

KUMAKA

INDUSTRIES LIMITED

CIN: L99999MH1973PLCO16315



46th

Annual Report
2019-20

KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2019-20

CIN: L99999MH1973PLC016315

(Incorporated on 13-02-1973)

46th Annual Report 2019-20

CORPORATE INFORMATION

Board of Directors

Shri Pankaj Kadakia

Chairman & Managing Director

Dr. Indula Panchal

Non Executive Woman Director

Dr. Niranjan Pandya

Non Executive Independent Director

Dr. T. D. Tiwari

Non Executive Independent Director

Mr. Bharat A Parikh

Chief Financial Officer

Ms. Chandni Pansuriya

Company Secretary

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.

B-102 & 103, First Floor,

Shangrilla Complex, OPP. HDFC Bank,

Nr. Radhakrishna Char-rasta,

Akota, Vadodara-390020

Tel. No.: 0265-2356573/6794

Fax No.: 0265-2356791

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

REGISTERED OFFICE:

404, Sharda Chambers,

33, New Marine Lines,

Churchgate,

Mumbai-400020

STATUTORY AUDITORS

M/s. SCA & Associates

Chartered Accountants,

Mumbai

CORPORATE OFFICE

&

CORRESPONDENCE ADDRESS:

B. P. C. Road, Vadodara-390005

Ram Krishna Chambers,

5b, 5th Floor,

Tel. No.: 0265-2330019

SECRETARIAL AUDITORS

M/s Devesh Pathak & Associates,

Practicing Company Secretaries

Vadodara

FACTORY/PLANT :

Plot No. 180- GIDC,

Sidhpur Industrial Estate,

Abu- Ahmadabad Highway - 384151

website: www.kumukaindustries.com

e-mail: secretarial@kumukaindustries.com

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NOTICE

Dear Member(s),

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

Ordinary Business:

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

Special Business:

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

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

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

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

Date: 18th July, 2019
Place: Mumbai

By the Order of the Board,

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

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NOTES

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

2. COMMUNICATION TO MEMBERS

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

3. BOOK CLOSURE:

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

4. CUT OFF DATE:

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

5. Registration of email ID and Bank Account details:

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

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

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

OR

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

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

6. VOTING BY MEMBERS

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

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

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

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

A. User ID: Enter your User ID

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

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

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

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

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

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

7. JOINING OF AGM THROUGH VC:

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

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

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

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

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

Note:

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

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

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

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

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

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

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

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

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Note:

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

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

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

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

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

Note: Shareholders/ Members, who will be present in the Annual General Meeting through Insta Meet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

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

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

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

8. SCRUTINIZER

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

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

9. DECLARATION OF RESULTS

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

10. NOMINATION

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

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

Brief Resume:

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

Date – 18th July, 2020

Place-Vadodara

By order of the Board

Sd/-

Pankaj M Kadakia

Chairman and Managing Director

(DIN-00166339)

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

Item no. 3

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

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

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

NOTE:

*CMD – Chairman and Managing Director

**ID – Independent Director

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

Date: 18th July, 2020

Place: Vadodara

By Order of the Board

Sd/-

Pankaj M Kadakia

Chairman and Managing Director

(DIN-00166339)

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BOARD'S REPORT

To,
The Members,
Kumaka Industries Limited.

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

1. HIGHLIGHTS OF PERFORMANCE :

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

Financial Results:

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

2. DIVIDEND

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

3. APPROPRIATION OF RESERVES

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

4. SHARE CAPITAL

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

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

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

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

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

Future Prospects:

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

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

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

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

8. DEPOSITS

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

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

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

10. BOARD MEETINGS HELD DURING THE YEAR.

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

11. BOARD EVALUATION.

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

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

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

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

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

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

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

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

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

14. HUMAN RESOURCES

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

15. AUDITORS

(1) Statutory Auditors:

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

(2) Secretarial Auditors:

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

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

3) Internal Auditors:

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

16. REPORTING OF FRAUDS

There have been no instances of fraud reported by

KUMAKA INDUSTRIES LIMITED

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

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

18. AUDIT COMMITTEE & NOMINATION AND REMUNERATION COMMITTEE:

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

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

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

20. RISK MANAGEMENT:

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

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS.

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

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

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

23. CSR

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

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

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

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

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

25. CORPORATE GOVERNANCE REPORT:

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

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

26. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

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

28. PARTICULARS OF EMPLOYEES AND REMUNERATION:

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

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

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

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30. DIRECTORS TRAINING & FAMILIARIZATION:

The Directors are being regularly informed during the meetings of the Board and the Committees, of the activities of the Company, its operations and issues faced by the Industry. The details of familiarization provided to the Directors of the Company are available on the Company's website: www.kumakaindustries.com.

31. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013 and the Listing Regulations all the independent directors have given declarations of independence in the first board meeting of the current financial year.

Your Directors are of the opinion that the Independent Directors of the Company are of high integrity, expertise, experience and proficiency.

Registered Office Address: -

404 Sharda Chambers,
33, Sir Vithaldas Thakersey Marg
New Marine Lines,
Mumbai City MH 400020

Date: 18/07/2020

For and on behalf of the Board,

Sd/-

Pankaj Kadakia
Chairman & Managing Director
(DIN - 00166339)

32. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND BALANCE SHEET DATE:

There are no material changes and commitments, that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the Board's report.

33. ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A) Conservation of Energy:

Your Company is conscious of conserving energy by reducing consumption of power by implementing close monitoring over plant running and adequate maintenance of electric components of plants and other machinery. The Company has not made any capital investment. However, the Company has continued same actions.

B) Technology absorption:

Since the Company has not imported any technology, the Company has no information to offer in respect of technology absorption. The Company has not made any expenditure on R&D.

C) Foreign Exchange earnings and outgo:

There was neither inflow nor outflow of Foreign exchange during the year.

D) The change in nature of business:

There is no change in nature business of the Company during the year under review.

34. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS.

In terms of clause no. 9 of Revised SS-1 (Revised Secretarial Standards on meetings of Board of Directors effective from 01.10.2017), your Directors state that the Company is compliant of applicable Secretarial Standards during the year under review.

35. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from all the stakeholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

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Annexure- 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members,
KUMAKA INDUSTRIES LIMITED.
404 Sharda Chambers,
33, New Marine Lines,
Churchgate,
Mumbai – 400020.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification (electronically only in view of COVID-19 advisories) of the KUMAKA INDUSTRIES LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined (electronically only in view of COVID-19 advisories) the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st 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;
- (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, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.]
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Presently "The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]
- (vi) Having regard to the products and processes of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof **on test check basis, we further report that** the Company has complied with the following laws applicable specifically to the Company:
 - (a) Water (Prevention and Control of Pollution) Act, 1974
 - (b) Air (Prevention and Control of Pollution) Act, 1981
 - (c) Hazardous Waste (Management and Handling) Rules, 1989

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

- i. (Mandatory) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Ltd. [including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR')]

During the period under the review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above subject to the following observations:

- a) Equity shares of the Company stand suspended with the BSE Ltd. due to penal reasons. In this matter, the petition has been submitted by the Company to the Hon'ble High Court of Bombay under section 391 to 394 of the Companies Act, 1956 in respect of share capital of the company. Thereafter the same is transferred to Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble NCLT') and is pending vide No.CSP-190(MB)/2017 under section 230-231 of the Companies Act, 2013.
- b) Entire shareholding of the promoters is required to be held in demat form pursuant to regulation 31(2) of LODR. However, the same is in physical format as informed to us, since the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter.
- c) Minimum public shareholding shall be at least 25% pursuant to Regulation 38 of LODR read with Rule 19(2) and Rule 19A of the Securities Contract (Regulation) Rules, 1957. However, public shareholding has remained only 12.44% during the year under review. As informed to us, the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter.

