same to the Members at ensuing Annual General Meeting of the Company. Accordingly, a resolution seeking Members' approval for her re-appointment as an Independent Director of the Company for second term of 5 (Five) years, forms part of the Notice.

All Independent Directors of the Company have been appointed as per the provisions of the Act and the Listing Regulations. As required under Regulation 46 of the Listing Regulations, the terms and conditions of their appointment is disclosed on the Company's website at link: <http://www.donear.com/donear2006/downloads/TermsandConditionsofAppointmentofIndependentDirectors1.pdf>.

During the year under review, a separate meeting of Independent Directors of the Company was held on February 08, 2020. The said meeting was attended by all the Independent Directors of the Company.

The Independent Directors at the said meeting, reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Board after taking into account the views of other executive directors of the Company and also assessed the quality, quantity and timelines of flow of information between the Company management and the Board.

## Familiarization Programme

The Company as a part of agenda of its meetings of Board/Committee, makes periodic presentations to familiarize its Independent Directors about various matters covering inter-alia, Company's Business(es), strategy, operations and functions, their roles, responsibilities in the Company, nature of the industry in which the Company operates, etc. These includes initiatives to update the Directors about the operations and activities of the Company on an ongoing basis.

Each of Independent Director devoted approximate 2 hours in relation to the above during the financial year ended March 31, 2020. The familiarization programme of the Company is available at the link: [http://www.donear.com/donear2006/downloads/FamiliarizationProgrammeIndependentDirectors\\_2019-20.pdf](http://www.donear.com/donear2006/downloads/FamiliarizationProgrammeIndependentDirectors_2019-20.pdf)

## Audit Committee

The Audit Committee of the Company comprises of three directors, out of which Two-thirds are Independent Directors. Mrs. Medha Pattanayak, Chairperson of the Committee is an Independent Director. All Members of the Committee possess accounting and financial management expertise.

The Company Secretary functions as Secretary to the Committee.



During the year under review, five meetings of the Committee were held on May 30, 2019, August 10, 2019, September 28, 2019, November 11, 2019 and February 08, 2020. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations. The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Category	Position	No. of Meetings	
			Held	Attended
Mrs. Medha Pattanayak	Non-Executive and Independent	Chairperson	5	5
Mr. Santanu Mukherjee	Non-Executive and Independent	Member	5	4
Mr. Rajendra Agarwal*	Executive Director	Member	1	1
Mr. Santkumar Agarwal**	Non-Executive and Independent	Chairperson**	4	4

\* Mr. Rajendra Agarwal become the member of the Committee w.e.f November 11, 2019.

\*\* Mr. Santkumar Agarwal, Chairperson of the Committee resigned from the Board and its Committees w.e.f. November 11, 2019 and thereafter Mrs. Medha Pattanayak was appointed as the Chairperson of the Committee.

The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Mr. Santkumar Agarwal, Chairperson of the Committee as on the date of last Annual General Meeting i.e. September 23, 2019 was duly present at such meeting.

#### Terms of Reference

The Committee has been mandated to comply with the terms of reference as specified in Part C of Schedule II of the Listing Regulations, Section 177 of the Act and other terms of reference, as may be assigned to the Committee by the Board from time to time.

#### Role of the Audit Committee *inter-alia* includes the following:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming

into force of this provision;

21. carrying out any other function as is mentioned in the terms of reference of the audit committee.

**The audit committee shall also mandatorily review the following information:**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Independent Directors.

Mr. Santkumar Agarwal, Chairperson of the Committee as on the date of last Annual General Meeting i.e. September 23, 2019 was duly present at such meeting.

During the year under review, four meetings of the Committee were held on May 30, 2019, August 10, 2019, November 11, 2019 and January 24, 2020.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	Position	No. of Meetings	
			Held	Attended
Mr. Govind Shrikhande*	Non-Executive and Independent	Chairperson*	1	0
Mrs. Medha Pattanayak	Non-Executive and Independent	Member	4	4
Mr. Santanu Mukherjee	Non-Executive and Independent	Member	4	4
Mr. Santkumar Agarwal**	Non-Executive and Independent	Chairperson**	3	3

\* Appointed as an Additional Director (Non-Executive and Independent) by the Board and became Chairperson of the Committee with effect from November 11, 2019.

\*\* Mr. Santkumar Agarwal, Chairperson of the Committee resigned from the Board and its Committees w.e.f. November 11, 2019.

The Committee's composition meets with the requirements of Section 178(1) of the Act and Regulation 19 of the Listing Regulations.

### **Terms of Reference**

The Committee has been mandated to comply with the terms of reference as specified in Part D(A) of the Schedule II of the Listing Regulations, Section 178 of the Act and as may be assigned by the Board from time to time.

**The role of the Committee *inter-alia* includes the following:**

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
2. To formulate criteria for evaluation of Independent Directors and the Board;
3. To specify the manner of effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board;
4. To devise a policy on Board diversity;
5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. Whether to extend or continue the term of appointment of the Independent director, on the basis of the report of performance evaluation of Independent directors;
7. To review Company's remuneration and human resources policy; and
8. To recommend to the board, all remuneration, in whatever form, payable to senior management.

### **Criteria for performance evaluation:**

The Nomination and Remuneration Committee, in order to facilitate the performance evaluation process, laid down the evaluation criteria for the performance of Executive / Non-Executive / Independent Directors, Chairman of the Board, Committees and the Board as a whole and approved specific evaluation forms. The Independent Directors were evaluated on the criteria such as participation at Board / Committee meetings, commitment, knowledge and expertise, managing relationship with stakeholders, integrity and maintaining of confidentiality, independence of behavior and judgment, impact and influence, exercise of objective independent judgment in the best interest of Company, ability to contribute to and monitor corporate governance practice and adherence to the code of conduct for independent directors. Further, more detail regarding performance evaluation of Board, Committees and Directors is provided in Director's Report.

### **Remuneration of Director**

#### **Remuneration Policy**

The Company believes that human resource is the key for continuous growth and development of the Company. The Company's remuneration policy is designed to determine level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate employees, to connect remuneration to performance in order to achieve appropriate performance benchmarks, to balance fixed and incentive pay reflecting

short and long-term performance objectives appropriate to the working of the Company. The policy was amended during the year in order to keep it in line with applicable laws of the Company. The policy is available on the website of the Company at the link: <http://www.donear.com/donear2006/downloads/Nomination&RemuneratonPolicy.pdf>.

#### Remuneration to Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances to the Managing Director and/or the Executive Director, which is governed by provisions of the Act, rules made there and Listing Regulations and as approved by the Board and / or the Members of the Company from time to time. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee evaluates experience, qualification, positive attributes, performance and the remuneration paid by comparable organization and thereafter makes its recommendation to the Board.

The remuneration paid to the Executive Directors for the year under review is given below:

(Rs. in Lakhs)

Name	Salary (basic)	Performance Bonus / Commission*	Company's Contribution to Funds	Perquisites and Allowances	Total	Total Contract Period	Notice period in months
Mr. Rajendra Agarwal	24.00	-	4.03	-	28.03	five years w.e.f April 01, 2018	3 months
Mr. Ajay Agarwal	9.00	-	1.51	-	10.51	five years w.e.f July 01, 2018	3 months
Mr. Anupkumar Singh	3.60	0.72	0.17	6.64	11.13	-	-

There is no separate provision for payment of severance fees.

No stock option has been granted to any director of the Company.

#### Remuneration to Non-Executive Directors

##### Criteria of making payments to Non-Executive Directors

The criteria of making payments to Non-Executive Directors cover, *inter-alia*, number of meetings attended, Chairpersonship of Committees of the Board, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/ Committee(s) levels.

Non-Executive Directors are paid sitting fees for attending any Meeting of the Board and Committee of the Board as recommended by Nomination and Remuneration Committee and decided by the Board from time to time.

Though, currently, Non-Executive / Independent Directors are not paid any remuneration other than sitting fees as prescribed under Section 197 (5) of the Act but their remuneration if paid, excluding such sitting fees shall be subject to ceiling/ limits as provided under the Act, Rules made there and Listing Regulations.

The details of sitting fees to Non-Executive Directors are as under:

(Rs. in Lakhs)

Name of Director	Category	Sitting Fees paid during F.Y. 2019-20
Mr. Govind Shrikhande*	Non-Executive and Independent	-
Mrs. Medha Pattanayak	Non-Executive and Independent	0.09
Mr. Santanu Mukherjee	Non-Executive and Independent	0.09
Mr. Santkumar Agarwal**	Non-Executive and Independent	0.09

\* Appointed as an Additional Director (Non-Executive and Independent) by the Board with effect from November 11, 2019 subject to approval of members at the ensuing Annual General Meeting.

\*\* Mr. Santkumar Agarwal, Independent Director of the Committee resigned from the Board and its committees w.e.f. November 11, 2019.

Apart from reimbursement of expenses incurred in the discharge of their duties and the sitting fees paid to Non-Executive Directors as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its' Senior Management, which would affect their independence.

Moreover, no stock option has been granted to any director of the Company.

Mr. Rajendra Agarwal, Managing Director and Mr. Ajay Agarwal, Whole-time Director of the Company are brothers. Except them, none of the Directors of the Company are *inter-se* related to each other.

#### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company comprises of Mrs. Medha Pattanayak, Chairperson of the Committee, Mr. Rajendra Agarwal and Mr. Ajay Agarwal as other Members of the Committee.

Ms. Sakshi Bajaj, Company Secretary is the Compliance Officer of the Company with effect from January 24, 2020.

Mr. Santkumar Agarwal, Chairperson of the Committee as on the date of last Annual General Meeting i.e. September 23, 2019 was duly present at such meeting.

During the year under review, one meeting of Committee were held on February 08, 2020.

The attendance of the Members at the above meeting is as under:

Name of Director	Designation	Position	No. of Meetings	
			Held	Attended
Mrs. Medha Pattanayak	Non-Executive and Independent	Chairperson	1	1
Mr. Rajendra Agarwal*	Managing Director	Member	1	1
Mr. Ajay Agarwal**	Executive Director	Member	1	1
Mr. Santanu Mukherjee**	Non-Executive and Independent	Member	NA	NA
Mr. Santkumar Agarwal***	Non-Executive and Independent	Chairperson**	NA	NA

\* Mr. Rajendra Agarwal become the member of the Committee w.e.f November 11, 2019.

\*\* Mr. Santanu Mukherjee resigned from Committee and Mr. Ajay Agarwal became the member w.e.f. May 30, 2019

\*\*\* Mr. Santkumar Agarwal, Chairperson of the Committee resigned from the Board and its Committees w.e.f. November 11, 2019 and thereafter Mrs. Medha Pattanayak was appointed as the Chairperson of the Committee.

The Committee's composition is in line with the provisions of Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

## Terms of reference

The Committee has been mandated to comply with the terms of reference as specified in Part D(B) of the Schedule II of the Listing Regulations, Section 178 of the Act and as may be assigned by the Board from time to time.

The role of the Stakeholders Relationship Committee *inter-alia* includes the following:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.; and other allied matters;
- To review of measures taken for effective exercise of voting rights by shareholders;
- To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- To review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- To periodically review stakeholders' grievance mechanism of the Company.

## Investors' Grievance Redressal

Details of investor grievances received and resolved during the year under review are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil			

The status of investor complaints received and resolved by the Company are reported on quarterly basis to stock exchanges under Regulation 13(3) of Listing Regulations.

## Code of Conduct for Prevention of Insider Trading

The Company has adopted the Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Code') which lays down the guidelines and procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company. The Code, *inter-alia*, also prohibits dealing in the securities of the Company by Designated Persons while in possession of unpublished price sensitive information in relation to the Company. This Code has been revised during the year under review in order to keep it in line with amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015.

## Code of Fair Disclosure of Unpublished Price Sensitive Information

The Company has adopted a Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ("Code") in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, in order to regulate communication of unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Code.

The Code is posted on Company's website at the link: <http://www.donear.com/donear2006/downloads/CodeofFairDisclosure2019.pdf>.

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company constituted under the provisions of Section 135 of the Act, comprises of Mrs. Medha Pattanayak as a Chairperson, Mr. Rajendra Agarwal and Mr. Ajay Agarwal as other Members of the Committee.

During the year under review, one meeting of Committee were held on February 08, 2020.

The attendance of the Members at the above meetings is as under:

Name of Director	Designation	Position	No. of Meetings	
			Held	Attended
Mrs. Medha Pattanayak	Non-Executive and Independent	Chairperson**	1	1
Mr. Rajendra Agarwal	Managing Director	Member	1	1
Mr. Ajay Agarwal	Executive Director	Member	1	1
Mr. Santkumar Agarwal**	Non-Executive and Independent	Chairperson**	0	0

\* Mr. Ajay Agarwal become the member of the Committee w.e.f November 11, 2019.

\*\* Mr. Santkumar Agarwal, Chairperson of the Committee resigned from the Board and its Committee w.e.f. November 11, 2019 and thereafter Mrs. Medha Pattanayak was appointed as the Chairperson of the Committee.

The Committee functions in accordance with the terms of reference as specified under the Act and as may be specified by the Board from time to time, which *inter-alia* includes:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy ("CSR Policy") which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board has adopted CSR Policy as formulated and recommended by CSR Committee. The same is available on the website of the Company at link: [http://www.donear.com/donear2006/downloads/CorporateSocialResponsibility\(CSR\)Policy.pdf](http://www.donear.com/donear2006/downloads/CorporateSocialResponsibility(CSR)Policy.pdf)

The company is endeavored to ensure full utilization of the allocated CSR Budget. The amount which remained unspent due to unavoidable circumstances, added to the CSR Budget for the Finance year 2020-21. However during the year 2017-18, the Company had spent Rs.128.70 Lakhs under CSR as against the requirement of Rs. 16.16 Lakhs majorly to a foundation which promotes educational supports to schools colleges, university to help the deserving and needy, also provides medical relief, create awareness among poor and needy people including destitute and orphan children.

### Risk Management Committee

The provision under Regulation 21 of Listing Regulations in regard to Risk Management Committee are not applicable to Company. However, for better compliance, the Board has constituted it.

The composition of the Committee is as follows:

Name of Director	Designation	Position
Mr. Rajendra Agarwal <sup>*</sup>	Managing Director	Chairperson
Mr. Ajay Agarwal <sup>*</sup>	Executive Director	Member
Mrs. Medha Pattanayak	Non-Executive and Independent	Member <sup>*</sup>
Mr. Santanu Mukherjee <sup>**</sup>	Non-Executive and Independent	Member
Mr. Santkumar Agarwal <sup>***</sup>	Non-Executive and Independent	Chairperson <sup>**</sup>

<sup>\*</sup> Mr. Rajendra Agarwal became the Chairperson and Mr. Ajay Agarwal became the member of the Committee w.e.f November 11, 2019.

<sup>\*\*</sup> Mr. Santanu Mukherjee resigned from Committee w.e.f. November 11, 2019

<sup>\*\*\*</sup> Mr. Santkumar Agarwal, Chairperson of the Committee resigned from the Board and its Committees w.e.f. November 11, 2019.

The risk management framework adopted by the Company is discussed in detail in the Board report and Management Discussion and Analysis forming part of the Annual Report.