KUMAKA INDUSTRIES LIMITED

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- d) As reported in last year's Secretarial Audit Report, The Securities and Exchange Board of India passed an order vide no. WTM/ PS/ CFD/ JUNE/ 2013 dated 4th June, 2013 under Section 11(1), 11(2)(j), 11(4), and 11(B) of the Securities and Exchange Board of India Act, 1992 read with Section 12A of Securities Contracts (Regulation) Act, 1956 (SCRA) in relation to compliance by listed companies (including the Company) with the requirement of minimum public shareholding inter alia:
- (i) Direct freezing of partial voting rights and corporate benefits of the promoter / promoter group shareholding;
 - (ii) Prohibition on the promoter / promoter group from dealing in securities of their respective companies;
 - (iii) Restraint on promoter / promoter group shareholders from holding any new position as a Director in any Listed Company
- e) Publication of notice of dates of meeting where financial results are discussed as well as publication of financial results in two newspapers pursuant to regulation 47(1) of LODR have not been made during the year, to avoid additional financial burden on the Company as informed to us.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report (by way of information) that during the audit period, the Company has:

- (a) not issued any securities during the period under review and accordingly
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 were not applicable during the audit period under review.
- (b) neither got delisted Equity Shares nor bought back any security of the Company and accordingly
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 were not applicable during the audit period under review
- (c) Passed Special Resolutions at its 45th Annual General Meeting held on 21st September, 2019:
 - Approving continuance of Dr. Indula Panchal as a non-executive director of the Company pursuant to regulation 17(1A) of the Listing Regulations;
 - Approving re-appointment of Dr. Niranjana .M. Pandya as an Independent director for his next term;
 - Approving continuation of employment and payment of remuneration to Mr. Pankaj M. Kadakia as a Managing Director.
- (d) The Company has not paid Annual Listing Fees for the year 2019-20, since the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter as informed to us.
- (e) The Hon'ble National Company Law Tribunal, Mumbai has approved the Scheme of Arrangement between the Company and its Equity shareholders on 6th July, 2020 as per the order appearing on the website www.nclt.gov.in.
- (f) Quantitative and/or qualitative effect of restructuring

The Material provisions of the scheme of arrangement are as follows:-

- 1) Ratification of reduction of 18,09,750 Equity Shares by conversion of 24,13,000 partly paid up shares into 6,03,250 fully paid up equity shares.
- 2) Reduction of share capital by cancellation and extinguishment of 10375 fully paid up shares allotted to 406 shareholders and transfer of fully paid up 10375 by the promoters at the rate of 0.005 paisa per share to restore the rights of the said 406 shareholders.
- 3) Rearranging and numbering the distinctive numbers of shares to reconcile the same with the paid-up share capital.
- 4) Issue and allotment of 21, 04,865 fully paid up shares as bonus shares to the public shareholders of the Company other than promoters.

Date: 18th July, 2020
Place: Vadodara

For Devesh Pathak & Associates
Practising Company Secretaries

Sd/-
Devesh A. Pathak
(Sole proprietor)
Membership No. FCS 4559
COP No. : 2306
UDIN: F004559B000469463

Note: This report is to be read with our letter of even date which is enclosed as forming integral part of this report.

KUMAKA INDUSTRIES LIMITED

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To,
The Members,
Kumaka Industries Limited,
404 Sharda Chambers,
33, New Marine Lines,
Churchgate,
Mumbai - 400020.

18th July' 2020

Ref: Secretarial Audit Report dated 18th July, 2020 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. In view of COVID-19 advisories, we have not been able to verify the books, papers, minute books, forms and returns filed and other records maintained by the Company in physical form at its Registered Office. Accordingly, we have only examined the electronically available soft copies of the minutes, forms and returns filed and other records provided by the Company for the financial year ended on 31st March, 2020.
3. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and the practices we followed provided reasonable basis for our opinion.
4. We have not received an Independent Auditor's Report and Audited Financial Statement for the financial year ended on 31st March, 2020 and accordingly, we have relied upon the Unaudited Financial Statement and Management Representation provided by the Company on the matter.
5. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the Unaudited Financial Statement and Management Representation provided by the Company on the matter.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. Draft 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 Devesh Pathak & Associates
Practising Company Secretaries

Sd/-

CS Devesh A. Pathak
Proprietor
Membership No.FCS 4559
COP No.:2306

KUMAKA INDUSTRIES LIMITED

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Annexure- 2

Form No. AOC-2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

Sr.No	Particulars	Details
a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of Contracts/Arrangements/Transactions	NIL
c)	Duration of Contracts/Arrangements/Transactions	NIL
d)	Salient terms of Contracts/Arrangements/Transactions	NIL
e)	Date of approval by Board	NIL
f)	Amount paid in advances, if any	NIL
g)	Justification for entering into such Contracts/Arrangements/Transactions	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	Shri Manilal Harilal Kadakia Charitable Trust
b.	Nature of contracts/arrangements/transaction	1. Sale of Mineral Water
c.	Duration of the contracts/arrangements/transaction	5 years w.e.f. 1 st April, 2020
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Upto Rs. 50 lakhs per annum
e.	Date of approval by the Board	7 th February, 2020
f.	Amount paid as advances, if any	As stated in balance sheet.

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Annexure -3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020 of

KUMAKA INDUSTRIES LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L99999MH1973PLC016315
2	Registration Date	13/02/1973
3	Name of the Company	KUMAKA INDUSTRIES LIMITED
4	Category / Sub-Category of the Company	Manufacture of Mineral Water
5	Address of the Registered Office and contact details	404, Sharda Chambers, 33, Sir Vithaldas Thakersey Marg, New Marine lines, Mumbai-400020.
6	Whether listed company	Yes
7	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Link Intime Pvt. Ltd. B-102 & 103, Shangrilla Complex, First floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020 Phone No:0265-2356573/6794 Fax No:0265-2356791

II. Principal Business Activities of the Company.

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of Mineral Water	11043	100

III. Particulars of Holding, Subsidiary and Associate Companies –

The Company has neither Holding nor Subsidiary nor associate company within the meaning of the Companies Act, 2013 ("Act").

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

KUMAKA INDUSTRIES LIMITED

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(i) Category-wise Share Holding

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. Promoters									
(1) Indian									
a) Individual/HUF	NIL	10582150	10582150	87.56%	NIL	10582150	10582150	87.56%	NIL
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks/FI									
f) Any Other..									
Sub-total (A) (1):-	NIL	10582150	10582150	87.56%	NIL	10582150	10582150	87.56%	NIL
(2) Foreign									
a) NRIs- Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	10582150	10582150	87.56%	NIL	10582150	10582150	87.56%	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	10200	10200	0.09%	NIL	10200	10200	0.09%	NIL
b) Banks/FI	NIL	100	100	Negligible	NIL	100	100	NEGLIGIBLE	NIL
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	NIL	10300	10300	0.09%	NIL	10300	10300	0.09%	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	NIL	67150	67150	0.55%	NIL	67150	67150	0.55%	NIL
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	1301225	1301225	10.77%	NIL	1301225	1301225	10.77%	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	124800	124800	1.03%	NIL	124800	124800	1.03%	NIL
c) Others (specify)									
Sub-total (B)(2):-	NIL	1493175	1493175	12.35%	NIL	1493175	1493175	12.35%	NIL
Total Public Shareholding (B) = (B)(1) + (B)(2)	NIL	1503475	1503475	12.44%	NIL	1503475	1503475	12.44%	NIL
TOTAL (A)+(B)	NIL	12085625	12085625	100%	NIL	12085625	12085625	100%	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	12085625	12085625	100%	NIL	12085625	12085625	100%	NIL

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(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change In share Holding during the year
		No. Of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. Of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Shri Pankaj M. Kadakia	28, 29,450	23.41	0	28, 29,450	23.41	0	0
2	Shri S P Kadakia	29, 23,250	24.19	0	29, 23,250	24.19	0	0
3	Smt. M P Kadakia	39, 07,850	32.33	0	39, 07,850	32.33	0	0
4	N P Kadakia	9,11,600	7.54	0	9,11,600	7.54	0	0
5	Niraj V Desai	10,000	0.08	0	10,000	0.08	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		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
	At the beginning of the year	10582150	87.56	10582150	87.56
	Date wise Increase /Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1,05,82,150	87.56	1,05,82,150	87.56