### General Body Meetings

#### Annual General Meeting

The details of the last three Annual General Meetings (AGM) of the Company are as follows:

Year	Date and Time of AGM	Venue	Special Resolutions passed
2019	September 23, 2019 at 11:30 A.M.	Donear House, 9th Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093	1. Re-appointment of Mr. Santkumar Agarwal (DIN: 00153607) as an Independent Director of the Company
2018	September 29, 2018 at 11:30 A.M.		1. Continuation of Directorship of Mr. Santkumar Agarwal, as an Independent Director 2. Continuation of Directorship of Mr. Vishwanath Agarwal, Non-executive Director of the Company.
2017	September 23, 2017 at 11:30 A.M.		1. Change in the place of keeping Register/Index of Members

#### Extraordinary General Meeting

During the year under review, no Extraordinary General Meeting was held.

#### Postal Ballot

During the year under review, no business was carried out through postal ballot and no business is proposed to be transacted through postal ballot.

#### Means of Communication

The quarterly, half-yearly and annual financial results published in the format prescribed by the Listing Regulations read with the Circular issued thereunder are uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed viz. NSE Electronic Application Processing System ('NEAPS') of the National Stock Exchange of India Limited ('NSE') and BSE Online Portal of the BSE Limited ('BSE') as soon as these are approved by the Board and applicable Committee. Such results are published within 48 hours in leading English and Marathi dailies, viz. "The Free Press Journal" (English Daily) and "Nav Shakti" (Marathi Newspaper) and also displayed on the Company's website: www.donear.com.

The annual reports, quarterly Shareholding Pattern, Corporate Governance Report, Material events or information as provided in Regulation 30 of the Listing Regulations of the Company are filed with NSE through NEAPS and with BSE through BSE Online Portal and also uploaded on Company's website.

The Company sends reminder letters to those shareholders whose unclaimed dividends/shares are liable to be transferred to the IEPF accounts and upload on its website detailed information relating to such unclaimed dividends amount and equity shares required to be transferred to the IEPF demat account.

#### General Shareholders Information

##### Date, Time and Venue of the Thirty-fourth Annual General Meeting:

The Thirty-fourth (34<sup>th</sup>) Annual General Meeting of the Company will held on Friday, September 25, 2020 at 03:00 P.M. through Video Conferencing / Other Audio Visual Means as set out in the notice convening such Meeting.

#### Financial Year

The financial year covers the period from April 1 of every year to March 31 of the next year.

#### Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of Rs. 0.20 (10%) per Equity Share of Rs. 2.00 each of the Company. The proposed dividend, if declared, at the forthcoming Annual General Meeting, will be paid/ credited within the time prescribed under the law, to those Members whose names appear in the Company's Register of Members or in the list of beneficial owners as per the particulars to be furnished by the Depositories as on the record date i.e. September 18, 2020.

#### Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following Stock Exchanges:

##### BSE Limited ("BSE")

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

##### National Stock Exchange of India Limited ("NSE")

Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.



## Debt Securities

The Company has not issued any Non-Convertible Instruments during the year.

## Listing Fees

Listing Fees, as prescribed, has been paid to both the Stock Exchanges where the securities of the Company are listed.

## Securities Code

Security	ISIN	BSE	NSE
Equity	INE668D01028	Stock Code	Symbol
		512519	DONEAR

## Credit ratings

During the year under review, India Ratings and Research Private Limited (Ind-Ra) have reaffirmed their ratings assigned to the Company's Long term Bank facilities, Short term Bank facilities and other instruments as under:

Sr. No.	Facility/ Instrument	Name of the Agency	Rating
1	Fund-based working capital facilities	India Ratings and Research Private Limited (Ind-Ra)	IND BBB
2	Term Loan		IND BBB
3	Non-fund-based working capital facilities		IND A3+

## Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs is L99999MH1987PLC042076.

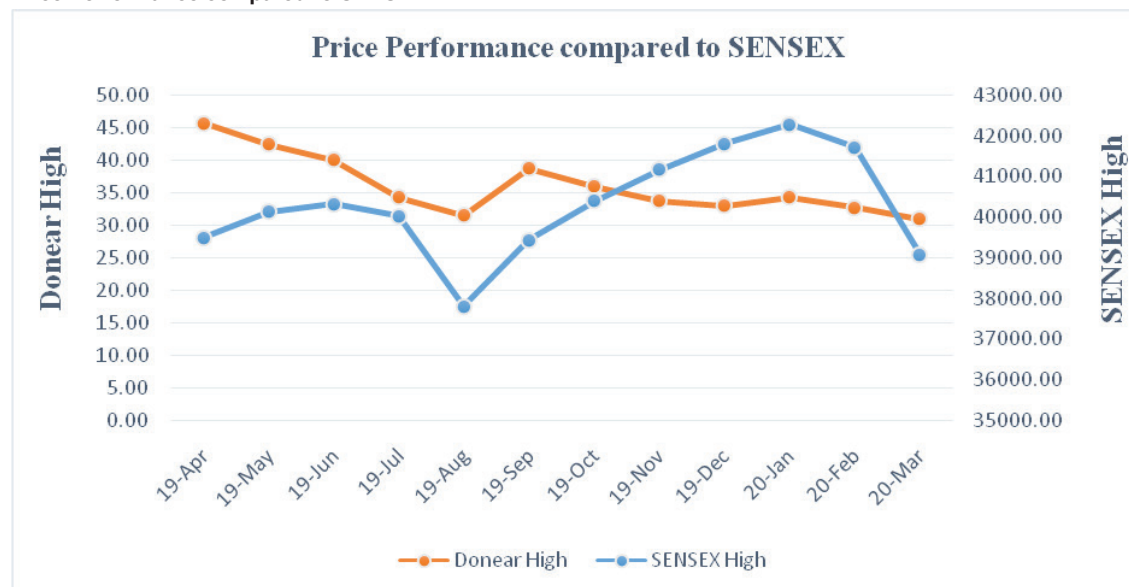
## Stock Performance

During the year under review, the performance of the Equity Shares of the Company at Stock Exchanges was as follows:

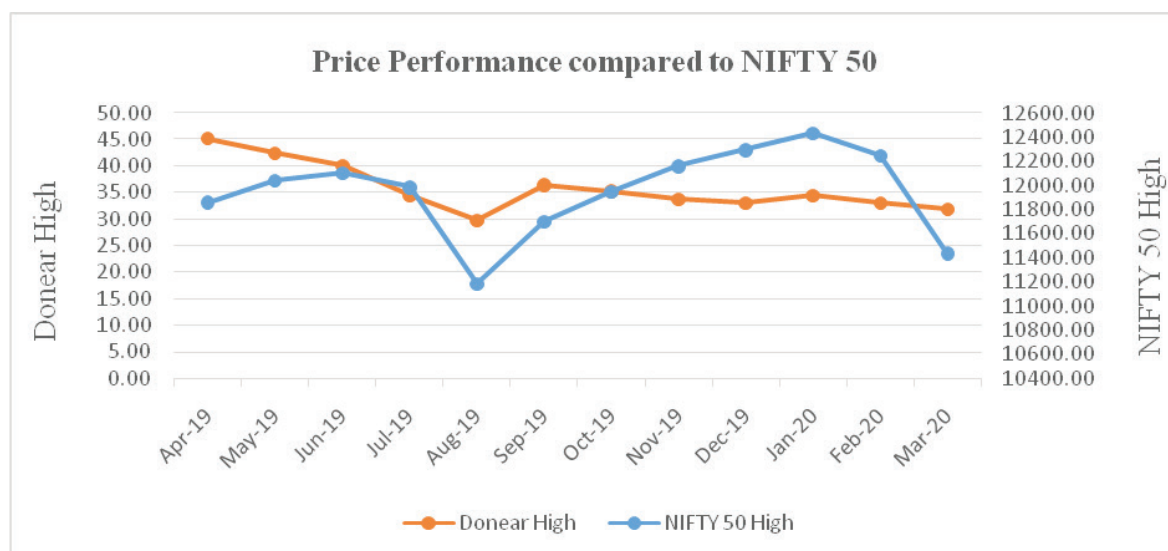
Months	BSE SENSEX		BSE (in Rs.)		NSE (in Rs.)		NIFTY 50	
	High	Low	High	Low	High	Low	High	Low
Apr-19	39487.45	38460.25	45.70	37.65	45.10	37.55	11856.15	11549.10
May-19	40124.96	36956.10	42.40	35.30	42.40	34.75	12041.15	11108.30
Jun-19	40312.07	38870.96	40.00	30.50	40.05	30.10	12103.05	11625.10
Jul-19	40032.41	37128.26	34.30	21.50	34.40	21.60	11981.75	10999.40
Aug-19	37807.55	36102.35	31.60	22.70	29.75	22.65	11181.45	10637.15
Sep-19	39441.12	35987.80	38.75	27.55	36.40	28.00	11694.85	10670.25
Oct-19	40392.22	37415.83	36.00	26.40	35.20	26.70	11945.00	11090.15
Nov-19	41163.79	40014.23	33.75	28.25	33.70	28.20	12158.80	11802.65
Dec-19	41809.96	40135.37	32.95	28.95	33.00	29.00	12293.90	11832.30
Jan-20	42273.87	40476.55	34.35	29.00	34.40	29.50	12430.50	11929.60
Feb-20	41709.30	38219.97	32.75	27.40	32.95	27.35	12246.70	11175.05
Mar-20	39083.17	25638.90	31.00	18.30	31.80	18.25	11433.00	7511.10

[Source: This information is compiled from the data available on the websites of BSE and NSE]

## Price Performance compared to SENSEX



## Price Performance compared to NIFTY 50



### Share Transfer System

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. In the view of such amendment, Shareholders of the Company who are holding shares in physical form are requested to dematerialize the same.

Transfers of equity shares in dematerialised form are effected through the depositories with no involvement of the Company.

The Company obtains a half-yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulations certifying due compliance of share transfer formalities and same is filed with the Stock Exchanges.

### De-materialisation of Shares

The Company has entered into agreements with both National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") whereby shareholders have an option to dematerialise their Shares with either of the Depositories.

VKM & Associates, Practicing Company Secretaries, carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is equivalent to aggregate of total number of shares in physical form and total number of shares in dematerialised form, held with both depositories.

**Status of Dematerialisation of Equity Shares as on March 31, 2020 is as under:**

Particulars	No. of Shares	% of total Shares
NSDL	35892499	69.02%
CDSL	16050478	30.87%
Dematerialised	51942977	99.89%
Physical	57023	0.11%
Total	52000000	100.00%

### Distribution of Shareholding as on March 31, 2020

No. of Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1-500	7885	79.2383	1206936	2.3210
501-1000	933	9.3759	791912	1.5229
1001-2000	490	4.9241	768275	1.4775
2001-3000	178	1.7888	465908	0.8960
3001-4000	85	0.8542	307299	0.5910
4001-5000	78	0.7838	374411	0.7200
5001-10000	135	1.3566	1021611	1.9646
10001 and above	167	1.6782	47063648	90.5070
Total	9951	100.0000	52000000	100.0000

## Shareholding Pattern as on March 31, 2020

Category	No. of Shares	% of total Shares
Promoters and Promoter Group	38772034	74.56
Mutual Funds	0	0.00
Banks, Financial Institutions	192	0.00
NBFCs registered with RBI	25000	0.05
Alternate Investment Funds	0	0.00
Insurance Companies	0	0.00
Foreign Portfolio Investors	0	0.00
Non Resident Indians	113783	0.22
Bodies Corporate	798772	1.54
Indian Public (Individual)	11002293	21.16
Directors and their Relatives	1651	0.00
Clearing Members	35340	0.07
Trust	10	0.00
IEPF	9996	0.02
Hindu Undivided Family	1240929	2.39
Foreign Nationals	0	0.00
<b>Total</b>	<b>52000000</b>	<b>100.00</b>

### Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2020.

### Unclaimed Shares

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

### Transfer to Investor Education and Protection Fund:

#### (a) Transfer of unclaimed dividend

Members are hereby informed that pursuant to the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven consecutive years or more, in the account of the Investor Education and Protection Fund ("the IEPF"). Accordingly, a Final Dividend of Rs. 20,996 for FY 2011-12, which remained unpaid or unclaimed was supposed to be transferred to the IEPF Authority by November 22, 2019 but due to technical interruption on MCA Site, the payment was reverted back and after several communications with MCA, the Company finally transferred the said amount to the Investor Education and Protection Fund on May 14, 2020.

Members are requested to note the following due date(s) for claiming the unpaid or unclaimed dividend declared by the Company for FY 2012-13 and thereafter –

Dividend for the year	Date of Declaration	Due date for transfer to the IEPF
2012-2013	September 28, 2013	October 28, 2020
2013-2014	September 24, 2014	October 30, 2021
2014-2015	September 26, 2015	November 01, 2022
2015-2016	September 24, 2016	October 30, 2023
2016-2017	September 23, 2017	October 29, 2024
2017-2018	September 29, 2018	November 04, 2025
2018-2019	September 23, 2019	October 29, 2026

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s) are requested to make their claim to Link Intime India Private Limited, Registrar and Transfer Agent, well in advance of the above due dates. It may be noted that unclaimed dividend for FY 2012-13 declared on September 28, 2013 can be claimed by the Members by October 17, 2020.

#### (a) Transfer of shares to IEPF

Pursuant to the provisions of the Act read with Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred 1,047 Equity Shares of face value of Rs. 2/- each to the demat account of the IEPF Authority. Due to technical interruption on MCA Site and consequent delay in transfer of unpaid or unclaimed dividend amount to IEPF as stated above and further due to hurdles caused by COVID-19 pandemic since mid of March, the transfer of shares was also delayed and then finally made and completed on July 09, 2020. The Company had sent individual notice to all the Members whose shares were due to be transferred to the IEPF Authority and had also published newspaper advertisement in this regard. The details of such dividends/shares transferred to IEPF are uploaded on the website of the Company at link: <http://www.donear.com/donear2006/downloads/Unclaimed/shareholderswhosesharesareliabletotransfertotIEPFY2011-12.pdf>.

(b) **Claim from IEPF Authority**

Members/Claimants whose shares, unpaid/ unclaimed dividends and other benefits arising on those shares have been transferred to the IEPF Authority, can claim the same by making an application to the IEPF Authority in e-Form IEPF-5 (available at [www.iepf.gov.in](http://www.iepf.gov.in)) and by sending duly signed physical copy of the same to the Company along with requisite documents as prescribed in the instruction kit of e-Form IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

(b) **Details of unclaimed dividend on the website**

As per the Rules, the Company has uploaded the information in respect of unclaimed dividends on its website at link: [http://www.donear.com/donear2006/Unclaimed\\_Dividend.asp](http://www.donear.com/donear2006/Unclaimed_Dividend.asp). The same is also available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).

**Plant Locations**

**Balaji Fabrics**

Revenue Block No. 194 & 195  
KadodaraBardoli Road, Village Jolwa,  
Taluka Palsana, Dist.Surat, Gujarat.

**Balaji Textiles**

Dockmandi, Village Amli,  
Silvassa, Dadra & Nagar Haveli.

**Laxmi Fab.**

Plot No. 58/3, Government Industrial Estate, Masat,  
Silvassa, Dadra & Nagar Haveli.

**Balaji Industries**

Survey 910/3, Dockmandi, Village Amli,  
Silvassa, Dadra & Nagar Haveli.

**Laxmi Garment Fabrics**

Bhotika House, Plot 11/A, 3rd Floor  
5th Cross, 1st Stage, Peenya Industrial Area,  
Bangalore - 21.

**Address for Correspondence**

**Registered Office of the Company:**

Donear Industries Limited  
Donear House, 8th Floor,  
Plot No. A-50, Road No. 1, MIDC,  
Andheri (East), Mumbai – 400 093  
Tel. No.: +91 22 6834 8100, Fax No.: +91 22 6834 8313  
Email: [investor@donear.com](mailto:investor@donear.com)  
Website: [www.donear.com](http://www.donear.com)

**Registrar and Transfer Agents**

Link Intime India Private Limited  
C-101, 1st Floor, 247 Park,  
Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083  
Tel. No.: +91 22 4918 6270, Fax No.: +91 22 4918 6060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**For securities held in demat form**

The investors may write to the concerned Depository Participant(s) of the Investors or the Registrar and Transfer Agents of the Company.

**Commodity price risk or Foreign exchange risk and hedging activities**

The Company does not have any exposure hedged through commodity derivatives and hence, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

The Company has entered into forward exchange contracts for hedge purpose and not intended for trading or speculation purposes.

The details of foreign currency exposures are disclosed in relevant notes forming part of the Financial Statements.

**Disclosures**

**Related Party Transactions**

During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. All related party transactions were reviewed and approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. Moreover, the related party transaction which were material in terms of Listing Regulations were also approved by shareholders of the Company.

Disclosure of transactions with related parties (including entity belonging to the Promoter/Promoter Group) as required under Listing Regulations and the applicable Accounting Standards have been given in the relevant note forming part of the Financial Statements. The Related Party Transactions Policy adopted by the Company is available on the website of the Company at link: <http://www.donear.com/donear2006/downloads/RelatedPartyTransactionsPolicy.pdf>.

**Disclosure of Accounting Treatment**

The Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

**Management**

Management Discussion and Analysis ("MDA") forms part of the Director's Report.

**CEO/CFO Certification**

The Managing Director and the Chief Financial Officer of the Company have furnished their Certificate to the Board of Directors of the Company, regarding financial statements and the cash flow statement, as required under Regulation 17(8) read with Schedule II of Listing Regulations.

**Subsidiary Company**

The Company doesn't have any subsidiary so the provision of framing Company's policy for determining material subsidiary(ies) of the Company is not applicable to the Company.

**Details of non-compliance**

There were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

**Vigil Mechanism and Whistle Blower Policy**

The Company has Vigil Mechanism and Whistle Blower Policy for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. This Policy *inter-alia* provides to a Whistle Blower, adequate safeguard against victimization resulting out of availing of this mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel have been denied access to the Audit Committee. This Policy is available on the website of the Company at link: <http://www.donear.com/donear2006/downloads/WhistleBlowerPolicy.pdf>.

**Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations**

During the year under review, the Company hasn't raised any money through preferential issue or qualified institutions placement.

**Certificate on Non-disqualification of Directors**

The Company has received a certificate from M/s. Yogesh Sharma & Co., Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**Recommendations of the Committees of the Board**

During the year under review, there was no instance, where the Board has not accepted any recommendations of any Committee(s) of the Board.

**Total fees paid to Statutory Auditors**

A total fee of Rs. 7.34 Lakhs for statutory audit (including out of pocket expenses) and Rs. 0.60 Lakhs for other services was paid to M/s. Kanu Doshi Associates LLP, Statutory Auditor of the Company.

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The details regarding constitution of Sexual Harassment Internal Complaints Committee, status of complaints and other information in this regard are provided in Director's Report forming part of the Annual Report.

**Compliance with Mandatory requirements**

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

**Compliance with discretionary requirements**

**The Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

**Shareholders' Rights:** Quarterly, half yearly and annual financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers unless exempt by authority and uploaded on website of the Company. Significant events are also posted on the Company's website. Hence, no quarterly/half yearly results and significant events were sent to each of household of Shareholders.

**Modified opinion(s) in audit report:** The Company has its financial statements with unmodified opinion expressed by Statutory Auditors of the Company.

**Other:** The other Non-mandatory requirements will be implemented in due course as and when required and/or deemed necessary by the Board.



**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT**

To,  
The Members,  
Donear Industries Limited

I hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2020.

For Donear Industries Limited

Mumbai  
August 24, 2020

Rajendra Agarwal  
Managing Director

**CFO / CEO CERTIFICATION**

We, the undersigned of the Company hereby certify that :

- A. We have reviewed financials statements and the cash flow statement of Donear Industries Limited for year ended March 31, 2020 and to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company, during year ended March 31, 2020, which are fraudulent, illegal or violative of Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposes to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during such period, if any;
  - (ii) significant changes in accounting policies during such period and that the same have been disclosed in the Notes to the Financial Statements, if any; and
  - (iii) that there are no instances of significant fraud of which we become aware and the involvement there in, if any, of the Management or an employee having a significant role in the Company's internal control system over Financial Reporting.

For Donear Industries Limited

Mumbai  
August 24, 2020

Rajendra V. Agarwal  
Managing Director  
DIN: 00227233

Ashok Agarwal  
Chief Financial Officer

### **CERTIFICATE**

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s. Donear Industries Limited, having its registered office at Donear House, 8th Floor, Plot No. A – 50, Road No. 1, MIDC, Andheri (East) Mumbai – 400 093, Maharashtra and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2020, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

**For Yogesh Sharma & Co**

Date: August 21<sup>st</sup>, 2020  
Place: Mumbai  
UDIN: A033235B000603464

**Yogesh M. Sharma**  
ACS 33235C.P. 12366

**Auditors' Certificate on Corporate Governance**

To,  
The Members of  
**Donear Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Donear Industries Limited (the Company), for the year ended 31 March 2020, as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kanu Doshi Associates LLP**  
Chartered Accountants  
Firm Regn No.: 104746W/W100096

**Kunal Vakharia**  
Partner  
Membership No.:148916

UDIN: 20148916AAAADP6084

Date: August 24<sup>th</sup>, 2020  
Place: Mumbai

## INDEPENDENT AUDITORS' REPORT

### To the Members of DONEAR INDUSTRIES LIMITED Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of **DONEAR INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 Inventory Valuation	Principal Audit Procedures
<p>As at March 31, 2020 the Company held Rs. 20162.12 Lakhs of inventory representing 42.05% of total assets. Out of which Stock amounting to Rs. 1993.11 Lakhs is lying at third party on sale or return basis. Given the size of the inventory balance relative to the total assets of the Company and the number of stores / locations at which inventory was held and the estimates and judgments described below and the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note No. 2(F), inventories are held at the lower of cost or net realisable value determined using the weighted average cost method, except for Dyes and Chemicals included in cost of Raw Material is determined on First-in-first-out (FIFO) basis.</p> <p>At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory forecasts to be sold below cost.</p> <p>The Company has systems and processes including a barcode inventory management system to accurately record inventory movements for stock lying at third party. This process is managed centrally by head office for consistency.</p> <p>There are judgement applied in assessing the level of provision for inventory shrinkage. Management provide for shrinkage each month on their working and judgement.</p>	<p>We have performed the following procedures over the valuation of inventory:-</p> <ul style="list-style-type: none"> <li>• For sample inventory items, re-performed the weighted average cost calculation and compared the weighted average cost to the average purchase price of invoices;</li> <li>• Held discussion with management, including operational personnel, to understand and corroborate the assumption applied in valuation;</li> <li>• Evaluated key assumption made by management that current shrinkage levels were consistent with historical levels;</li> <li>• On a sample basis we tested the net realizable value of inventory lines with recent selling prices of finished goods wherein these raw materials are used;</li> <li>• We tested the inventory valuation sheet and cost added to inventory for such valuation.</li> </ul> <p>We also made enquiries with the management and considered the results of our testing above to determine whether any specific write downs were required.</p> <p>From the procedures performed we have no matters to report.</p>

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



**Responsibilities of Management and Those charged with Governance for the Financial Statements**

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

In preparing the Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Financial Statements have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the Financial Statements.
  - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statement (Refer Note No. 30 to the Financial Statements).
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company, except for delay in transferring unpaid dividend pertaining to F.Y.2011-12 which was not deposited due to technical glitch on MCA Portal. However, this amount was paid on May 14, 2020. Please refer Note No. 15 of Financial Statements.

For Kanu Doshi Associates LLP  
Chartered Accountants  
FRN. No. 104746W/W100096

Kunal Vakharia  
Partner  
Membership no. 148916  
UDIN: 20148916AAAACI6844

Place: Mumbai  
Date: June30, 2020

## ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of **DONEAR INDUSTRIES LIMITED** for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records have been properly dealt with in the books of accounts.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) are not applicable to the Company.
- iv. The company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made and Section 185 of the Companies Act, 2013 is not applicable as there were no such loans, securities or guarantees provided during the year.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- vi. The Central Government has prescribed maintenance of cost records for the company under sub Section (1) of Section 148 of the Companies Act, 2013 and such accounts and records have been made and maintained by the Company. However, no detailed examinations of such records have been carried out by us.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess, Goods & Service Tax and any other material statutory dues applicable to it.
- (b) According to the records of the Company, there are no dues of Duty, Income Tax and Customs Duty which have not been deposited on account of any dispute except disclosed below:

The disputed amounts that have not been deposited in respect of Income Tax, Sales Tax and Excise Duty are as under:

Sr. No.	Name of the Statute	Nature of the dues	Forum where the dues is pending	Rs. In Lakhs
1	Central Excise Act, 1944	Dues of Excise Duty	Commissioner of Central Excise (Appeals)	4.17

- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loan or borrowing from government, financial institutions and has not issued debentures during the year.
- ix. On the basis of our examination of the documents and records and according to the information and explanations given to us, we are of the opinion that term loans have been applied for the purposes for which they were obtained. The company has not raised moneys by way of Initial Public Offer or further public offer (including debt instruments) during the year.
- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the company is not required to obtain registration under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm registration No: 104746W/W100096

Kunal Vakharia  
Partner  
Membership No: 148916  
UDIN: 20148916AAAACI6844

Place: Mumbai  
Date: June 30, 2020

## **ANNEXURE B TO THE AUDITORS' REPORT**

(Referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **DONEAR INDUSTRIES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm registration No: 104746W/W100096

Kunal Vakharia  
Partner  
Membership No: 148916  
UDIN: 20148916AAAACI6844

Place: Mumbai  
Date: June 30, 2020



## BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lacs)

Particulars	Note No.	As at 31.03.2020		As at 31.03.2019	
<b>I ASSETS</b>					
(1) <b>Non - Current Assets</b>					
(a) Property, Plant and Equipment	3	7,636.08		6,754.54	
(b) Capital Work-in-progress	4	241.08		63.48	
(c) Investment Property	5	948.12		1,040.88	
(d) Other Intangible Assets	6	24.08		27.54	
(e) Financial Assets					
(i) Investment	7	98.40		98.40	
(ii) Other Non-Current Financial Assets	8	195.56		170.88	
(f) Deferred Tax Assets (Net)	9	623.04		876.98	
(g) Other Tax Assets (Net)	10	56.82		62.81	
(h) Other Non-Current Assets	11	356.42	10,179.60	89.41	9,184.92
(2) <b>Current Assets</b>					
(a) Inventories	12	20,162.12		21,449.15	
(b) Financial Assets					
(i) Trade Receivables	13	11,770.94		14,361.64	
(ii) Cash and Cash Equivalents	14	61.41		566.86	
(iii) Bank balances other than (ii) above	15	1,440.01		628.61	
(iv) Other Current Financial Assets	16	402.45		276.90	
(c) Other Current Assets	17	3,935.42	37,772.35	3,843.80	41,126.96
<b>TOTAL ASSETS</b>			<b>47,951.95</b>		<b>50,311.88</b>
<b>II EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(1) <b>Shareholder's fund</b>					
(a) Equity Share Capital	18	1,040.00		1,040.00	
(b) Other Equity	19	11,192.30	12,232.30	10,116.46	11,156.46
<b>LIABILITIES</b>					
(2) <b>Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Non Current Borrowings	20	189.20		296.97	
(ii) Other Financial Liabilities	21	1,399.51		1,701.33	
(b) Other Non Current Liabilities	22	77.91	1,666.62	103.24	2,101.54
(3) <b>Current liabilities</b>					
(a) Financial Liabilities					
(i) Current Borrowings	23	26,019.57		29,131.59	
(ii) Trade Payables	24	5,029.83		6,159.87	
(iii) Other Current Financial Liabilities	25	1,810.99		796.02	
(b) Other Current Liabilities	26	970.37		752.15	
(c) Provisions	27	208.61		177.59	
(d) Current Tax Liabilities (Net)	28	13.66	34,053.03	36.66	37,053.88
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>47,951.95</b>		<b>50,311.88</b>

Contingent Liabilities and Commitments 29

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of attached even date

**FOR KANU DOSHI ASSOCIATES LLP**

**CHARTERED ACCOUNTANTS**

Firm's Registration Number: 104746W/W100096

**Kunal Vakharia**

Partner

**Membership No.148916**

Place : Mumbai

Date : 30th June, 2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Rajendra V. Agarwal**

Managing Director

**DIN No. 00227233**

**Ajay V. Agarwal**

Whole time Director

**DIN No. 00227279**

**Ashok B. Agarwal**

Chief Financial Officer

**Sakshi Bajaj**

Company secretary

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

(₹ in Lacs)			
Particulars	Note No.	2019-20	2018-19
Revenue from operations	30	54,793.92	59,432.16
Other income	31	463.47	270.86
<b>TOTAL REVENUE</b>		<b>55,257.39</b>	<b>59,703.02</b>
<u>Expenses</u>			
Cost of Materials Consumed	32	21,796.43	26,235.02
Purchases of stock-in-trade	33	4,473.51	4,397.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	1,048.83	(713.97)
Employee benefits expenses	35	7,025.00	7,155.48
Finance costs	36	2,422.20	2,734.24
Depreciation and Amortization expense	37	915.62	955.99
Other expenses	38	15,729.74	16,687.06
<b>TOTAL EXPENSES</b>		<b>53,411.33</b>	<b>57,451.18</b>
Profit before exceptional items and tax		1,846.06	2,251.84
Exceptional items		-	-
<b>Profit before tax</b>		<b>1,846.06</b>	<b>2,251.84</b>
Less: Tax Expenses			
<u>Current tax</u>			
of Current Year		396.00	685.75
of Earlier Years		3.03	81.04
<u>Deferred tax</u>			
of Current Year		251.96	66.64
<b>TOTAL TAX EXPENSES</b>		<b>650.99</b>	<b>833.43</b>
<b>Profit after tax</b>	(A)	<b>1,195.07</b>	<b>1,418.41</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to profit or loss		7.93	(5.02)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.99)	1.75
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income for the year</b>	(B)	5.94	(3.27)
<b>Total Comprehensive Income for the year</b>	(A+B)	<b>1,201.01</b>	<b>1,415.14</b>
Earning per equity share :	39		
(1) Basic Earning Per Share		2.30	2.73
(2) Diluted Earning Per Share		2.30	2.73
(3) Face Value Per Share		2.00	2.00