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	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
01	Shrish Patel Pushpa Sirish Patel At the beginning of the year At the End of the year	 37800 37800	 0.31 0.31	 37800 37800	 0.31 0.31
02	Praj Industries Ltd At the beginning of the year At the End of the year	 36800 36800	 0.30 0.30	 36800 36800	 0.30 0.30
03	DipakHaribhaiGaudani At the beginning of the year At the End of the year	 31500 31500	 0.26 0.26	 31500 31500	 0.26 0.26
04	Rasilaben deepakbhai gaudani Deepak haribhai gaudani At the beginning of the year At the End of the year	 23800 23800	 0.20 0.20	 23800 23800	 0.20 0.20
05	Ramesh maheshwari A Venkat Raman Mahesh Kumar Jhawar At the beginning of the year At the End of the year	 10850 10850	 0.09 0.09	 10850 10850	 0.09 0.09
06	KiritBhagwandas Shah SarojKirit Shah PareshBhagwandas Shah At the beginning of the year At the End of the year	 10750 10750	 0.09 0.09	 10750 10750	 0.09 0.09
07	Bank of India A/C BOI Mutual Fund At the beginning of the year At the End of the year	 10200 10200	 0.08 0.08	 10200 10200	 0.08 0.08
08	Manjulaben R Kothari Sanjay R Kothari At the beginning of the year At the End of the year	 10100 10100	 0.08 0.08	 10100 10100	 0.08 0.08
09	Veena K Dadbhawala Kishor C Dadbhawala At the beginning of the year At the End of the year	 9800 9800	 0.08 0.08	 9800 9800	 0.08 0.08
10	Masitia Capital Services Ltd At the beginning of the year At the End of the year	 9800 9800	 0.08 0.08	 9800 9800	 0.08 0.08

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(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	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
01	Shri Pankaj M. Kadakia				
	At the beginning of the year	28,29,450	23.41	28,29,450	23.41
	At the end of the year	28,29,450	23.41	28,29,450	23.41
02	Dr. Indula Panchal				
	At the beginning of the year	800	0.0066	900	0.0066
	At the end of the year	800	0.0066	900	0.0066
03	Shri Niranjan Pandya				
	At the beginning of the year	100	0.0008	100	0.0008
	At the end of the year	100	0.0008	100	0.0008

V. Indebtedness:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
		-	-	-
Total (i + ii + iii)	NIL	NIL	-	NIL
Change in Indebtedness during the financial year				
• Addition	NIL	NIL		NIL
• Reduction	NIL	NIL		NIL
Net Change	NIL	NIL		NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	-	NIL
ii) Interest due but not paid	NIL	NIL	-	NIL
iii) Interest accrued but not due	NIL	NIL	-	NIL
Total (i+ii+iii)	NIL	NIL	-	NIL

VI. Remuneration of Directors and Key Managerial Personnel:

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

Sl.	Particulars of Remuneration	Name of Director	Total Amount
		Shri Pankaj Kadakia	
1.	Gross salary	5,00,000	5,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- as % of profit		
	- Others, specify...		
5.	Others, please specify		
	Total (A)	5,00,000	5,00,000
	Ceiling as per the Act	60,00,000	60,00,000

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B. Remuneration to other directors:

Sl.	Particulars of Remuneration	Name of Other Director			Total Amount
		Dr. Indula Panchal	Dr. Niranjana Pandya	Dr. T.D. Tiwari	
	1. INDEPENDENT DIRECTORS				
	• Fee for attending				
	1. Board Meetings	7500	7500	-	15000
	2. Committee Meetings				
	I) Audit committee	-	1500	-	1500
	II) Nomination and Remuneration committee	-	-	-	
	III) Stakeholders' Relationship committee	-	500	-	500
	• Commission	-	-	-	
	• Others (perquisites)	-	-	-	
	Total (1)	7500	9500	-	17000
	2. OTHER NON-EXECUTIVE DIRECTORS				
	• Fee for attending				
	3. Board Meetings				
	4. Committee Meetings				
	IV) Audit committee	-	-	-	
	V) Nomination and Remuneration committee	-	-	-	
	VI) Stakeholders' Relationship committee	-	-	-	
	• Commission	-	-	-	
	• Others (perquisites)	-	-	-	
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	7500	9500	-	17000
	Total Managerial Remuneration	7500	9500	-	17000
	Overall Ceiling as per the Act				

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

Sl.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	2,39,021/-	-	2,39,021/-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
	Commission - as % of profit - Others, specify...	-	-	-	-
4.	Others, please specify	-	-	-	-
	Total	-	2,39,021/-	-	2,39,021/-

VII. Penalties / Punishment/ Compounding of Offences:

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

For and Behalf of Board of Directors

Sd/-

Pankaj Kadakia

Chairman and Managing Director

(DIN-00166339)

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Annexure -4

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and Development

Global Sterilization services market was projected to reach about USD 3.31 billion by 2022 with growth rate of 6% p.a. with 2016 as the base year. It can be mainly attributed to the major factors like rising trend of outsourcing, sterilization process and increasing focus on food sterilization.

However, it may grow exponentially due to outbreak of COVID-19.

Opportunities, Threats, Risk and Concerns

As stated in the Board's Report, starting of ETP sterilization plant in the March. 2020 was delayed due to COVID-19 pandemic. But now your Company is fully geared up for commencing the operations soon.

Looking at the increasing export of fruits, vegetables and sea food, your Company sees great opportunities ahead for food processing of these products.

However, COVID-19 advisories may adversely impact the services and transportation.

Segment wise performance

The Company is operating in single segment only and hence segment wise performance is not required to be reported.

Outlook

Commencement of ETO sterilization service coupled by greater demand due to COVID-19 would give great impetus to the activities of the Company and your Directors are optimistic for better future in the years to come.

Financial Performance

A summary of the financial performance vis-à-vis operational performance is disclosed in Board's Report.

Internal Control Systems and Adequacy

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, and authorization and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include financial position of the Company, economic conditions affecting demand / supply, price conditions in the domestic and overseas market in which the Company operates, changes in the government regulations, tax laws and other statutes.

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REPORT ON CORPORATE GOVERNANCE for Financial Year 2019-20

Company's Philosophy

Vibrant corporate governance practices constitute the strong foundation on which successful commercial entities are built on an enduring basis. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

1. Board of Directors

The Board of Directors as at 31st March, 2020 is comprised of Four Directors with the Chairman & Managing Director as well as one woman non executive director and Two Independent Non-Executive Directors. The Composition of the Board is in conformity with Rule 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015('LODR') and Section 149 of the Companies Act, 2013 ('the Act').

During the year, four Board Meetings were held on 24/05/2019, 19/07/2019, 23/10/2019, and 07/02/2020.

The Composition of the Board of Directors and their attendance at the Board meetings during the year and the last Annual General Meeting are as follows:

COMPOSITION OF BOARD AS AT 31ST MARCH, 2020

Name of Directors	Category of Directors	No. of Board Meetings attended during the year 2019-20		Attendance at the last A.G.M	No. of Directorship in other domestic Public Companies as a		No. of Committee Chairmanship / Membership in other Companies as a	
		Held	Attended		Chairman	Member	Chairman	Member
Shri Pankaj Kadakia DIN 00166339	Chairman & Managing Director	4	4	Yes	-----	-----	-----	-----
Dr. Niranjana Pandya DIN 00385689	Non-Executive Independent	4	3	Yes	-----	-----	-----	-----
Dr. Indula Panchal DIN 06457903	Non-Executive woman	4	3	Yes	-----	-----	-----	-----
Dr. T. D. Tiwari DIN 08182575	Non-Executive Independent	4	3	Yes	-----	-----	-----	-----

Shareholding of Directors:

Name of Directors	No. of Shares	% of the Capital
Shri Pankaj M. Kadakia	28, 29,450	23.41
Dr. Niranjana M Pandya	100	0.0008
Dr. Indula Panchal	900	0.0066

None of the Directors on the Company's Board is holding office of the Director in more than 20 (Twenty) Companies including 10 (Ten) Public Companies as well as eight listed entities. No Director holds office as Independent Director in more than 7 (Seven) Listed entities. Moreover, the managing director does not hold office as an independent director in more than 3 listed entities. Further, none of the Directors is a Member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the listed entities in which he acts as Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2020 have been made by the directors.

Independent directors are non-executive directors. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have given declaration confirming that they meet the criteria as mentioned under 16(1)(b) of LODR and Section 149(6) of the Act.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company.