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of attached even date  
**FOR KANU DOSHI ASSOCIATES LLP**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration Number: 104746W/W100096

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Kunal Vakharia**  
 Partner  
**Membership No.148916**

**Rajendra V. Agarwal**  
 Managing Director  
**DIN No. 00227233**

**Ajay V. Agarwal**  
 Whole time Director  
**DIN No. 00227279**

Place : Mumbai  
 Date : 30th June, 2020

**Ashok B. Agarwal**  
 Chief Financial Officer

**Sakshi Bajaj**  
 Company secretary

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2020

		(Rupees in Lacs)			
Particulars	Note No.	2019-2020		2018-2019	
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Net Profit before tax as per Statement of Profit &amp; Loss</b>			<b>1,846.06</b>		<b>2,251.83</b>
Adjustment for :					
(a) Depreciation		915.62		955.99	
(b) Interest Expenses		2,236.16		2,563.49	
(c) Interest Income		(55.78)		(32.10)	
(d) (Profit) / Loss on disposal of Property, plant and equipments		(36.08)		(3.89)	
(e) Fixed Assets Written Off		2.03		1.63	
(f) Provisions no longer required		(17.69)		(2.44)	
(g) Allowance for Expected credit Loss		345.64		172.74	
(h) Bad Debts Recovered		(5.48)		-	
(i) Unrealised Foreign Exchange rate Differences (Net)		117.29		(263.43)	
(j) IND AS Adjustment		(116.02)		(40.72)	
(j) Sundry Balance written Off / (Back) (Net)		4.29	3,389.98	(7.19)	3,344.08
<b>Operating Profit Before Working Capital Changes</b>			<b>5,236.04</b>		<b>5,595.91</b>
Adjustment for :					
(a) (Increase) / Decrease in trade and other receivables		1,697.43		(2,088.47)	
(b) (Increase) / Decrease in inventories		1,287.03		(790.56)	
(c) Increase / (Decrease) in trade, other Payables and provisions		568.18	3,552.64	1,684.68	(1,194.35)
<b>Cash Generated From Operations</b>			<b>8,788.68</b>		<b>4,401.56</b>
(a) Direct Tax Paid (Net)			(416.04)		(728.19)
<b>Net Cash from/(used) Operating Activities</b>	<b>Total (I)</b>		<b>8,372.64</b>		<b>3,673.37</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets (including Advance for Capital Goods)		(1,908.98)		(334.99)	
Sale of Fixed Assets		64.49		(21.10)	
Fixed Deposits with Bank		(811.43)		(286.10)	
Interest received		55.78		32.10	
<b>Net Cash from/(used) Investing Activities</b>	<b>Total (II)</b>		<b>(2,600.14)</b>		<b>(610.09)</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds / (Repayment) from / of Non Current Borrowings (net)		(728.35)		(754.62)	
Proceeds / (Repayment) from / of Current Borrowings (net)		(3,188.17)		732.19	
Interest Paid		(2,236.16)		(2,563.49)	
Dividend Paid (Including dividend distribution tax)		(125.17)		(125.17)	
<b>Net Cash from/(used) Financing Activities</b>	<b>Total (III)</b>		<b>(6,277.85)</b>		<b>(2,711.09)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents (I+II+III)</b>	<b>Total</b>		<b>(505.35)</b>		<b>352.19</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>			568.90		216.60
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>			63.55		568.79
	<b>Total</b>		<b>(505.35)</b>		<b>352.19</b>
<b>Notes :</b>					
<b>(1) Cash and cash equivalents include: (Refer Note No 14)</b>					
(a) Cash in hand		23.64		26.81	
(b) Cheque in Hand		-		84.44	
(c) Balance with Scheduled Banks in Current Accounts		39.78		457.65	
			63.42		568.90
Unrealised translation gain/(loss)			0.13		(0.11)
	<b>Total</b>		<b>63.55</b>		<b>568.79</b>

- (2) Interest received on delayed payments from Customers Rs.64.76 Lacs (Previous Year Rs.16.78 Lacs ) has been considered as cash flow from Operating Activities
- (3) The cash flow statement has been prepared under the Indirect Method as set out in Indian Accounting Standard (IND AS 7) statement of cash flows.
- (4) Cash and cash equivalents include Unclaimed Dividend of Rs.2.01 Lacs (Previous Year Rs. 2.04 Lacs)
- (5) Previous year figures have been regrouped/restated wherever considered necessary to make them comparable with those of the current year.

As per our report of attached even date

**FOR KANU DOSHI ASSOCIATES LLP**  
**CHARTERED ACCOUNTANTS**

Firm's Registration Number: 104746W/W100096

**Kunal Vakharia**  
Partner  
**Membership No.148916**

Place : Mumbai  
Date : 30th June, 2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Rajendra V. Agarwal**  
Managing Director  
**DIN No. 00227233**

**Ajay V. Agarwal**  
Whole time Director  
**DIN No. 00227279**

**Ashok B. Agarwal**  
Chief Financial Officer

**Sakshi Bajaj**  
Company secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

### A. Equity Share Capital

(₹ in Lacs)

Particulars	No of Shares	Amount
Balance at at 1st April, 2019	52,000,000	1,040.00
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2018	52,000,000	1,040.00
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2020	52,000,000	1,040.00

### B. Other Equity

(₹ in Lacs)

Particulars	Reservers and Surplus		Other items of Other comprehensive income	Total
	General Reserves	Retained Earnings	Remeasurement of net defined benefit plans	
Balance at at 1st April, 2018	3,499.42	5,312.13	14.94	8,826.49
Profit for the year	-	1,418.41	-	1,418.41
Final Dividend paid	-	(104.00)	-	(104.00)
Dividend distribution Tax paid	-	(21.17)	-	(21.17)
Re-measurements of Defined Benefit Plan	-	-	(3.27)	(3.27)
Balance at at 31st March, 2019	3,499.42	6,605.37	11.67	10,116.46
Profit for the year	-	1,195.07	-	1,195.07
Final Dividend paid	-	(104.00)	-	(104.00)
Dividend distribution Tax paid	-	(21.17)	-	(21.17)
Re-measurements of Defined Benefit Plan	-	-	5.94	5.94
Balance at at 31ST MARCH, 2020	3,499.42	7,675.27	17.61	11,192.30

As per our report of attached even date

**FOR KANU DOSHI ASSOCIATES LLP**

**CHARTERED ACCOUNTANTS**

Firm's Registration Number: 104746W/W100096

**Kunal Vakharia**

Partner

**Membership No.148916**

Place : Mumbai

Date : 30th June, 2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Rajendra V. Agarwal**

Managing Director

**DIN No. 00227233**

**Ashok B. Agarwal**

Chief Financial Officer

**Ajay V. Agarwal**

Whole time Director

**DIN No. 00227279**

**Sakshi Bajaj**

Company secretary

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 1 Company Overview

Donear Industries Limited ("DIL" or "The Company") is an existing public limited company incorporated on 01/01/1987 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Donear House, 8th Floor, Plot No. A- 50, Road No. 1, MIDC, Andheri (East), Mumbai- 400093. The Company is manufacturer of fabrics having its own brand name "Donear" and also trading in garments under the brand name of "Dcot". The Company sell its product through multiple channels including wholesale, retail and franchisee etc. during the year ended 31st March' 2020. The equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The financial statements are presented in Indian Rupee (₹).

### 2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (A) Basis Of Preparation Of Financial Statement

##### i) Compliance with Ind AS

The financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements were authorized for issue by the Company's Board of Directors on 30<sup>th</sup> June, 2020..

These financial statements and notes have been presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs as per requirement of Schedule III, unless otherwise indicated.

##### ii) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except for the following :

- (a) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;
- (b) Defined benefit plans where plan assets are measured at fair value.

##### iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle (Twelve Months) and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### (B) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Continuous evaluation is done on the estimation and judgments based on historical experience and various other assumptions and factors, including expectations of future events that are believed to be reasonable under existing circumstances. Difference between actual results and estimate related to accounting estimates are recognised prospectively.

The said estimates are based on facts and events, that exist as at reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### (C) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### (I) Financial Assets

###### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- (b) Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- (a) For assets measured at fair value, gains and losses will either be recorded in Profit and Loss or Other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (c) For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

###### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset and in the case of a financial asset not at fair value then through Profit and Loss,. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in Profit and Loss.



## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### (a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- i) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- ii) **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.
- iii) **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Profit and Loss. A gain or loss on a debt investment that is subsequently measured at fair value through Profit and Loss and is not part of a hedging relationship is recognised in Profit and Loss and presented net in the statement of Profit and Loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

### (b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through Profit and Loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime credit losses (ECL) to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### (iv) Derecognition of financial assets

A financial asset is derecognised only when -

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## (II) Financial Liabilities

### (i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through Profit and Loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### (ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

### (D) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

### (E) Segment Report

- (i) The company identifies primary segment based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
- (ii) The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

### (F) Inventories Valuation

- (i) Raw materials (excluding Dyes and Chemicals), Components, Stores and Spares, Packing Materials are valued at lower of cost and net realisable value. Cost is determined on a weighted average cost basis.
- (ii) Cost of Dyes and Chemicals included in the cost of Raw Material are determined on first-in-first-out (FIFO) basis.
- (iii) Work-in-Progress and Finished Goods are valued at lower of cost and net realisable value. The cost are determined on estimated cost basis and valued on a weighted average basis.
- (iv) Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- (v) Scrap is valued at net realisable value.
- (vi) Due allowances are made in respect of slow moving, non-moving and obsolete inventories based on estimate made by the Management.
- (vii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### (G) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks, deposit held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of company's cash management policy.

### (H) Income tax, deferred tax and dividend distribution tax

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

Current and deferred tax is recognised in the Profit and Loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

#### (i) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Minimum Alternate Tax credit is recognised as an deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### (iii) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

### (I) Property, plant and equipment

- (i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.
- (ii) All other items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.
- (iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- (iv) Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.
- (v) Depreciation methods, estimated useful lives and residual value
  - (a) Fixed assets are stated at cost less accumulated depreciation.
  - (b) Depreciation is provided on a pro rata basis on the written down value method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.
- (vi) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.
- (vii) The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income as applicable.

### (J) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both and which is not occupied by the Company, is classified by Investing property. Investment property is measured at cost including related transaction cost and where applicable borrowing cost. Investment properties are depreciated at the same rate applicable for class of asset under Property, Plant and Equipment.

### (K) Intangible assets

- (i) An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and (b) the cost of the asset can be measured reliably.
- (ii) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented / ready for use. The same is amortised over a period of 5 years on straight-line method.

### (L) Leases

#### (i) As a lessee

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.

On transition, the Company has applied following practical expedients:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.
- Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
- Excluded the initial direct costs from the measurement of the right-of-use-asset at the date of transition.
- Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

### (ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## (M) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discount, rebates. The Company recognises revenue as under :

Effective 01 April, 2018, the Company has adopted Indian Accounting Standard 115 (IND AS 115) - "Revenue from contracts with customers" using the cumulative catch-up transition method applied to the contract that was not completed as on the transaction date 01st April, 2018. Accordingly the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of IND-AS 115 was insignificant.

### (I) Sales

#### (i) The Company recognizes revenue from sale of goods & services when:

- (a) The significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods and with regard to services, when services are rendered.
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.
- (c) The amount of revenue can be reliably measured.
- (d) It is probable that future economic benefits associated with the transaction will flow to the Company.
- (e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.
- (f) The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### (II) Other Income

#### (i) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### (ii) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

#### (iii) Export Benefits

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

## (N) Employee Benefit

### (i) Short-term obligations

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

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

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments are recognised in Profit and Loss.

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

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

**(a) Defined benefit gratuity plan:**

Gratuity, which is defined benefit, is accrued based on actuarial valuation working provided by Life Insurance Corporation of India (LIC). The Company has opted for a Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and the contribution is charged to the Statement of Profit & Loss each year. The Company has funded the liability on account of leave benefits through LIC's Group Leave Encashment Assurance Scheme and the Contribution is charged to Statement of Profit and Loss.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as provided by LIC. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**(b) Defined Contribution plan:**

Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Statement of Profit & Loss. The company has no further obligation to the plan beyond its contribution.

**(O) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses or other income as applicable.

**(P) Borrowing Cost**

- (i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
- (ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**(Q) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**ii) Diluted earnings per share**

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

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



## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

**(R) Impairment of Assets**

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(S) Provisions, contingent liabilities and contingent assets**

**(i) Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

**(ii) Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**(iii) Contingent Assets:** Contingent Assets are disclosed, where an inflow of economic benefits is probable.

**(T) Investments**

On transition to Ind AS, equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income, except for those mutual fund for which the Company has elected to present the fair value changes in the Statement of Profit and Loss.

**(U) Trade receivables**

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss.