The familiarization program for directors has been disclosed on the website of the Company – www.kumakaindustries.com

COMMITTEES OF THE BOARD:

1. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the LODR read with Section 177 of the Act.

Terms of reference:

- The terms of reference of the Audit Committee is aligned with the terms of reference provided under Section 177(4) of the Act and Regulation 18 of LODR.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures as well as the integrity and quality of the financial reporting.

The Committee is consisted of two Independent Directors viz. Dr. Niranjana M. Pandya, Dr. T. D. Tiwari and one Executive Director viz. Mr. Pankaj Kadakia with Dr. Niranjana Pandya, as the Chairman. The Committee met on 24/05/2019, 19/07/2019, 23/10/2019 and 07/02/2020.

During the year, the attendance of the members at the meetings was as follows:

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Name of Members	Status of the Meetings		
	Category of Director	Held	Attended
Dr. Niranjana M. Pandya	Chairman	4	3
Mr. Pankaj Kadakia	Member	4	4
Dr. T. D. Tiwari	Member	4	3

The Company has not denied any personnel, access to the Audit Committee of the Company and the situation has not arisen to provide protection to “whistle blowers” from unfair termination and other unfair or prejudicial employment practices.

2. Nomination and Remunerations Committee:

The Committee consists of two Independent Directors viz. Dr. T. D. Tiwari and Dr. Niranjana M. Pandya with Dr. T. D. Tiwari, as the Chairman and Mr. Pankaj M Kadakia, Chairman of the Company as the member. The Committee met on 19/07/2019.

During the year, the attendance of the members at the meetings was as follows:

Name of Members	Status of the Meetings		
	Category of Director	Held	Attended
Dr. Niranjana M. Pandya	Chairman	1	0
Mr. Pankaj Kadakia	Member	1	1
Dr. T. D. Tiwari	Member	1	1

The Nomination & Remuneration Committee has been constituted to recommend / review remuneration of the Executive Director based on their performance and defined assessment criteria.

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

The remuneration of Chairman & Managing Director is approved by the Board and shareholders within the overall limit fixed under the law. No other Director is paid any remuneration.

As of now, the Company does not have any employee stock option plan.

There were no other pecuniary relationships or transactions of the Non Executive Director vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

The terms of reference of the Nomination and Remuneration Committee are in accordance with Section 178 of the Act and Regulation 19 read with Paragraph A of Part D Schedule II of LODR including following major terms:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employee
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommendation to the Board of their appointment and removal.

Remuneration Policy:

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

The Board of Directors formed a Nomination and Remuneration Committee to review and recommend the remuneration package of the Executive Director, based on performance and defined criteria, which is consisted of Dr. Niranjana Pandya, Dr. T. D. Tiwari and Mr. Pankaj Kadakia.

Dr. T. D. Tiwari is the Chairman of the Committee.

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high calibre talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

Non Executive Directors are paid sitting fees of Rs.2500/- and Rs.500/- respectively for attending every Board Meeting and Committee Meetings.

Except sitting fees, no other payments towards remuneration were made to aforesaid non-executive directors.

The shareholders of the Company at their 44th Annual General Meeting held on 25th September, 2018 reappointed Mr. Pankaj Kadakia as a Managing Director at a remuneration of Rs. 1 lakh p.a.. However, he volunteered to defer remuneration of Rs. 7 lakh during the year under review.

3. Stakeholders' Relationship Committee

The Committee is consisted of two Independent Directors viz Dr. Niranjana M. Pandya, as a Chairman, and, with Dr. T. D. Tiwari, as a member. Mr. Pankaj Kadakia is also a member of the committee. One Meeting was held on 07-02-2020 which was attended by Dr. Niranjana M. Pandya and Mr. Pankaj Kadakia.

The Committee, inter alia, oversees and reviews all matters connected with the shares of the Company and looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. The Committee oversees the performance and the working of the Secretarial Department and recommends measures for overall improvement in the quality of investor services.

As on 31.03.2020, there was no Investor Grievances remaining pending/ unresolved with ATR filed for same, and no complaint was pending.

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4. Independent Directors' Meeting

One separate meeting of Independent Directors was held on 07/02/2020 with all the Independent Directors present at the meeting.

Independent Directors at their meeting discussed following matters in relation to FY-2019-20:-

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company;
- Evaluation of the quality, quantity, content and timelines of flow of information between management and the Board, for the Board to effectively and reasonably perform its duties.

All independent directors were present at the meeting.

5. General Body Meetings

A. Particulars of the last three Annual General Meetings held and Special Resolution passed thereat were as under:

Sr. No.	Date	Time	Place	Special Resolution
(1)	18-09-2017 & adjourned on 25-09-2017	10:00 AM 10:00 AM	The Electric Merchants Association, Room No. 7&12, 2 nd floor, Shreeji Bhuvan, 51 Mangaldas Lane, LoharChawl, Mumbai-400002	NO SPECIAL RESOLUTION
(2)	18-09-2018 & adjourned on 25-09-2018	3:30 PM 3:30 PM	The Electric Merchants Association, Room No. 7&12, 2 nd floor, Shreeji Bhuvan, 51 Mangaldas Lane, LoharChawl, Mumbai-400002 The Electric Merchants Association, Room No. 7&12, 2 nd floor, Shreeji Bhuvan, 51 Mangaldas Lane, LoharChawl, Mumbai-400002	To consider re-appointment of and remuneration payable to Shri Pankaj Kadakia as the Managing Director.
(3)	14-09-2019 & adjourned on 21-09-2019	3:30 PM 3:30 PM	All India Manufacturers' Organization, 4 th Floor, 'JeevanSahakar', Near RBI Old Building, Opp. PNB Building, Sir P.M. Road, Fort, MUMBAI – 400 001. All India Manufacturers' Organization, 4 th Floor, 'JeevanSahakar', Near RBI Old Building, Opp. PNB Building, Sir P.M. Road, Fort, MUMBAI – 400 001.	i. To approve continuance of Dr. Indula Panchal as a Non Executive Director pursuant to Regulation 17(1A) of the Listing Regulations.. ii. To reappoint Dr. Niranjana M. Pandya (DIN: 00385689) as an Independent Director iii. To approve continuation of employment and payment of Remuneration to Mr. Pankaj Manilal Kadakia, (DIN:00166339), as a Managing Director.

Disclosures:

- There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by SEBI or any Statutory Authority on any matter related to capital markets. The Company's scrip has been temporarily suspended for trading on noncompliance of some listing requirements.

5.1 Compliance of Mandatory Requirements:

The Company has materially complied with the mandatory requirements as stipulated in LODR.

5.2 Compliance of Non-Mandatory Requirements:

The Company has not adopted any non-mandatory requirements

5.3 Code of Conduct:

The Board of Directors of the Company has adopted Code of Conduct for all Board Members of the Company and Senior Management. The Board members have affirmed compliance to the Code of Conduct. The Company has been posting on its website, the Code of Conduct adopted by its Directors.

6. Means of Communication:

The quarterly, half-yearly and yearly financial results of the Company are normally sent to the BSE, immediately after the same are approved by the Board. Though, due to financial constraints the results could not be published in newspapers, they are submitted to the BSE in accordance with LODR and are supplied through E-Mail & posts to the Shareholders, on demand.