**(V) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

**(W) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

**(X) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees Lacs (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

## Note No. 3 - PROPERTY, PLANT AND EQUIPMENT

Sr. No.	Particulars of Assets	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES				NET CARRYING AMOUNT
		As at 01.04.2019	Purchase During the Year	Deduction during the Year	As at 31.03.2020	As at 01.04.2019	For the Year	Impairment Losses	Deduction during the Year	Upto 31.03.2020
1.	Freehold Land	683.34	-	-	683.34	-	-	-	-	683.34
2.	Factory Building	2,663.43	-	-	2,663.43	680.95	188.46	-	-	869.41
3.	Office Premises	1,594.76	-	-	1,594.76	222.94	67.14	-	-	290.08
4.	Residential Building	23.53	-	23.53	3.26	0.98	-	-	-	4.24
5.	Plant & Machinery*	2,763.71	1,566.91	57.02	4,273.60	910.46	294.98	-	32.58	1,172.86
6.	Electrical Installation	175.30	0.84	-	176.14	94.69	18.84	-	-	113.53
7.	Furniture & Fixtures	843.59	67.84	0.74	910.69	392.35	118.65	-	0.13	510.87
8.	Computer	125.49	36.75	-	162.24	81.18	24.49	-	-	105.67
9.	Vehicle	250.74	11.01	8.85	252.90	99.27	46.79	-	7.85	138.21
10.	Air Conditioner	80.72	18.69	-	99.41	26.32	27.99	-	-	54.31
11.	Office Equipment	218.28	19.43	2.35	235.36	156.93	23.21	-	-	180.14
	<b>Total Property, Plant and Equipment</b>	<b>9,422.89</b>	<b>1,721.47</b>	<b>68.96</b>	<b>11,075.40</b>	<b>2,668.35</b>	<b>811.53</b>	<b>-</b>	<b>40.56</b>	<b>3,439.32</b>

Sr. No.	Particulars of Assets	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES				NET CARRYING AMOUNT
		As at 01.04.2018	Purchase During the Year	Deduction during the Year	As at 31.03.2019	As at 01.04.2018	For the Year	Impairment Losses	Deduction during the Year	Upto 31.03.2019
1.	Freehold Land	683.34	-	-	683.34	-	-	-	-	683.34
2.	Factory Building	2,609.40	54.03	-	2,663.43	474.08	206.87	-	-	680.95
3.	Office Premises	1,594.76	-	-	1,594.76	152.34	70.60	-	-	222.94
4.	Residential Building	23.53	-	-	23.53	2.23	1.03	-	-	3.26
5.	Plant & Machinery	2,549.63	43.92	(170.16)	2,763.71	465.66	299.63	-	(145.17)	910.46
6.	Electrical Installation	156.58	18.72	-	175.30	72.63	22.06	-	-	94.69
7.	Furniture & Fixtures	663.06	180.53	-	843.59	283.82	108.53	-	-	392.35
8.	Computer	112.18	13.31	-	125.49	59.13	22.05	-	-	81.18
9.	Vehicle	184.41	71.10	4.77	250.74	50.60	53.20	-	4.53	99.27
10.	Air Conditioner	29.14	51.58	-	80.72	14.45	11.87	-	-	26.32
11.	Office Equipment	197.62	20.66	-	218.28	123.35	33.58	-	-	156.93
	<b>Total Property, Plant and Equipment</b>	<b>8,803.65</b>	<b>453.85</b>	<b>(165.39)</b>	<b>9,422.89</b>	<b>1,698.29</b>	<b>829.42</b>	<b>-</b>	<b>(140.64)</b>	<b>2,668.35</b>

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Note No. 4 - CAPITAL WORK IN PROGRESS

(₹ in Lacs)

Sr. No.	Particulars of Assets	As at 01.04.2019	Purchase During the Year	Deduction during the Year	As at 31.03.2020
1.	Plant & Machinery	63.48	39.41	21.91	80.98
2.	Factory Building	-	160.10	-	160.10
	<b>Total Capital Work-In-Progress</b>	<b>63.48</b>	<b>199.51</b>	<b>21.91</b>	<b>241.08</b>

(₹ in Lacs)

Sr. No.	Particulars of Assets	As at 01.04.2018	Purchase During the Year	Deduction during the Year	As at 31.03.2019
1.	Plant & Machinery	16.20	47.28	-	63.48
2.	Factory Building	5.28	48.75	54.03	-
3.	Electrical Installation	13.86	2.62	16.48	-
4.	Furniture & Fixtures	139.49	14.59	154.08	-
5.	Air Conditioner	18.33	0.20	18.53	-
6.	Office Equipment	0.75	1.60	2.35	-
	<b>Total Capital Work-In-Progress</b>	<b>193.91</b>	<b>115.04</b>	<b>245.47</b>	<b>63.48</b>

### Note No. 5 - INVESTMENT PROPERTY

(₹ in Lacs)

Sr. No.	Particulars of Assets	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
		As at 01.04.2019	Purchase During the Year	Deduction during the Year	As at 31.03.2020	As at 01.04.2019	For the Year	Impairment Losses	Deduction during the Year	Upto 31.03.2020	As at 31.03.2020
1.	Office Premises	1,491.59	-	-	1,491.59	450.71	92.76	-	-	543.47	948.12
	<b>Total Investment Property</b>	<b>1,491.59</b>	<b>-</b>	<b>-</b>	<b>1,491.59</b>	<b>450.71</b>	<b>92.76</b>	<b>-</b>	<b>-</b>	<b>543.47</b>	<b>948.12</b>

(₹ in Lacs)

Sr. No.	Particulars of Assets	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
		As at 01.04.2018	Purchase During the Year	Deduction during the Year	As at 31.03.2019	As at 01.04.2018	For the Year	Impairment Losses	Deduction during the Year	Upto 31.03.2019	As at 31.03.2019
1.	Office Premises	1,491.59	-	-	1,491.59	335.76	114.95	-	-	450.71	1,040.88
	<b>Total Investment Property</b>	<b>1,491.59</b>	<b>-</b>	<b>-</b>	<b>1,491.59</b>	<b>335.76</b>	<b>114.95</b>	<b>-</b>	<b>-</b>	<b>450.71</b>	<b>1,040.88</b>

Amount recognised in profit or loss for Investment Properties

	Particulars	As at 31.03.2020	As at 31.03.2019
1.	Rental Income	772.67	839.18
2.	Direct operating expenses.	165.16	220.12
3.	There are no restrictions on the realisability of investment property.		
4.	The company is using same life for the same class of asset as applicable for property plant and equipment.		
5.	The company is currently using the property as godown for old machinery.		
	<u>Fair Value</u>		
1.	Investment property - Land and Building, the market value has not been ascertained.		
2.	The range of estimates within which fair value is highly likely to lie- Between Rs.50 Crores to 65 Crores		

### Note No. 6 - OTHER INTANGIBLE ASSETS

(₹ in Lacs)

Sr. No.	Particulars of Assets	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
		As at 01.04.2019	Purchase During the Year	Deduction during the Year	As at 31.03.2020	As at 01.04.2019	For the Year	Impairment Losses	Deduction during the Year	Upto 31.03.2020	As at 31.03.2020
1.	Computer Software	66.31	9.90	4.72	71.49	38.77	11.33	-	2.69	47.41	24.08
	<b>Total Other Intangible Assets</b>	<b>66.31</b>	<b>9.90</b>	<b>4.72</b>	<b>71.49</b>	<b>38.77</b>	<b>11.33</b>	<b>-</b>	<b>2.69</b>	<b>47.41</b>	<b>24.08</b>

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Lacs)											
Sr. No.	Particulars of Assets	GROSS CARRYING AMOUNT				DEPRECIATION/IMPAIRMENT LOSSES					NET CARRYING AMOUNT
		As at 01.04.2018	Purchase During the Year	Deduction during the Year	As at 31.03.2019	As at 01.04.2018	For the Year	Impairment Losses	Deduction during the Year	Upto 31.03.2019	As at 31.03.2019
1.	Computer Software	57.20	11.57	2.46	66.31	28.23	11.60	-	1.06	38.77	27.54
	<b>Total Other Intangible Assets</b>	<b>57.20</b>	<b>11.57</b>	<b>2.46</b>	<b>66.31</b>	<b>28.23</b>	<b>11.60</b>	<b>-</b>	<b>1.06</b>	<b>38.77</b>	<b>27.54</b>

**7. INVESTMENT**

Particulars	Face Value	As at 31.03.2020		As at 31.03.2019	
	₹ in Lacs	Qty	₹ in Lacs	Qty	₹ in Lacs
<b>Unquoted (At FVTPL)</b>					
<b>Equity Instruments</b>					
Palsana Enviro Protection Ltd.	100	72,000	98.40	72,000	98.40
<b>Total</b>			<b>98.40</b>		<b>98.40</b>

**8. OTHER NON CURRENT FINANCIAL ASSETS**

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(Unsecured, considered good, unless otherwise stated)		
(a) Security Deposits	192.80	166.85
(b) Loan to Staff	2.76	4.03
<b>Total</b>	<b>195.56</b>	<b>170.88</b>

**9. DEFERRED TAX ASSETS (Net)**

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(a) Deferred tax Assets (Net) (Refer Note 9.1)	623.04	876.98
<b>Total</b>	<b>623.04</b>	<b>876.98</b>

**Note No.: 9.1**

Particulars	As at 01.04.2019	Recognised in statement of profit and loss	Recognised in OCI	Reclassified as MAT credit	As at 31.03.2020
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, plant and equipment/Investment Property/Other Intangible Assets	659.97	280.49	-	-	379.48
Fair Value through Profit & Loss	(186.06)	399.88	-	-	(585.94)
Expenses allowable under income tax on payment basis	52.18	(10.35)	1.99	-	60.54
Allowance for Bad & Doubtful Debts	350.90	(418.07)	-	-	768.97
	<b>876.98</b>	<b>251.95</b>	<b>1.99</b>	<b>-</b>	<b>623.04</b>

Particulars	As at 01.04.2018	Recognised in statement of profit and loss	Recognised in OCI	Reclassified as MAT credit	As at 31.03.2019
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, plant and equipment/Investment Property/Other Intangible Assets	798.45	138.48	-	-	659.97
Fair Value through Profit & Loss	(105.55)	80.51	-	-	(186.06)
Expenses allowable under income tax on payment basis	26.45	(23.98)	(1.75)	-	52.18
Mat Credit Entitlement	196.91	103.05	-	93.86	(0.00)
Allowance for Bad & Doubtful Debts	224.28	(126.62)	-	-	350.90
	<b>1,140.53</b>	<b>171.44</b>	<b>(1.75)</b>	<b>93.86</b>	<b>876.98</b>

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Income tax

The major components of income tax expense for the year ended 31.03.2020

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Profit and Loss:</b>		
Current tax – net of reversal of earlier years : Rs. 3.03 (31 March 2019: Rs.81.04 lakhs)	399.03	768.54
Deferred Tax	253.95	66.64
Income	<b>652.98</b>	<b>835.18</b>

### Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Profit before income tax expense	1,838.13	2,256.86
Tax at the Indian tax rate 25.168% (Previous Year 34.944%)	462.62	788.64
<b>Add: Items giving rise to difference in tax</b>		
Effect of non-deductible expenses	7.04	9.26
House Property Standard Deduction	(56.38)	(82.94)
Earlier year Tax Impact	245.34	117.03
Others	(5.64)	3.19
Income Tax Expenses	<b>652.98</b>	<b>835.18</b>

**Note:** The figures have been regrouped/reclassified, wherever necessary.

### 10. NON-CURRENT TAX ASSETS

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(a) Advance Tax and Tax deducted at source [Net of Current Tax provision]	56.82	62.81
<b>Total</b>	<b>56.82</b>	<b>62.81</b>

### 11. OTHER NON-CURRENT ASSETS

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(Unsecured, considered good, unless otherwise stated)		
(a) Capital Advances	321.82	38.33
(b) Other Deposits	25.00	25.00
(c) Advance recoverable in cash or in kind or for value to be received	9.60	26.08
<b>Total</b>	<b>356.42</b>	<b>89.41</b>

### 12. INVENTORIES

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(a) Raw Material	3,365.89	4,032.06
(b) Semi Finished Goods	2,662.38	3,393.18
(c) Finished Goods (Refer Note No. 12.1)	8,398.18	9,234.32
(d) Traded Finished Goods (Refer Note 12.2 & 12.3)	4,073.95	3,555.83
(e) Stores & Tools	1,036.03	756.54
(f) Packing Material	625.69	477.22
<b>Total</b>	<b>20,162.12</b>	<b>21,449.15</b>

**Note No 12.1: Finished Goods inventory includes Goods-in transit Rs. 101.75 lacs (as at 31.03.2019 - Rs. 65.07 lacs)**

**Note No 12.2: Traded Finished Goods inventory includes Goods available with Third Parties on SOR Basis - Rs.1993.11 lacs (as at 31.03.2019 - Rs. 1557.61 lacs)**

**Note No 12.3: Traded Finished Goods inventory includes Goods in Transit Rs. 9.02 Lacs (as at 31.03.2019 - Rs. Nil)**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**13. TRADE RECEIVABLES**

Particulars	As at 31.03.2020 ₹ in Lacs		As at 31.03.2019 ₹ in Lacs	
(Unsecured)				
(a) Considered Good (Refer No. 13.1 & 48)	11,770.94		14,361.64	
(b) Considered Doubtful	1,158.71		813.03	
	12,929.65		15,174.67	
Less: Allowance for Expected Credit Loss	1,158.71	11,770.94	813.03	14,361.64
<b>Total</b>		<b>11,770.94</b>		<b>14,361.64</b>

**13.1 Movement in the allowance of Expected Credit Loss**

Particulars	As at 31.03.2020 ₹ in Lacs		As at 31.03.2019 ₹ in Lacs	
(a) Balance at the beginning of the year	813.03		614.03	
(b) Less: Amounts written off during the year (net)	72.39	740.64	-	614.03
(c) Changes in allowance for doubtful receivables		418.07		199.00
(d) Balance at end of the year		<b>1,158.71</b>		<b>813.03</b>

**14. CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2020 ₹ in Lacs		As at 31.03.2019 ₹ in Lacs	
(a) <u>Balance with banks</u>				
- In Current Account	37.77		455.61	
(b) Cheques, Drafts in Hand	-		84.44	
(c) Cash In Hand	23.64	61.41	26.81	566.86
<b>Total</b>		<b>61.41</b>		<b>566.86</b>

**15. BANK BALANCES**

Particulars	As at 31.03.2020 ₹ in Lacs		As at 31.03.2019 ₹ in Lacs	
(a) Unpaid Dividend Account (Refer Note No. 15.3)	2.01		2.04	
(b) Margin Money Deposits (Refer Note No. 15.2)	1,438.00	1,440.01	626.57	628.61
<b>Total</b>		<b>1,440.01</b>		<b>628.61</b>

Note No 15.1 The Company can utilise these balances towards settlement of unpaid dividend only

Note No 15.2 Margin money deposits amounting to Rs. 1438.00 lakhs ( as at 31.03.2019 - Rs.626.57 lakhs) are lying with bank against Bank Guarantees and Letter of Credit.

Note No 15.3 There are no amounts due for payment to the Investor Education & Protection Fund under section 125 of Companies Act, 2013 as at the year end, except for unpaid dividend for financial year 2011-12. The payment of which was done on 22nd November, 2019 through MCA portal, however due to technical glitch on MCA Site, the payment was reverted back.

Also the company has transferred the said amount to the Investor Education and Protection Fund on 14th May, 2020.

**16. OTHER CURRENT FINANCIAL ASSETS**

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(Unsecured, considered good, unless otherwise stated)		
(a) Deposits	45.82	17.61
(b) Interest Receivable	122.53	81.01
(c) Loans to Staff	234.10	178.28
<b>Total</b>	<b>402.45</b>	<b>276.90</b>



## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 17. OTHER CURRENT ASSETS

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(Unsecured, considered good, unless otherwise stated)		
(a) Trade Advances	655.14	409.51
(b) Advance recoverable in cash or in kind or for value to be received	211.71	186.25
(c) Export Incentive Receivable	1,417.67	1,672.89
(d) Balance with Government Authorities	1,649.24	1,520.80
(e) Others	1.66	54.35
<b>Total</b>	<b>3,935.42</b>	<b>3,843.80</b>

### 18. EQUITY SHARE CAPITAL

Particulars	Face Value ₹ in Lacs	As at 31.03.2020		As at 31.03.2019	
		Qty	₹ in Lacs	Qty	₹ in Lacs
<b>(a) Authorised Shares</b>					
<b>Equity Instruments</b>					
Equity Shares	2	160,000,000	3,200.00	160,000,000	3,200.00
<b>(b) Issued, Subscribed and Fully Paid Up Shares</b>					
<b>Equity Instruments</b>					
Equity Shares	2	52,000,000	1,040.00	52,000,000	1,040.00
<b>Total</b>			<b>1,040.00</b>		<b>1,040.00</b>

**Note No 18.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2020 :**

Particulars	Face Value	As at 31.03.2020		As at 31.03.2019	
	₹ in Lacs	No. of shares	Value (in Lacs.)	No. of shares	Value (in Lacs.)
(a) Number of shares at the beginning	2	52,000,000	1,040.00	52,000,000	1,040.00
(b) Add : Shares issued during the year	-	-	-	-	-
(c) Less : Shares bought back (if any)	-	-	-	-	-
<b>(d) Number of shares at the end</b>		<b>52,000,000</b>	<b>1,040.00</b>	<b>52,000,000</b>	<b>1,040.00</b>

**Note No 18.2: Terms / rights attached to equity shares:**

- (a) The company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. There is no interim dividend proposed by the Board of Directors.
- (b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note No 18.3: The details of shareholders holding more than 5% shares in the company:**

Sr. No.	Name of the shareholders	Face Value	As at 31.03.2020		As at 31.03.2019	
		₹ in Lacs	No. of shares held	% of shares held	No. of shares held	% of shares held
1.	Rahul R. Agarwal	2	47,56,901	9.15%	47,56,901	9.15%
2.	Bhavardevi Agarwal**	2	48,46,785	9.32%	48,46,785	9.32%
3.	Rajendra Agarwal	2	38,61,814	7.43%	38,61,814	7.43%
4.	Ajay Agarwal	2	37,29,500	7.17%	37,29,500	7.17%
5.	Surya A. Agarwal	2	36,43,750	7.01%	36,43,750	7.01%
6.	Neena Agarwal	2	29,17,750	5.61%	29,17,750	5.61%
7.	Donear Synthetics Limited	2	26,00,000	5.00%	26,00,000	5.00%
	<b>Total</b>		<b>263,56,500</b>	<b>50.69%</b>	<b>263,56,500</b>	<b>50.69%</b>

**\*\* The consolidated share holding of Mrs. Bhavardevi Agarwal is 9.32% earlier shown at 9.24% excl. 40000 shares which are physical form.**

**Note No 18.4:** The Board of Directors have recommended dividend of Rs.0.20 per Share (Previous Year Rs.0.20 per share) to be distributed to equity shareholders for the year ended 31.03.2020 as Final Dividend. The total amount of dividend shall be Rs.104.00 lakhs (including dividend distribution tax Rs.Nil lakhs), (Previous Year Rs.125.17 lakhs including dividend distribution tax Rs.21.17 lakhs).

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>(i) Equity Share</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Final Dividend	104.00	104.00
Dividend distribution tax on above dividend	21.17	21.17
<b>(ii) Dividend not recognised at the end of the reporting period</b>		
Proposed dividend not recognised at the end of the reporting period	104.00	104.00
Dividend Tax not recognised at the end of the reporting period	-	21.17

**19. OTHER EQUITY**

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>Reserves &amp; surplus*</b>		
(a) General Reserves ++	3,499.42	3,499.42
(b) Retained earnings	7,675.27	6,605.37
(c) <u>Other Comprehensive Income (OCI)</u>		
-Remeasurement of net defined benefit plans	17.61	11.67
<b>Total</b>	<b>11,192.30</b>	<b>10,116.46</b>

\* For movement, refer statement of changes in equity.

++ General reserve reflects amount transferred from statement of profit and loss in accordance with regulations of the Companies Act, 2013.

**20. NON CURRENT BORROWING**

<b>Particulars</b>	<b>As at 31.03.2020</b>		<b>As at 31.03.2019</b>	
	<b>₹ in Lacs</b>		<b>₹ in Lacs</b>	
(a) <b>Secured Loans</b> (Refer Note No. 20.1 & 20.2)				
<b>Term Loans - From Bank</b>				
Indian Rupee	283.85		1,012.20	
Less : Current Maturities of Long Term Debts (Refer Note No. 25)	94.65	189.20	715.23	296.97
<b>Total</b>		<b>189.20</b>		<b>296.97</b>

**Note No 20.1: Nature of Securities - For Facility of Term Loan**

<b>Sr. No.</b>	<b>Name of the Bank</b>	<b>Primary</b>	<b>Collateral</b>	<b>Guarantee</b>
1	<b>Yes Bank Limited</b>	Exclusive Charge (Hypothecation) of the Solar Project financed. First Pari Passu Charge on all the present and future current assets of the Borrower.	Second Pari Passu Charge on all the fixed assets of the Borrower except the corporate office at MIDC, Andheri East	Personal Guarantee of Mr. Rajendra Agarwal.
2	<b>State Bank of India</b>	As repaid during the current year its Nature of Securities not disclosed here		

**Note No 20.2: Terms of Repayment**

<b>Facility</b>	<b>Sr. No.</b>	<b>Term Loan taken from (Bank's Name)</b>	<b>Loan taken in the year</b>	<b>Loan installment started / starting from</b>	<b>Interest Rate (In %)</b>	<b>Total No of installments (Quarterly)</b>	<b>Repayment Amount (Quarterly)</b>
<b>Term Loan</b>	1	Yes Bank Limited	2017-2018	Mar '18	10.60%	20	23.65
	2	State Bank of India	As repaid during the current year its Terms of Repayment is not disclosed here				

**21. OTHER NON CURRENT FINANCIAL LIABILITIES**

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
(a) <u>Others</u>		
Deposits from Rental Services	397.06	391.16
Deposits from dealers/customers (Refer Note No. 21.1)	1,002.45	1,310.17
<b>Total</b>	<b>1,399.51</b>	<b>1,701.33</b>

**Note No 21.1:** Deposit from Dealers / customers are interest free deposit and repayable on termination of agreement unless otherwise agreed.

**22. OTHER NON CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
(a) <u>Others</u>		
Unearned Income on security deposit received	77.91	103.24
<b>Total</b>	<b>77.91</b>	<b>103.24</b>

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 23. CURRENT BORROWING

Particulars	As at 31.03.2020 ₹ in Lacs		As at 31.03.2019 ₹ in Lacs	
(a) <b>Secured Loans</b> (Refer Note No. 23.1)				
<b>From Bank</b>				
(i) Working Capital Loans	18,111.52		17,529.81	
(ii) Cash Credit	2,265.83		6,704.20	
(iii) Export Packing Credit	1,030.33	21,407.68	476.83	24,710.84
(b) <b>Unsecured Loans</b>				
<b>Loans and Advances from Related Party</b>				
(i) From Directors		4,611.89		4,420.75
<b>Total</b>		<b>26,019.57</b>		<b>29,131.59</b>

#### Note No 23.1: Nature of Securities

Sr. No.	Name of the Bank	Primary	Collateral	Guarantee	Facility Availed
1	State Bank of India	First pari Passu charge by way of Hypothecation of the entire current assets of the company, both present & future.	Second Pari Passu charge on land and building & Plant & Machinery located at Plot 213, 1 Phase, GIDC, Umbergaon, Valsad, Gujarat, Revenue Block No 194/195/206 Kadodara Bardoli Road, Village Jowla, Palsana-394305, Plot No 910/1, Dockmardi Amli Village, Silvassa, 396230, B/58 Masat Industrial Estate, Silvassa, 396230	Personal Guarantee of Promoter Directors Rajendra V Agarwal.	Working Capital Limits (CC/WCDL/ EPC/FUDB/ FBP/LC/BG)
2	Indian Bank	First Pari Passu Charge Hypothecation of Stock, Book Debts & other current assets present & future	Second Pari passu charge on the entire fixed assets of the Company Excluding Land & Building of Corporate office at MIDC, Andheri (East)	Personal Guarantee of Promoter Directors Rajendra V Agarwal.	Working Capital Limits (CC)
3	Bank of Baroda	First pari-passu charge with other member banks on the Current Assets (present & future) of the Company	2nd mortgage charge on pari passu basis on : Land & Building and Plant & Machinery located at Plot No. 213, 1st phase, GIDC, Umbergaon, Valsad, Gujarat. Revenue Block No. 194/195/206 Kadodara Bardoli Road, Village Jolwa, Palsanna - 394305. Plot No. 910/1, Dockmardi Amli Village, Silvassa - 396230, B/58 Masat Industrial Estate, Silvassa-396230	Personal Guarantee of Promoter Directors Rajendra V Agarwal.	Working Capital Limits (CC)
4	Yes Bank Limited	First Pari Passu Charge on all the present and future current assets of the Borrower.	Second Pari Passu Charge on all the fixed assets of the Borrower except the corporate office at MIDC, Andheri East	Personal Guarantee of Promoter Directors Rajendra V Agarwal.	Working Capital Limits (CC / WCDL)
5	HDFC Bank Ltd.	1st Parri Passu charge on all present and future stock and book debts for Working Capital Limits 1st Parri Passu charge on entire immovable and movable fixed assets of the Company excluding corporate office at Andheri. Exclusive charge on Plant and Machinery funded by HDFC Bank	Second Pari Passu Charge for below mentioned property : for Land and Building at 1. Umbergaon, 2. Village Jolwa, Palsanna, surat; 3. Plot at Dockmardi Amli Village, Silvassa 4. At Masat Industrial Estate, Silvassa	Personal Guarantee of Promoter Directors Rajendra V Agarwal.	Working Capital Limits (STL a Sub-Limit of CC)

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**24. TRADE PAYABLES**

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(a) Dues of micro and small enterprises (Refer Note No. 24.1)	-	-
(b) Dues other than micro and small enterprises (Refer Note No. 24.1)	5,029.83	6,159.87
<b>Total</b>	<b>5,029.83</b>	<b>6,159.87</b>

**Note No 24.1:** The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given.

**25. OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(a) Current maturities of long-term debts (Refer Note No. 20)	94.65	715.23
(b) Interest on Security Deposit Payable	51.25	7.70
(c) Unpaid Dividend	2.00	2.04
(d) Sundry Creditors for Capital Goods	1,192.42	66.46
(e) Deposits	470.67	4.59
<b>Total</b>	<b>1,810.99</b>	<b>796.02</b>

**26. OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2020 ₹ in Lacs		As at 31.03.2019 ₹ in Lacs	
(a) Advance from Customers		851.94		619.02
(b) Unearned Income on security deposit received		28.08		-
(c) Statutory Dues Payable		90.35		133.13
<b>Total</b>		<b>970.37</b>		<b>752.15</b>

**27. PROVISIONS**

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(a) <u>Provision for Employee Benefits</u>		
Leave Encashment	133.33	138.06
Gratuity (Refer Note No. 42)	75.28	39.53
<b>Total</b>	<b>208.61</b>	<b>177.59</b>

**28. CURRENT TAX LIABILITIES (Net)**

Particulars	As at 31.03.2020 ₹ in Lacs	As at 31.03.2019 ₹ in Lacs
(a) Provision for Taxation [Net of Tax Payments]	13.66	36.66
<b>Total</b>	<b>13.66</b>	<b>36.66</b>

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 29. CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31.03.2020 ₹ in Lacs		As at 31.03.2019 ₹ in Lacs	
(a) <b>Contingent Liability not provided for in respect of</b>				
(i) Claims against the Company not acknowledged as debt		45.85		45.85
(ii) <u>Other money for which the company is contingently liable :</u>				
Excise Duty Liability	4.17		4.17	
Other Government Dues	183.94		133.78	
Bonds executed under EPCG Schemes to Customs Authorities	125.48	313.59	843.82	1,000.27
(b) <b>Commitments not provided for in respect of</b>				
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)		15.22		58.41
<b>Total</b>		<b>374.66</b>		<b>1,104.53</b>

### 30. REVENUE FROM OPERATIONS

Particulars	2019-2020 ₹ in Lacs		2018-2019 ₹ in Lacs	
(a) Sale of Products		51,935.12		56,706.87
(b) Sale of Services		2,503.45		2,341.51
(c) <u>Other Operating Revenue</u>				
Sale of Scrap	94.20		131.85	
Export Incentives	261.15	355.35	251.93	383.78
		<b>54,793.92</b>		<b>59,432.16</b>

### 31. OTHER INCOME

Particulars	2019-2020 ₹ in Lacs		2018-2019 ₹ in Lacs	
(a) <u>Interest income</u>				
Interest on Deposit with Bank	55.78		32.10	
Unwinding of interest on security deposits	11.95		16.33	
Interest on delayed payments from Customers	64.76	132.49	16.78	65.21
(b) <u>Other non-operating income</u>				
Net gain on Sale of Fixed Asset	36.08		3.89	
Fair Valuation of Financial Assets	275.81		187.49	
Provision no longer required, written back	17.69		9.63	
Miscellaneous Income	1.40	330.98	4.64	205.65
<b>Total</b>		<b>463.47</b>		<b>270.86</b>

### 32. COST OF MATERIALS CONSUMED

Particulars	2019-2020 ₹ in Lacs		2018-2019 ₹ in Lacs	
Raw Material Consumed				
Opening Stock of Raw Material	4,032.06		4,107.30	
Add : Purchases of Raw Material	21,130.26		26,159.78	
Less : Closing Stock of Raw Material	3,365.89	21,796.43	4,032.06	26,235.02
<b>Total of Cost of materials consumed</b>		<b>21,796.43</b>		<b>26,235.02</b>

### 33. PURCHASES OF STOCK IN TRADE

Particulars	2019-2020 ₹ in Lacs	2018-2019 ₹ in Lacs
(a) Finish Fabric Purchases	3,227.02	2,502.28
(b) Grey Fabric Purchases	308.70	1,093.72
(c) Garment Purchases	937.79	801.36
<b>Total</b>	<b>4,473.51</b>	<b>4,397.36</b>

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**34. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

Particulars	2019-2020 ₹ in Lacs		2018-2019 ₹ in Lacs	
(a) <b>Inventories at the end of the year</b>				
Finished Goods	8,398.18		9,234.32	
Work in Progress	2,662.38		3,393.18	
Stock-in-Trade	4,073.94	15,134.50	3,555.83	16,183.33
(b) <b>Inventories at the beginning of the year</b>				
Finished Goods	9,234.32		8,160.63	
Work in Progress	3,393.18		4,121.00	
Stock-in-Trade	3,555.83	16,183.33	3,187.73	15,469.36
<b>Total</b>		<b>1,048.83</b>		<b>(713.97)</b>

**35. EMPLOYEE BENEFITS EXPENSE**

Particulars	2019-2020 ₹ in Lacs	2018-2019 ₹ in Lacs
(a) Salaries, Wages & Other Benefits	6,636.32	6,727.01
(b) Contribution to Provident Fund and Other Funds	282.14	289.88
(c) Staff Welfare Expenses	106.54	138.59
<b>Total</b>	<b>7,025.00</b>	<b>7,155.48</b>

**36. FINANCE COSTS**

Particulars	2019-2020 ₹ in Lacs		2018-2019 ₹ in Lacs	
(a) Interest expenses				
(i) Interest on Term Loan from bank	82.98		175.01	
(ii) Interest on Other Bank Loan	1,617.19		1,989.52	
(iii) Unwinding of interest on security deposits	186.05	1,886.22	170.75	2,335.28
(b) Other Borrowing Cost				
(i) Processing Charges		76.31		42.46
(c) Net Loss on Foreign Currency Transactions Considered as Borrowing Cost		459.67		356.50
<b>Total</b>		<b>2,422.20</b>		<b>2,734.24</b>