7. General Shareholder Information:

a. 46th Annual General Meeting:

Date and Time : 21st September, 2020 at 04.00 P.M. through video conferencing
Venue (deemed) : Registered Office 404, Sharda Chambers, 33, New Marine Lines, Churchgate, Mumbai - 400020.

b. Financial Year : Year ended March 31, 2020

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- c. **Dates of Book Closure** : From Monday, 14th September, 2020 to Saturday, To 21st September, 2020(both days inclusive)
- d. **Dividend payment Date** : Not Applicable
- e. **Listing on Stock Exchange** : BSE Limited, Mumbai
- f. **Company Code** : 526923
- g. **Market Price Data** : Trading in Equity Shares has been suspended by the BSE Limited and accordingly in view of no trading of shares during the year under review, details of market price at BSE are not given.
- h. **Registrar & Transfer Agents** : **Link Intime India Pvt. Ltd**
B-102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara - 390 020
Phone No.: 0265-2356573 – 2356794. Fax No. 0265-2356794.
Email: alpesh.gandhi@linkintime.co.in
- i. **Share Transfer System** : Shares lodged for transfer in physical form are processed and duly transferred. Share Certificates are sent within 15 days of receipt of the valid documents. The Shares are transferred at an interval of 15 days time.
- j. **Distribution of Shareholding** :

(i) The Distribution of Shareholding as on 31st March, 2020

No of Shares	No. Of Share- Holders	% of Share-holders	No. Of Shares Held	% of Total Shareholders
Up to 500	9,618	97.6248	10,32,450	8.55
501 to 1000	137	1.3906	1,05,675	0.87
1001 to 2000	46	0.4669	66,675	0.55
2001 to 3000	19	0.1929	48,725	0.40
3001 to 4000	5	0.0508	18,700	0.16
4001 to 5000	7	0.0711	31,900	0.26
5001 to 10000	6	0.0609	53,500	0.44
10001 & above	14	0.1420	1,07,28,000	88.77
Total	9852	100.000	1,20,85,625	100.00

(ii) Shareholding Pattern as on 31st March, 2020:

Category	No. of Shares held	% of shareholding
1. Promoters & promoter group	1,05,82,150	87.56
2. Mutual Funds/ UTI	10,200	0.08
3. Banks/Financial Institutions	100	negligible
4. Other Corporate Bodies	67,150	0.56
5. Indian Public	14,26,025	11.80
TOTAL	1,20,85,625	100.00

- (k) **Outstanding GDRs/ ADRs Warranty** : Not Applicable
- (l) **Plants Location** : Plot No. 180- GIDC, Sidhpur Industrial Estate, Abu- Ahmadabad Highway - 384151
- (m) **Address of Correspondence** : **Registrar & Transfer Agents**
Link Intime India Private Limited.
B-102 & 103, Shangrila Complex, 1st Floor,
Opp.HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara - 390 020
Phone No. : 0265-2356573 – 2356794.
Fax No. 0265-2356794.
Email: alpesh.gandhi@linkintime.co.in
OR
Kumaka Industries Limited
Corporate Office of the Company at
5th Floor, Ram Krishna Chambers, BPC Road,
Vadodara - 390007.

For and Behalf of the Board of Directors,

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

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DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To,
The Members,
Kumaka Industries Limited

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel. The Code is available on the Company's Website.

I confirm that the Company has in respect of the year ended 31st March, 2020, received from the senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Date: 18th July, 2020
Place: Vadodara

for Kumaka Industries Limited

Pankaj M Kadakia
Chairman & Managing Director

CERTIFICATION OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD **[PURSUANT TO REGULATION 17(8) OF THE SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015]**

To,
The Board of Directors,
Kumaka Industries Limited

We Hereby Certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose 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 the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 18th July, 2020
Place: Vadodara

for Kumaka Industries Limited

Pankaj M. Kadakia Bharat A. Parikh
(Chairman and Managing Director) (CFO)

KUMAKA INDUSTRIES LIMITED

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INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
KUMAKA INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance of KUMAKA INDUSTRIES LIMITED ("the Company") for the year ended March 31, 2020, as stipulated in Regulation 15 and other relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') electronically only in view of COVID-19 due to lockdown.

The compliance of conditions of Corporate Governance is responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with 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 our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 and other relevant regulations of the Listing Regulations above, during the year ended March 31, 2020 as applicable.

We 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.

Place: Vadodara
Date: 20th June, 2020

For Devesh Pathak & Associates
Practising Company Secretaries

Sd/-
Devesh Pathak
FCS No. 4559
CP No. 2306
UDIN: F004559B000389449

KUMAKA INDUSTRIES LIMITED

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KUMAKA INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **KUMAKA INDUSTRIES LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 32 to the standalone financial results, which describes that the extent to which the COVID-19 Pandemic will impact the Company's results will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance inclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 user as taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional Scepticism 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 over-ride of internal control.

KUMAKA INDUSTRIES LIMITED

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Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone 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 Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of areas on ably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to be 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

As required by Section 143(3) of the Act, we report that:

1. As required by the Companies (Auditor's Report) Order, 2016 ("Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the "Annexure A", a statement of 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.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
 - e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 my separate Report in "Annexure B".
 - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to best of my information and according to the explanations given to us: -
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 21 to the financial statements.
 - b. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended.

For SCA And Associates

CHARTERED ACCOUNTANTS

Firm Registration No: 101174W

Sd/-

Prakash R. Muni

PARTNER

Membership No: 30544

UDIN no: 20030544AAAABK8740

Place: Mumbai

Dated: 27th June, 2020

KUMAKA INDUSTRIES LIMITED

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Annexure "A" to the Independent Auditor's Report Re: Kumaka Industries Limited

The Annexure referred to in our Independent Auditor's Report to the members of the company on the standalone Ind AS financial statements for the year ended 31st March 2020, we report that: -

1.
 - a. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - b. The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
 - c. According to the 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.
2. Since, the company is having only intellectual property rights as its inventory therefore the Para 3(ii) of the order relating to physical verification of inventories is not applicable.
3. The Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. As per the explanation given by the company, because of the stringent financial condition of the former subsidiary and firm. Company has neither charged nor received any interest. In our opinion, the terms and conditions are prejudicial to the interest of the company. Scope of recovery is also remote. There is neither recovery of principal amount nor interest during the year. No steps for recovery of principal amount and interest have been taken by the company during the year.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans given. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act. However, in the past years, the company had given unsecured loan and had acquired equity shares in former subsidiary company in which the key managerial personnel are directors and has given advance in the past years to a partnership firm in which relatives of a director are partners within the meaning of section 185 and 186 of the Companies Act, 2013.
5. The company has not accepted the deposits from public as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
7.
 - (a) In our opinion and according to explanation given to us the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, and the records of the company of the company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, gst, excise duty, custom duty, and cess as at March 31, 2020 which have not been deposited on account of any dispute. The particulars of dues of value added tax and service tax as at March 31, 2020 which has not been deposited on account of dispute is as follows: -
 - (c) According to the information and explanations given to us, and the records of the company of the company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, gst, excise duty, custom duty, and cess as at March 31, 2020 which have not been deposited on account of any dispute. The particulars of dues of value added tax and service tax as at March 31, 2020 which has not been deposited on account of dispute is as follows: -

Nature of Dues	Amount (Rs.)	Period to which amount related	Forum where the dispute is pending
Income Tax	36,97,936	AY 1995-96	Mumbai High Court
Income Tax	7,14,567	AY 1996-97	ITAT
Income Tax	30,51,500	AY 2012-13	DY. Commissioner of Income Tax
Excise Matters	90,00,000	1996-97	CESTAT
Income Tax	44,51,160	AY 2014-15	CIT (APPEALS)

8. As per the Information & explanation given to us, the company has not borrowed money from banks/financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not paid/provided for managerial remuneration.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.

KUMAKA INDUSTRIES LIMITED

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13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. 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.
15. 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 non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SCA And Associates
CHARTERED ACCOUNTANTS
Firm Registration No: 101174W

Prakash R. Muni
PARTNER
Membership No: 30544
UDIN No.:20030544AAAABK8740

Place: Mumbai
Date: 27th June, 2020

KUMAKA INDUSTRIES LIMITED

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Annexure “B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Kumaka Industries Limited

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 **Kumaka Industries Limited** (“the Company”) as of March 31, 2020 in conjunction with my 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 management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 Companies Act, 2013.

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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India..