**37. DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	2019-2020 ₹ in Lacs	2018-2019 ₹ in Lacs
(a) Depreciation on Property, Plant and Equipment (Refer Note No. 3)	811.54	829.44
(b) Depreciation on Investment Property (Refer Note No. 5)	92.75	114.95
(c) Amortisation on Intangible Assets (Refer Note No. 6)	11.33	11.60
<b>Total</b>	<b>915.62</b>	<b>955.99</b>

**38. OTHER EXPENSES**

Particulars	2019-2020 ₹ in Lacs		2018-2019 ₹ in Lacs	
Consumption of Stores & Spares		867.80		824.59
Manufacturing & Processing Charges		559.35		841.93
Weaving Charges		1,108.41		2,030.80
Other Labour Charges		2,412.91		1,996.99
Power and Fuel		3,801.25		3,719.45
Repairs and Maintenance				
On Building	31.77		45.14	
On Machinery	222.41		237.19	
On Others	325.66	579.84	317.61	599.94
Security Charges		51.16		31.04
Brokerage on purchase		42.71		19.45
Legal & Professional Expenses		202.01		302.56
Travelling & Conveyance		529.65		542.53



## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 38. OTHER EXPENSES

Particulars	2019-2020 ₹ in Lacs		2018-2019 ₹ in Lacs	
Net Loss / (Gain) on Foreign Currency Transactions		(109.45)		56.84
Insurance Charges		69.43		54.71
Packing Material Consumed		1,740.83		1,859.39
Rates & Taxes		54.47		93.42
Rent Expense		355.91		373.51
Interest Expenses		155.15		288.30
Printing & Stationery		78.59		88.92
Postage, Telegram & Telephone		204.94		184.07
Payment to Statutory Auditor (Refer Note No. 38.1)		9.19		8.61
Sundry Balance Write off (Net)		4.29		-
Fixed Assets Written Off		2.03		1.63
Allowance for Expected Credit Loss		345.64		172.74
Bad Debts Recovered		(5.48)		-
Bank Charges		124.60		107.83
Transportation Expenses		584.18		529.29
Sample Expenses		202.53		266.99
Advertisement & Sales Promotion		985.53		951.03
Sales Commission		592.71		583.17
Miscellaneous Expenses		179.56		157.33
		<b>15,729.74</b>		<b>16,687.06</b>

#### Note No. 38.1 - Payment to Statutory Auditor:

Particulars	2019-2020 ₹ in Lacs		2018-2019 ₹ in Lacs	
<u>Statutory Auditors Remuneration</u>				
<u>As an auditor</u>				
- Audit Fees (including Limited Review)	7.00		7.00	
- Out of Pocket Expenses	0.34	7.34	0.06	7.06
<u>Other capacity</u>				
- Certification	-		-	
- Other Services	0.60	0.60	0.30	0.30
<u>Cost Auditors Remuneration</u>				
- Audit Fees		1.25		1.25
		<b>9.19</b>		<b>8.61</b>

### 39. EARNING PER SHARE (EPS)

Earning Per Share (EPS) - the numerators and denominators used to calculate Basic and Diluted earning per share :

Particulars	2019-2020		2018-2019	
	Description	Value	Description	Value
(a) Profit attributable to Equity Shareholders	(In Lacs.)	1,195.07	(In Lacs.)	1,418.41
(b) Number of Equity Shares outstanding during the year	(In Nos.)	520,00,000	(In Nos.)	520,00,000
(c) Face Value of each Equity Share	(In Rs.)	2.00	(In Rs.)	2.00
(d) Basic / Diluted earning per share (a) / (b)	(In Rs.)	2.30	(In Rs.)	2.73

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**40. SEGMENT REPORTING**

**(i) Information About Primary Business Segment**

Sr. No.	Particulars	2019-2020				2018-2019			
		Segments			Total	Segments			Total
		Textiles	Rentals	Unallocable		Textiles	Rentals	Unallocable	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a)	<b>Revenue</b>								
	Segment Revenue	54,021.25	772.67	-	54,793.92	58,592.98	839.18	-	59,432.16
(b)	<b>Result</b>								
	Segment Results	4,802.78	607.51	-	5,410.29	5,720.00	619.06	-	6,339.06
	Less : Finance Cost	-	-	2,170.63	2,170.63	-	-	2,541.58	2,541.58
	Less: Unallocated Corporate Expenses Net of Unallocated Corporate Income	-	-	1,393.60	1,393.60	-	-	1,545.64	1,545.64
	Less: Extra Ordinary Items	-	-	-	-	-	-	-	-
	<b>Profit Before Tax</b>	<b>4,802.78</b>	<b>607.51</b>	<b>(3,564.23)</b>	<b>1,846.06</b>	<b>5,720.00</b>	<b>619.06</b>	<b>(4,087.22)</b>	<b>2,251.84</b>
	Less: Provision For Tax (Net of Deferred Tax)	3.03	-	647.96	650.99	81.04	-	752.39	833.43
	Net Profit After Tax & Before Prior Period Adjustments	<b>4,799.75</b>	<b>607.51</b>	<b>(4,212.19)</b>	<b>1,195.07</b>	<b>5,638.96</b>	<b>619.06</b>	<b>(4,839.61)</b>	<b>1,418.41</b>
	Add : Other Comprehensive Income	-	-	5.94	5.94	-	-	(3.26)	(3.26)
	<b>Net Profit After Prior Period Adjustments</b>	<b>4,799.75</b>	<b>607.51</b>	<b>(4,206.25)</b>	<b>1,201.01</b>	<b>5,638.96</b>	<b>619.06</b>	<b>(4,842.87)</b>	<b>1,415.15</b>
(c)	<b>Other Information</b>								
	Segment Assets	45,856.09	997.41	1,098.46	47,951.96	47,402.74	1,121.17	1,787.97	50,311.88
	Segment Liabilities	9,889.27	476.66	25,353.73	35,719.66	8,939.06	443.02	29,773.35	39,155.43
	Capital Expenditure	1,731.37	-	-	1,731.37	465.42	-	-	465.42
	Depreciation / Amortisation	822.86	92.75	-	915.61	841.04	114.95	-	955.99

**Notes :**

- (a) The Company is engaged into two main business segments mainly (i) Manufacturing and Dealing in Textiles and (ii) Rental Property which have been identified and reported taking into account the nature of products and services, the differing risks and returns and the organisation structure.
- (b) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**(ii) Information About Secondary Geographical Business Segment**

(₹ in Lacs)

Particulars	2019-2020		2018-2019	
	Within India	Outside India	Within India	Outside India
Although the sales outside India was less than 10% of the total sales and the segment assets are less than 10% of the total assets in the current financial year and in the immediate preceeding financial year, geographical segment is reported as the secondary segment, as per the discretion of the management.				
(a) Segment Revenue	50,082.19	5,175.20	53,456.85	6,246.17
(b) Segment Assets	46,689.68	1,262.27	48,429.31	1,882.57
(c) Addition to Fixed Assets	1,731.37		465.42	

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 41 Related party disclosures as required under Ind AS 24, "Related Party Disclosures", are given below:

Name of the related party and description of relationship.

Related Parties	Nature of Relationship
(a) (i) Shri Rajendra V. Agarwal	Individual having control / significant influence
(ii) Shri Ajay V. Agarwal	Key Management Personnel
(iii) Mr. Anupkumar Singh	Executive Director
(b) (i) Shri Sreedhar Hirimbi (Resigned Date 01st May, 2019)	Company Secretary
(ii) Ms Poonam Barsaiyan (Resigned Date 18th October, 2019)	Company Secretary
(iii) Ms Sakshi Bajaj (Appointed Date 24th January, 2020)	Company Secretary
(c) (i) Mr Ashok Agarwal	Chief Financial Officer
(d) (i) Mrs. Neena Agarwal (Wife of Shri Ajay V. Agarwal)	Relative of Key Management Personnel
(ii) Mr. Rahul Agarwal (Son of Shri Rajendra V. Agarwal)	Relative of Key Management Personnel
(iii) Mr. Surya Agarwal (Son of Shri Ajay V. Agarwal)	Relative of Key Management Personnel
(iv) Mr. Kavya Agarwal (Daughter in Law of Shri Rajendra V. Agarwal)	Relative of Key Management Personnel
(e) (i) Donear Synthetics Limited	Entities where individual having control/significant influence or key management personnel or their relatives are able to exercise significant influence
(ii) Donear Retail Private Limited	
(iii) Rajendra Synthetics Pvt. Ltd	
(iv) R. Ajay Kumar Real Estate LLP	
(v) Sonia Synthetics LLP	
(vi) Ajay Vishwanath Agarwal (HUF)	
(vii) Lav Kush Traders Private Limited	
(viii) Rajendra Vishwanath Agarwal (HUF)	
(ix) Vishwanath L Agarwal (HUF)	
(x) Neptune Fabs (Mrs. Bhavardevi Agarwal is the proprietor, Mother of Mr. Rajendra Agarwal)	
(xi) Venus Textiles (Mrs. Neena Agarwal is the proprietor, wife of Mr. Ajay Agarwal)	
(xii) Lotus Fabrics (Mrs. Uma Agarwal is the proprietor, Wife of Mr. Rajendra Agarwal)	
(xiii) Mercury Industries (Mr. Rahul Agarwal is the proprietor, Son of of Mr. Rajendra Agarwal)	
(xiv) GBTL Limited	
(xv) OCM Private Ltd.	
(xvi) Krishna Fabrics (Mr. Surya Agarwal, Son of Mr. Ajay Agarwal)	
(xvii) Laxmi Enterprises (Mr. Surya Agarwal and Mr. Rahul Agarwal are in Partnership)	
(xviii) Hanuman Fabrics (Mr. Ajay Agarwal is the Proprietor)	
(xix) Shiv Textiles (Mr. Ajay Agarwal HUF is the proprietor)	
(xx) Vinayaka Textiles (Mrs. Kavya Agarwal is the proprietor)	

(Rs.in Lacs)

Nature of Transaction & Name of the Related Party		2019-2020		2018-2019	
(a)	<b>Purchase of Goods, Fixed Assets, Stores &amp; Other Services (Net of Goods Return)</b>				
(i)	Neptune Fabs	161.57		68.62	
(ii)	Venus Textiles	375.02		97.88	
(iii)	Lotus Fabrics	175.02		77.47	
(iv)	Mercury Industries	475.65		117.51	
(v)	GBTL Limited	397.76		637.17	
(vi)	OCM Private Limited	596.97		1,056.53	
(vii)	Vinayaka Textiles	131.68		-	
(viii)	Krishna Fabrics	123.99		-	
(ix)	Laxmi Enterprises	203.17		-	
(x)	Hanuman Fabrics	158.06		-	
(xi)	Shiv Textiles	159.16	2,958.05	-	2,055.18
(b)	<b>Sale of Goods, Fixed Assets, Stores &amp; Other Services (Net of Goods Return)</b>				
(i)	Neena Agarwal	-		0.07	
(ii)	Mercury Industries	-		15.62	
(iii)	Donear Synthetics Ltd	-		2.51	
(iv)	GBTL Limited	2,760.99		5,497.70	
(v)	OCM Private Limited	1,158.64	3,919.63	2,358.09	7,873.99

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs.in Lacs)

Nature of Transaction & Name of the Related Party		2019-2020	2018-2019
(c)	<b>Director's Sitting Fees</b>		
	(i) Late Shri Vishwanath L. Agarwal	-	0.01
	(ii) Mr. Durgaprasad Agarwal	-	0.10
	(iii) Mr. Santkumar Agarwal	0.09	0.10
	(iv) Mr. Santanu Mukherjee	0.09	0.05
	(v) Mr. Govind Shrikhande	-	-
	(vi) Mrs. Medha Pattanayak	0.09	0.06
		0.27	0.32
(d)	<b>Remuneration Paid</b>		
	(i) Shri Rajendra V. Agarwal	28.03	28.03
	(ii) Shri Ajay V. Agarwal	10.51	10.51
	(iii) Mr. Anup Kumar Singh	11.13	11.38
	(iv) Mrs. Neena A. Agarwal	3.92	3.92
	(v) Mr. Rahul Agarwal	6.55	6.55
	(vi) Mr. Surya Agarwa	3.92	3.92
	(vii) Mrs. Kavya Agarwal	2.60	2.60
	(viii) Mr Ashok Agarwal	19.49	16.75
	(ix) Shri Sreedhar Hirimbi	-	1.90
	(x) Ms. Poonam Barsaiyan	1.68	1.90
	(xi) Ms. Sakshi Bajaj	0.76	-
		88.59	87.46
(e)	<b>Dividend Paid</b>		
	(i) R. Ajaykumar Real Estate LLP	4.80	4.80
	(ii) Mrs. Bhaverdevi Agarwal	9.69	9.69
	(iii) Mrs. Uma Agarwal	3.74	3.74
	(iv) Donear Retail Private Limited	3.68	3.68
	(v) Ajay Vishwanath Agarwal (HUF)	4.74	4.74
	(vi) Rajendra Vishwanath Agarwal (HUF)	2.70	2.70
	(vii) Vishwanath L Agarwal (HUF)	2.31	2.31
	(viii) Donear Synthetics Limited	5.20	5.20
	(ix) Donear Retail Private Limited	3.68	3.68
	(x) Rajendra Synthetics LLP	2.08	2.08
	(xi) Sonia Synthetics LLP	0.72	0.72
	(xii) Lav Kush Traders Private Limited	0.03	0.03
	(xiii) Mr. Rajendra V. Agarwal	7.72	7.72
	(xiv) Mr. Ajay V. Agarwal	7.46	7.46
	(xv) Mrs. Neena A. Agarwal	5.84	5.84
	(xvi) Mr. Rahul Agarwal	9.51	9.51
	(xvii) Mr. Surya Agarwal	7.29	7.29
	(xviii) Mrs. Kavya Agarwal	0.04	0.04
		81.22	81.22
(f)	<b>Rent Received</b>		
	(i) R.Ajaykumar Real Estate. LLP		18.00
(g)	<b>Rent Received</b>		
	(i) Neptune Fabs	1.00	1.00
	(ii) Venus Textiles	1.00	1.00
	(iii) Lotus Fabrics	1.00	1.00
	(iv) Mercury Industries	1.00	1.00
		4.00	4.00
(h)	<b>Other recovery of expenses</b>		
	(i) Neptune Fabs	21.59	19.94
	(ii) Venus Textiles	32.00	33.63
	(iii) Lotus Fabrics	21.51	20.98
	(iv) Mercury Industries	25.94	30.00
		101.04	104.55
(i)	<b>Loans Received</b>		
	(i) Shri Rajendra Agarwal	703.50	1,303.50
	(ii) Shri Ajay V. Agarwal	143.00	615.25
		846.50	1,918.75
(j)	<b>Loans Repaid</b>		
	(i) Shri Rajendra Agarwal	492.50	1,073.10
	(ii) Shri Ajay V. Agarwal	162.86	477.35
		655.36	1,550.45
		<b>8,673.27</b>	<b>13,693.23</b>

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

Disclosure of related party transaction outstanding at the end of the year.