For SCA And Associates

CHARTERED ACCOUNTANTS

Firm Registration No: 101174W

Sd/-

Prakash R. Muni

PARTNER

Membership No: 30544

UDIN no: 20030544AAAABK8740

Place: Mumbai

Dated: 27th June, 2020

KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2019-20

KUMAKA INDUSTRIES LIMITED CIN - L99999MH1973PLC016315 BALANCE SHEET AS AT 31ST March, 2020				
Particulars	Note	As at March 31, 2020		As at March 31, 2019
ASSETS				
1) Non-Current Assets				
(a) Property, Plant and Equipment	2	149,399,575		145,792,258
(b) Financial Assets				
(i) Investment	3	82,750		82,750
(ii) Other Financial Assets	4A	14,768,328		14,504,228
(iii) Loans Receivables	5	-		-
(c) Income Taxes	6	625,970		639,477
(d) Other Non Current Assets	7	629,111		629,111
Total Non Current Assets		165,505,734		161,647,824
Current Assets				
(a) Inventories				
(b) Financial Assets		-		-
(i) Trade Receivables				
(ii) Cash and Cash Equivalents	8	1,224,001		680,540
(iii) Other Bank Balances	9A	125,077		337,318
(iv) Other Financial Assets	9B	2,909,082		6,209,227
(c) Other Current Assets	4B	600		79,569
	10	76,829,016		75,751,342
Total Current Assets		81,087,776		83,057,995
TOTAL ASSETS		246,593,510		244,705,819
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	11	120,856,250		120,856,250
(b) Other Equity	12	67,338,164		66,842,031
Total Equity		188,194,414		187,698,281
Liabilities				
Non Current Liabilities				
(a) Borrowings		-		-
(b) Employee Benefit Obligation		-		-
(c) Provisions		-		-
(c) Deferred Tax Liabilities		-		-
Total Non Current Liabilities		-		-
Current Liabilities				
Financial Liabilities				
(a) Borrowings		-		-
(b) Trade Payables		-		-
Other Current Liabilities		35,193		-
Total Current Liabilities	13	58,363,903		57,007,539
TOTAL LIABILITIES		58,399,096		57,007,539
Significant accounting policies and notes on financial statements				
		246,593,510		244,705,819
As per our Report of even date				
For SCA And Associates		For and on behalf of the Board		
Chartered Accountants				
Firm Registration No 101174 W				
Prakash R. Muni		Mr. Pankaj M. Kadakia		Dr. Niranjana M. Pandya
Partner		Managing Director		Director
Membership No 30544		DIN- 00166339		DIN- 00385689
		Mr. Bharat A. Parikh		Chandni Pansuriya
		Chief Financial Officer		Company Secretary
Date: 27/06/2020.				

KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2019-20

KUMAKA INDUSTRIES LIMITED				
CIN - L99999MH1973PLC016315				
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2020				
Particulars		Note	Year Ended March 31, 2020	Year Ended March 31, 2019
I	Revenue from Operations	14	1,943,220	1,222,625
II	Other Income(net)	15	1,769,835	830,478
III	TOTAL INCOME		3,713,055	2,053,103
	Expenses			
(a)	Cost of Materials Consumed	16	109,061	-
(b)	Purchase of Traded goods		-	-
(c)	Employee Benefit Expenses		902,006	1,473,526
(e)	Other Expenses	17	2,078,596	3,973,403
(f)	Finance Costs	18	4,252	336,871
(g)	Depreciation and Amortisation Expense IV	19	123,007	89,100
	TOTAL EXPENSES	3	3,216,922	5,872,900
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX(III-IV)		496,134	(3,819,796)
VI	Exceptional items		-	1,625,000
VII	PROFIT BEFORE TAX(V-VI)	20	496,134	(5,444,796)
VIII	Tax Expense			
	Current Tax			
	Deferred Tax Liability/(Asset)			
	TOTAL TAX EXPENSE		-	-
IX	PROFIT FOR THE YEAR (VII-VIII)		496,134	(5,444,796)
X	OTHER COMPREHENSIVE INCOME			
(A)	Items that will be reclassified subsequently to the statement of profit and loss			-
(B)	Income tax on items that will be reclassified subsequently to the statement of profit and loss			-
(C)	Items that will not be reclassified subsequently to the statement of profit and loss			-
(D)	Income tax on items that will not be reclassified subsequently to the statement of profit and loss			-
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		-	-
XI	TOTAL COMPREHENSIVE INCOME OF THE YEAR		-	-
XII	Earning per equity share:-Basic		496,134	(5,444,796)
	Earning per equity share:-Diluted		0.04	(0.45)
	Weighted average number of equity shares		-	-
	(Face value of Rs. 10 each)		-	-
XIII	Significant accounting policies and notes on financial statements	1 to 33		

As per our Report of even date

For and on behalf of the Board

For SCA And Associates

Chartered Accountants

Firm Registration No 101174 W

Mr. Pankaj M. Kadakia

Managing Director

DIN- 00166339

Dr. Niranjana M. Pandya

Director

DIN- 00385689

Prakash R. Muni

Partner

Membership No 30544

Mr. Bharat A. Parikh

Chief Financial Officer

Chandni Pansuriya

Company Secretary

Place : Mumbai Date

: 27/06/2020.

KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2019-20

KUMAKA INDUSTRIES LIMITED CIN- L99999MH1973PLC016315			
Cash Flow Statement for the period ended 31st March, 2020			(Rs.)
Particulars		Year Ended 31st March, 2020	Year Ended 31st March, 2019
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before Tax	496,134	(5,444,797)
	Adjustments for:		
	Interest received	(300,693)	(830,198)
	Dividend received	(5,040)	-
	Interest	4,252	336,871
	Depreciation	123,007	89,100
	Operating Profit before Working Capital Changes	317,659	(5,849,024)
	(Increase)/Decrease in Inventory	-	-
	(Increase)/Decrease in Trade Receivable	(543,461)	(680,540)
	(Increase)/Decrease in Other Current Assets	(1,341,774)	(555,343)
	Increase/(Decrease) in Trade Payable	35,193	-
	Increase/(Decrease) in Current Liabilities	1,356,364	18,549,620
	Cash generated from /(used in) operations	(176,019)	11,464,713
	Direct Taxes paid	13,507	(271,557)
	Cash Flow from Operating Activities	(162,512)	11,193,156
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Property plant equipment	(3,730,324)	(8,897,811)
	(Increase)/Decrease in Fixed Deposits	3,300,145	(3,100,000)
	Interest received	379,662	750,629
	Dividend received	5,040	-
	Net Cash used in Investing Activities	(45,477)	(11,247,182)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Interest paid	(4,252)	(336,871)
	Net Cash Generated from Financing Activities	(4,252)	(336,871)
	Net Increase in Cash & Cash Equivalents (A+B+C)	(212,241)	(390,896)
	Cash & Cash Equivalents (Opening)	337,318	728,213
	Cash & Cash Equivalents (Closing)	125,077	337,318

As per our Report of even date

For SCA And Associates

Chartered Accountants
Firm Registration No 101174 W

Prakash R. Muni
Partner
Membership No 30544

For and on behalf of the Board

Mr. Pankaj M. Kadakia
Managing Director
DIN- 00166339

Mr. Bharat A. Parikh
Chief Financial Officer

Dr. Niranjana M. Pandya
Director
DIN- 00385689

Chandni Pansuriya
Company Secretary

Place : Mumbai Date :
27/06/2020.

KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2019-20

KUMAKA INDUSTRIES LIMITED CIN - L99999MH1973PLC016315
STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital (A)	Reserves and Surplus			Other Comprehensive Income	Total Other Equity (B)	Total (A+B)
		Securities premium	General Reserve	Retained Earnings			
Balance as at April 1,2018	120,856,250	292,203,750	40,178,015	(428,463,696)	168,368,758	72,286,827	193,143,077
Profit for the year	-	-	-	(5,444,796)	-	(5,444,796)	(5,444,796)
Transfer (to)/from Statement of Profit and Loss Account	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	120,856,250	292,203,750	40,178,015	(433,908,492)	168,368,758	66,842,031	187,698,281
Transfer of profits to Capital Redemption Reserve	-	-	-	-	-	-	-
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	-	-
Balance as at March 31,2019	120,856,250	292,203,750	40,178,015	(433,908,492)	168,368,758	66,842,031	187,698,281
Balance as at April 1,2019	120,856,250	292,203,750	40,178,015	(433,908,492)	168,368,758	66,842,031	187,698,281
Profit for the year	-	-	-	496,134	-	496,134	496,134
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	120,856,250	292,203,750	40,178,015	(433,412,359)	168,368,758	67,338,164	188,194,414
Transfer (to)/from Statement of Profit and Loss Account	-	-	-	-	-	-	-
Balance as at March 31,2020	120,856,250	292,203,750	40,178,015	(433,412,359)	168,368,758	67,338,164	188,194,414

Nature and Purpose of Reserves

- a) **Securities Premium** : Securities premium arises on issue of shares at premium. The reserves are utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- b) **General Reserve**: General Reserve is created by a transfer of profits from retained earnings for appropriation purpose. It is a free reserve.
- c) **Other Comprehensive Income**: This reserve represents the cumulative gains and losses arising on the Fair valuation of Land and Investments. These amounts will not be reclassified to Statement of Profit & Loss
- d) **Revaluation Reserve**: Reserve arising from revaluation of plant under previous Accounting standards disposed off last year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-33

As per our Report attached on the even date

For and on behalf of the Board

For SCA And Associates

Chartered Accountants

Firm Registration No 101174 W

Mr. Pankaj M. Kadakia

Managing Director

DIN- 00166339

Dr. Niranjana M. Pandya

Director

DIN- 00385689

Prakash R. Muni

Partner

Membership No 30544

Mr. Bharat A. Parikh

Chief Financial Officer

Chandni Pansuriya

Company Secretary

Place : Mumbai Date : 27/06/2020.