(₹ in Lacs)

Name of the Related Party		As at 31.03.2020		As at 31.03.2019	
<b>(a) Outstanding Net Receivable</b>					
(i)	Neena Agarwal	0.07		0.07	
(ii)	Neptune	-		3.93	
(iii)	Venus Textiles	-		5.20	
(iv)	Lotus Fabrics	-		4.61	
(v)	Mercury Industries	-		14.77	
(vi)	OCM Private Limited	1,130.87		858.49	
(vii)	GBTL Limited	180.68	1,311.62	641.09	1,528.16
<b>(b) Outstanding Net Payable</b>					
(i)	Neptune	85.38		-	
(ii)	Venus Textiles	290.82		-	
(iii)	Lotus Fabrics	85.52		-	
(iv)	Mercury Industries	330.67		-	
(v)	Vinayaka Textiles	153.02		-	
(vi)	Krishna Fabrics	146.31		-	
(vii)	Laxmi Enterprises	233.83		-	
(viii)	Hanuman Fabrics	186.51		-	
(ix)	Shiv Textiles	187.81	1,699.87	-	-
<b>(b) Deposit Paid</b>					
(i)	R.Ajaykumar Real Estate. LLP		4.50		4.50
<b>(c) Deposit Taken</b>					
(i)	Neptune Fabs	30.00		30.00	
(ii)	Venus Textiles	30.00		30.00	
(iii)	Lotus Fabrics	30.00		30.00	
(iv)	Mercury Industries	30.00	120.00	30.00	120.00
<b>(d) Loans Outstanding</b>					
(ii)	Shri Rajendra Agarwal	2,789.50		2,578.50	
(iii)	Shri Ajay V. Agarwal	1,822.39	4,611.89	1,842.25	4,420.75
<b>(e) Guarantee given by directors</b>					
(i)	Towards Term Loan	283.85		1,012.20	
(ii)	Towards Working Capital	21,407.68	21,691.53	24,710.84	25,723.04
			<b>29,439.41</b>		<b>31,796.45</b>

### 42. EMPLOYEE BENEFIT

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

#### (i) Defined Contribution Plan

Contribution to Defined Contribution Plan includes Provident Fund. The expenses recognised for the year are as under :

Particulars	2019-20	2018-19
	Rs.	Rs.
Employer's Contribution to Provident Fund	176.40	165.17

#### (ii) Defined Benefit Plan

##### (a) Gratuity:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 to 25 days/one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after 5 years of continuous service.

##### (b) Major category of plan assets:

The Company has taken plans from Life Insurance Corporation of India

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

- (c) The following tables set out the funded status of the gratuity and leave encashment plans and the amounts recognised in the Company's financial statements as at 31 March 2020 and 31 March 2019.

		(₹ in Lacs)	
Particulars		As at 31.03.2020	As at 31.03.2019
<b>(a) Defined Benefit Plan - Gratuity</b>			
(i) <b>Assumptions</b>		Funded	Funded
		As on	As on
		31/03/2020	31/03/2019
Discount Rate		7%	8%
Salary Escalation		3%	3%
(ii) <b>Table showing changes in present value of obligations</b>		As on	As on
		31/03/2019	31/03/2019
Present value of obligations as at beginning of year		208.87	174.96
Interest cost		15.67	14.00
Current Service cost		36.68	31.84
Benefits paid		(11.12)	(16.95)
Actuarial (gain)/Loss on obligations		(7.93)	5.02
Present value of obligations as at end of year		242.17	208.87
(iii) <b>Table showing changes in the fair value of plan assets</b>			
Fair value of plan assets at beginning of year		169.34	154.59
Expected return on plan assets		8.66	11.50
Contributions		-	20.20
Benefits paid		(11.12)	(16.95)
Actuarial Gain / (Loss) on Plan assets		-	-
Fair value of plan assets at the end of year		166.89	169.34
(iv) <b>Table showing fair value of plan assets</b>			
Fair value of plan assets at beginning of year		169.34	154.59
Actual return on plan assets		8.66	11.50
Contributions		-	20.20
Benefits Paid		(11.12)	(16.95)
Fair value of plan assets at the end of year		166.89	169.34
Funded Status		(75.28)	(39.53)
Excess of Actual over estimated return on plan assets		-	-
(Actual rate of return=Estimated rate of return as ARD falls on 31st March)			
(v) <b>Actuarial Gain/Loss recognized</b>			
Actuarial (gain)/Loss for the year Obligation		7.93	(5.02)
Actuarial (gain)/Loss for the year - Plan Assets		-	-
Total (gain)/Loss for the year		(7.93)	5.02
Actuarial (gain)/Loss recognized in the year		(7.93)	5.02
(vi) <b>The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss</b>			
Present value of obligations as at the end of year		242.17	208.87
Fair value of plan assets as at the end of the year		166.89	169.34
Funded status		(75.28)	(39.53)
Net Asset / (Liability) recognized in balance sheet		(75.28)	(39.53)
(vii) <b>Expenses Recognised in statement of Profit &amp; Loss</b>			
Current Service cost		36.68	31.84
Interest Cost		15.67	14.00
Expected return on plan assets		(8.66)	(11.50)
Net Actuarial (gain)/Loss recognised in the year		(7.93)	5.02
Expenses recognised in statement of Profit & Loss		35.75	39.36



## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 43. LEASE

#### (a) Non-cancellable operating leases for Assets given on Lease

The Group is obligated under some operating leases for office space which are renewable on a periodical basis. Lease payments under operating leases for the year ended March 31, 2020 aggregated to Rs. 746.74 Lacs (PY - Rs. 814.93 Lacs)

Future lease rentals receivable from the balance sheet date in respect of non cancellable residential and office premises:

Particulars	(₹ in Lacs)	
	As at 31/03/2020	As at 31/03/2019
Within one year	715.71	812.05
Later than one year but not later than five years	1,944.60	657.42
Later than five years	-	-
<b>Total</b>	<b>2,660.31</b>	<b>1,469.47</b>

#### Notes:

- Future lease payments are determined on the basis of terms of the lease agreement.
  - At the expiry of term of the agreement, the Company has an option either to return the leased asset or extend the term by giving a notice in writing.
  - There are no sublease payments as well as no contingent rent.
- (b) On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

### 44. DERIVATIVES

#### HEDGED :

The Company has entered into forward hedged exchange contracts, being derivative instruments hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of Current Borrowings. The following are the outstanding Forward Exchange Contracts entered into by the Company.

Currency	Buy or Sell	As at 31.03.2020		As at 31.03.2019	
		Foreign Currency Amount	Rs. In Lacs	Foreign Currency Amount	Rs. In Lacs
USD	BUY	221,42,015	16,060.37	22,305,909	16,031.50

#### UNHEDGED :

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under :

#### (a) Amount Receivable in Foreign Currency on account of the following :

Particulars and Currency	As at 31.03.2020		As at 31.03.2019	
	Foreign Currency Amount	Rs. In Lacs	Foreign Currency Amount	Rs. In Lacs
USD	15,40,766	1,151.62	23,44,741	1,625.40
Euro	65,428	53.79	2,30,357	179.12

#### (b) Amount Payable in Foreign Currency on account of the following :

Particulars and Currency	As at 31.03.2020		As at 31.03.2019	
	Foreign Currency Amount	Rs. In Lacs	Foreign Currency Amount	Rs. In Lacs
USD	8,70,081	651.50	139,592	97.12
Euro	11,256	9.27	16,823	13.13
CHF	490	0.38	490	0.34

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 45. Capital Management

#### i) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio and is measured by net debt divided by capital employed. The Company's debt is defined as long term and short term borrowings including current maturities of long term borrowings and total equity (as shown in balance sheet) includes issued capital and all other reserves.

#### ii) Gearing Ratio

The gearing ratio at end of the reporting period was as follows.

(Rs. In Lacs)		
Particulars	As at 31.03.2020	As at 31.03.2019
Borrowing	26,303.42	30,143.79
Less: Cash and Cash equivalents	61.41	566.86
<b>Net Debt</b>	<b>26,242.01</b>	<b>29,576.93</b>
<b>Total Equity</b>	<b>12,232.30</b>	<b>11,156.46</b>
<b>Total Equity and Net Debt (Capital Employed)</b>	<b>38,474.31</b>	<b>40,733.39</b>
<b>Gearing ratio</b>	<b>68.21%</b>	<b>72.61%</b>

### 46. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk, market risk, price risk and Interest Rate Risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact thereof in the financial statements.

Sl. No.	Risk	Exposure arising from	Measurement	Management
1	Credit Risk	Cash and cash equivalents, trade receivables and financial assets.	Credit ratings, Review of aging analysis, Review of investment on quarterly basis.	Strict credit control and monitoring system, diversification of counterparties, Investment limits, check on counterparties basis credit rating and investment review on quarterly basis.
2	Liquidity Risk	Trade payables and other financial liabilities.	Maturity analysis, cash flow projections.	Maintaining sufficient cash / cash equivalents and marketable security.
3	Market Risk – Foreign Currency Risk	Highly probable forecast transactions and financial assets and liabilities not denominated in INR.	Foreign currency exposure review and sensitivity analysis.	Forward foreign currency contract, future and option.
4	Market Risk - Interest Rate Risk	Fluctuating interest rates on various loans taken from banks and others	Interest Expense review and sensitivity analysis.	Treasure performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.
5	Price Risk – Commodity Prices	Basic ingredients of company raw materials are various grade of Yarn and Dyes where prices are volatile	The company sourcing components from vendors directly, hence it does not hedge its exposure to commodity price risk.	The company is able to pass on substantial price hike to the customers.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, price risk, investment of surplus liquidity and other business risks effecting business operation. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

### (A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

#### Credit Risk Management

For financial assets the Company has an investment policy which allows the Company to invest only with counterparties having credit rating equal to or above AAA and AA. The Company reviews the creditworthiness of these counterparties on an ongoing basis. Another source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The creditors risk is minimum in case of entity to whom loan has been given.

The maximum exposure to credit risk as at 31.03.2020, 31.03.2019 and 01.04.2017 is the carrying value of such trade receivables as shown in note 13 of the financials.

**The Credit Loss allowances are provided in the case of trade receivables as under:**

Loss allowance as on 01.04.2018	<b>614.03</b>
Change in loss allowance	199.00
Loss allowance as on 31.03.2019	<b>813.03</b>
Change in loss allowance	345.68
Loss allowance as on 31.03.2020	<b>1,158.71</b>

### (B) Liquidity Risk

Liquidity risk represents the inability of the Company to meet its financial obligations within stipulated time. To mitigate this risk, the Company maintains sufficient liquidity by way of working capital limits from banks.

### (C) Market risk

#### Foreign currency risk

The Company significantly operates in domestic market, hence very insignificant portion of export and import took place during the years. Company is mitigating the currency risk by natural and financial hedging.

#### Open exposure

The Company's exposure to foreign currency risk which are unhedged at the end of the reporting period is as follows:

Particulars	CHF	Euro	USD
<b>As at 31.03.2020</b>			
Trade receivables- Foreign Currency	-	65,428	15,40,766
Trade receivables- INR in Lacs	-	53.79	1,151.62
Trade payables- Foreign Currency	490	11,256	8,70,081
Trade payables- INR in Lacs	0.38	9.27	651.50
<b>Particulars</b>	<b>CHF</b>	<b>Euro</b>	<b>USD</b>
<b>As at 31.03.2019</b>			
Trade receivables- Foreign Currency	-	2,30,357	23,44,741
Trade receivables- INR in Lacs	-	179.12	1,625.40
Trade payables- Foreign Currency	490	16,823	1,39,592
Trade payables- INR in Lacs	0.34	13.13	97.12

#### Sensitivity Analysis-

The Company is mainly exposed to changes in USD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	As at 31.03.2020		As at 31.03.2019	
	Strengthens	Weakening	Strengthens	Weakening
CHF Impact	(0.02)	0.02	(0.02)	0.02
Euro Impact	2.23	(2.23)	8.30	(8.30)
USD Impact	25.01	(25.01)	76.41	(76.41)
<b>Total</b>	<b>27.21</b>	<b>(27.21)</b>	<b>84.70</b>	<b>(84.70)</b>

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

The exposure of company borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	As at 31.03.2020	As at 31.03.2019
Variable rate borrowings	21,407.68	24,710.84
Fixed rate borrowings	4,895.74	5,432.95
<b>Total borrowings</b>	<b>26,303.42</b>	<b>30,143.79</b>

#### Interest Rate Sensitivity Analysis-

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Basis Points	Impact on Profit before Tax	
		As at 31.03.2020	As at 31.03.2019
Increase in Basis points	+50	(107.04)	(123.55)
Decrease in Basis points	- 50	107.04	123.55

#### (D) Price risk

The company is exposed to price risk in basic ingredients of Company's raw material and is procuring finished components and bought out materials from vendors directly. The Company monitors its price risk and factors the price increase in pricing of the products.

47. In the opinion of the Board, the current assets, loans & advances have a value realisation, in the ordinary course of business at least equal to the amount at which they are stated.
48. The balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.

#### 49 Fair Value Measurement

The fair value of Financial instrument as of 31.03.2020, 31.03.2019 and 01.04.2018 were as follows-

(₹ in Lacs)

Particulars	Fair value as at 31.03.2020	Fair value as at 31.03.2019	Fair value as at 01.04.2018	Fair value hierarchy	Valuation technique(s) and key input(s)	Key Inputs for Level 3 hierarchy	Significant unobservable input for level 3 hierarchy
<b>Financial assets</b>							
Investment in Equity Instruments through Profit & Loss	98.40	98.40	98.40	Level 3	Based on industry accepted value.	These are statutory investment required for the operation of the company.	Marketability of such Investments.

The following table presents the changes in level 3 items for the periods ended 31.03.2020, 31.03.2019:

Particulars	Unquoted equity shares
As at 01.04.2018	98.40
Loss recognised in profit and loss	-
As at 31.03.2019	98.40
Loss recognised in profit and loss	-
As at 31.03.2020	98.40

The fair values of current debtors, cash & bank balances, loan to related party, security deposit to government department, current creditors and current borrowings and other financial liability are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

50. On the basis of its assessment of the impact of the outbreak of COVID-19 on carrying amounts of receivables, unbilled revenues, intangibles, investments and other assets / liabilities of the entity, the entity's management concludes that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Also, the various preventive measures taken are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the management's assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.
51. The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

As per our report of attached even date

**FOR KANU DOSHI ASSOCIATES LLP**

**CHARTERED ACCOUNTANTS**

Firm's Registration Number: 104746W/W100096

**Kunal Vakharia**

Partner

**Membership No.148916**

Place : Mumbai

Date : 30th June, 2020

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Rajendra V. Agarwal**

Managing Director

**DIN No. 00227233**

**Ajay V. Agarwal**

Whole time Director

**DIN No. 00227279**

**Ashok B. Agarwal**

Chief Financial Officer

**Sakshi Bajaj**

Company Secretary

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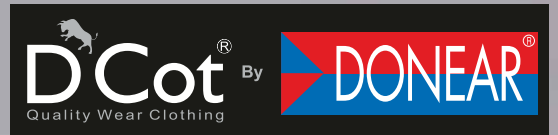
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**Donear Industries Ltd.**

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