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Corporate Information

The Company is promoted by Shri Pankaj M. Kadakia and is in the business of Mineral water.

The Registered Office of the Company is at 404, Sharda Chambers, New Marine Lines, Mumbai -400020.

The Board of Directors of the Company approved the financial statements for the year ended March 31, 2020 and authorized for issue on June 27, 2020.

Note 1: SIGNIFICANT ACCOUNTING POLICIES

(i) (a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

(ii) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note no:(x)

Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

(iii) Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The comparative information of previous year continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is Nil.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

- a. Revenue from the sale of goods is recognized when the significant risks, control and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, and amount of revenue can be measured reliably.
- b. Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
- d. Revenue from operation includes sale of goods and services, adjusted for discounts (Net).
- e. Interest income is recognized using the effective interest method.
- f. Dividend income is recognized when the right to receive payment is established.

(iv) Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

(v) Foreign Currency Loans/Transactions

- a. Transactions in Foreign Currency are recorded at the rate prevailing on the date when the amount is received or remitted.
- b. Foreign currency denominated monetary assets and liabilities are converted into rupee at the exchange rate prevailing on the balance sheet date; gains/ losses are reflected in the statement of profit and loss. Non-Monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.
- c. Exchange difference on account of acquisition of fixed assets is adjusted to carrying cost of fixed assets.

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(vi) Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Long Term Employee Benefits

The liability towards gratuity and leave encashment is not funded.

(vii) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant & equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and cost of assets not put to use before such date are disclosed under Capital work-in-progress. Subsequent expenditure relating to property, plant & equipment is capitalized only when it is probable that future economic benefit associate with this will flow to the company and the cost of item can be measured reliably. Repairs and maintenance cost are recognized in statement of profit & loss when incurred. The cost and related accumulated depreciation are eliminated from financial statement upon sale or retirement of the asset and resultant gains and losses are recognized in the statement of profit & loss. Assets to be disposed off are reported at lower of carrying value or fair value less cost to sell.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation. The estimated useful lives of property, plant & equipment is taken as prescribed under Schedule II of the Companies Act, 2013. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Cost excludes Cenvat credit, Sales Tax and Service Tax credit, Custom Duty entitlement and such other levies / taxes. Depreciation on such assets is claimed on 'reduced' cost.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

(viii) Impairment

a. Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non Financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

(ix) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any, except in case of by-products which are valued at net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, chemicals, stores and spares, packing material, trading and other products are determined on weighted average basis.

(x) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current Income Taxes

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of Income Tax determined to be payable in respect of the taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax (MAT) at the prescribed percentage on the adjusted book profits of a year, when Income Tax liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115 JB.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying units intends to settle the asset and liability on a net basis.

Deferred Income Taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary

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differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognizes interest levied and penalties related to income tax assessments in interest expenses.

(xi) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Trade Payables & Other Current Liabilities

For trade payables and other payables maturing within one year from the balance sheet date, carrying amounts approximate fair value due to short maturity of these instruments.

(xii) Earnings per Share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

(xiii) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(xiv) Goods and Services Tax

Goods and Services Tax (GST) liability is accounted on accrual basis. The Company is accounting liability for GST arising under reverse charge mechanism for various services availed by the company, at the time of booking of relevant expenditure. Credit for input GST is claimed as per appropriate laws, rules and regulations.

(xv) Recent Indian Accounting Standards (IND AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

- a. **IND AS-116 Leases** – This standard will replace the earlier standard IND AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and Lessor. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease

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payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the Lessor accounting requirements in Ind AS 17. The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019.

- b. IND AS-12 Income Taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)** – The Company doesn't expect any impact from the pronouncement of dividend. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.
- c. IND AS 109 Prepayment Features with Negative Compensation** - The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.
- d. IND AS 19 Plan Amendment, Curtailment or Settlement** - The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.
- e. IND AS 23 Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company has no borrowing hence expects no impact from this amendment.
- f. IND AS 28 Long-term Interests in Associates and Joint Ventures** - The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company has no Long-term interest in Associate/Joint Ventures.
- g. IND AS 103 Business Combinations and IND AS 111 Joint Arrangements** - The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. There is no Business Combinations or Joint arrangements hence the Company expects no Impact from this amendment.

The adoption of these new and revised standards has no material impact on the Company's accounting policies and disclosures.

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Note 2 : Property, Plant and Equipment

Description	Land	Lease hold Land	Motor Car	Computers	Furniture and Fixtures	Air Conditioner	Water Treatment Plant	Eto Sterilizer Plant (M.S.)	Weight Scale	Total
Cost/Deemed cost as at April 1,2019	137,045,222	8,268,700	320,346	27,800	365,458	23,990	200,000	-	-	146,251,516
Additions	-	929,800	-	-	93,480	-	-	2,688,444	18,600	3,730,324
Disposals	-	-	-	-	-	-	-	-	-	-
Cost/ Deemed cost as at March 31,2020	137,045,222	9,198,500	320,346	27,800	458,938	23,990	200,000	2,688,444	18,600	149,981,840
Accumulated depreciation as at April 1,2019	-	-	(211,223)	(27,272)	(195,865)	(9,116)	(15,782)	-	-	(459,258)
Depreciation for the period	-	-	(38,057)	(528)	(30,159)	(4,558)	(12,660)	(36,367)	(678)	(123,007)
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31,2020	-	-	(249,280)	(27,800)	(226,024)	(13,674)	(28,442)	(36,367)	(678)	(582,265)
Net carrying amount as at March 31,2020	137,045,222	9,198,500	71,066	-	232,914	10,316	171,558	2,652,077	17,922	149,399,575
Net carrying amount as at April 1,2019	137,045,222	8,268,700	109,123	528	169,593	14,874	184,218	-	-	145,792,258

Description	Land	Lease hold Land	Motor Car	Computers	Furniture and Fixtures	Air Conditioner	Water Treatment Plant	Eto Sterilizer Plant (M.S.)	Weight Scale	Total
Cost/Deemed cost as at April 1,2018	137,045,222	-	320,346	27,800	365,458	23,990	200,000	-	-	137,982,816
Additions	-	8,268,700	-	-	-	-	-	-	-	8,268,700
Disposals	-	-	-	-	-	-	-	-	-	-
Cost/ Deemed cost as at March 31,2019	137,045,222	8,268,700	320,346	27,800	365,458	23,990	200,000	-	-	146,251,516
Accumulated depreciation as at April 1,2018	-	-	(173,166)	(23,606)	(165,706)	(4,558)	(3,122)	-	-	(370,158)
Depreciation for the period	-	-	(38,057)	(3,666)	(30,159)	(4,558)	(12,660)	-	-	(89,100)
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31,2019	-	-	(211,223)	(27,272)	(195,865)	(9,116)	(15,782)	-	-	(459,258)
Net carrying amount as at March 31,2019	137,045,222	8,268,700	109,123	528	169,593	14,874	184,218	-	-	145,792,258

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Particulars	31st March, 2020	31st March, 2019
Note 3 : Investments <u>Investments Measured at Fair Value through OCI</u> In Equity Shares of Former Subsidiary Unquoted, fully paid up 16,55,000 (16,55,000) Kadakia Alkalies & Chemicals Ltd of Rs.10/- each.	82,750	82,750
Total	82,750	82,750
Note 4 : Other Financial Assets (A) Other Financial Assets - Non- Current Security Deposits a) Considered good Deposit with GEB(DGVCL),GIDC Ankleshwar Security Deposit Deposits on Behalf of Kadakia Alkalies and Chemicals LTD with GEB (DGVCL) b) Credit Impaired Deposit with DGVCL Less: Provision for Doubtful Advances	3,693,196 764,100 10,311,032 209,024 (209,024) -	3,693,196 500,000 10,311,032 209,024 (209,024) -
Total	14,768,328	14,504,228
(B) Other Financial Assets - Current a) Considered good Interest receivable on bank Fixed Deposits b) Credit Impaired	600 -	79,569 -
Total	600	79,569
Note 5 : Loans Receivables a) Unsecured, Considered Goods b) Credit Impaired Interest free Advances to Related Parties Less: Provision for Doubtful Advances	- 149,168,350 (149,168,350) -	- 149,168,350 (149,168,350) -
Total	-	-
Note 6 : Income Taxes Advance Income Tax (Net of Provision for Tax)	625,970	639,477
	625,970	639,477
Note 7 : Other Assets - Non Current a) Unsecured, Considered Goods Capital Advances b) Credit Impaired Other Advances Less: Provision for Doubtful Advances	629,111 243,840 (243,840) -	629,111 243,840 (243,840) -
Total	629,111	629,111
Note 8 : Trade Receivables a) Unsecured, Considered Goods b) Credit Impaired Less: Provision for doubtful debts	1,224,001 2,530,447 (2,530,447) -	680,540 2,530,447 (2,530,447) -
Total	1,224,001	680,540
Note 9A :Cash and Cash Equivalents Cash on Hand Balance with banks: In Current Accounts	167 124,910	253 337,065
Total	125,077	337,318
Note 9B: Other Bank Balances In Fixed Deposits (having maturity more than 3 months & held as security) Fixed Deposits held at Margin Money , Gaurantee and Other Commitment	50,855 2,858,227	3,351,000 2,858,227
Total	2,909,082	6,209,227
Note 10 : Other Current Assets Indirect Taxes Recoverable Advances recoverable in cash or kind Assets Held for Sale	384,172 748,844 75,696,000	55,342 - 75,696,000
Total	76,829,016	75,751,342

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Particulars	31st March, 2020	31st March, 2019
Note 11 : Share Capital		
a) Authorised :		
1,50,00,000 Equity Shares @Rs. 10/- each	150,000,000	150,000,000
	150,000,000	150,000,000
b) Issued, Subscribed and Fully Paid up :		
120,85,625 Equity Shares @ Rs.10/- each fully paid up.	120,856,250	120,856,250
	120,856,250	120,856,250

Note:

In January 1995, the Company made its first public issue of 37,47,400 equity shares bearing the face value of Rs 10 each, at a premium of Rs. 150 per share (aggregating to Rs 160 per share). Pursuant to the payment of application monies of Rs 40 per share, the Company made the allotment of shares, to the successful Applicants, in April 1995. Total issue size 37,47,400 shares. It included 13,34,400 shares fully paid up, balance 24,13,000 shares were partly paid i.e. Rs 40 per share as against Rs 160 issue price or 25%.

Hence the board and later on the members at AGM considered it appropriate to issue one fully paid share in lieu of four partly paid shares. However BSE did not approve listing of such allotment of shares. It is stated that Companies Act specifically does not provide for such situation of reduction in number of shares applied for and consolidation of such application. BSE advised Company to implement procedure for reduction in Share Capital and obtain approval of the Appropriate Authority. The Company has approached NCLT (Mumbai Bench) in the matter. Share capital of the Company will stand modified as per order or directions of NCLT- MUMBAI Bench.

In the aforesaid public issue, 406 applicants had subscribed to 10,375 shares, by paying the entire subscription amount of Rs. 160 per share, but each application was less than lot size of 100 which was fixed by the Company. The Company allotted shares to such applicants. BSE did not approve listing of such allotment of shares. The Company has approached NCLT (Mumbai Bench) in the matter. Share capital of the Company will stand modified as per order or directions of NCLT- MUMBAI Bench

Reconciliation of number of shares and amount outstanding at the beginning and end of the year:

	3/31/2020		3/31/2019	
	No. of Shares	Amount(Rs.)	No. of Shares	Amount(Rs.)
Equity Shares outstanding at the beginning of the year	12,085,625	12,085,625	12,085,625	12,085,625
Fresh Issue/ESOP/ Bonus Issue of Shares	0	0	0	0
Redemption/ Buy-back of Shares	0	0	0	0
Equity Shares outstanding at the end of the year	12,085,625	12,085,625	12,085,625	12,085,625

All Equity Shares issued by the company rank pari passu in terms of rights as to dividend, repayment of capital and voting rights attached to such shares

Details of Shareholders holding more than 5% Equity Shares in the Company:

Name of Shareholder	3/31/2020		3/31/2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1.Mr.Pankaj Manilal Kadakia Director	2,829,450	23.41%	2,829,450	23.41%
2.Mrs. M P Kadakia	3,907,850	32.33%	3,907,850	32.33%
3. Mr. S.P. Kadakia	2,923,250	24.19%	2,923,250	24.19%
4.Ms.Niyati PankajKadakia	911,600	7.54%	911,600	7.54%

Particulars	31st March, 2020	31st March, 2019
Note 12 : Other Equity		
Securities Premium Account:		
At the beginning of the year	292,203,750	292,203,750
Addition during the year	-	-
Less: Utilised/ Transferred during the year	-	-
At the end of the year	292,203,750	292,203,750
Revaluation Reserve:		
At the beginning of the year	-	-
Less: Utilised/ Transferred during the year	-	-
At the end of the year	-	-
General Reserve:		
At the beginning of the year	40,178,015	40,178,015
Addition during the year	-	-
Less : Utilization During the Year	-	-
At the end of the year	40,178,015	40,178,015
Retained Earnings		
At the beginning of the year	(433,908,492)	(428,463,696)
Add: Profit/ (Loss) for the year	496,134	(5,444,796)
Less: Utilised/ Transferred during the year	-	-
At the end of the year	(433,412,359)	(433,908,492)
Other Comprehensive Income (OCI)		
At the beginning of the year	168,368,758	168,368,758
Add: Movement in OCI during the year	-	-
At the end of the year	168,368,758	168,368,758
Total	67,338,164	66,842,031

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KUMAKA INDUSTRIES LIMITED		
Particulars	31st March, 2020	31st March, 2019
Note 13 : Other Current Liabilities		
Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, GST, TDS, Excise Duty, VAT, Service Tax, etc.)	2,400	14,350
Provision for Other Expenses	741,379	599,669
Payable for Capital Projects	741,760	-
Director Remuneration Payable	417,100	-
Advance From Customers	67,744	-
Advances Received against Sale of Land	56,393,520	56,393,520
Total	58,363,903	57,007,539
Note 14 : Revenue from Operations		
Sale of Products	1,042,865	1,222,625
Sale of Services (ETO Service Charges)	900,355	-
Revenue from Operations (Net)	1,943,220	1,222,625
Note 15 : Other Income		
Interest Earned on Investments	300,693	830,198
Interest on IT Refund	2,502	-
Miscellaneous Income	1,443,180	280
Sundry Balance written back	18,420	-
Dividend Income	5,040	-
Total	1,769,835	830,478
Note 16 : Cost of Materials Consumed		
Opening Stock of Raw Materials	-	-
Add: Purchases	109,061	-
Less: Closing Stock of Raw Materials	-	-
Total Cost of Materials Consumed	109,061	-
Note 17 : Employees Benefit Cost		
Salaries & Wages/Service Charges	402,006	273,526
Director's Remuneration	500,000	1,200,000
Total	902,006	1,473,526

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KUMAKA INDUSTRIES LIMITED		
Particulars	31st March, 2020	31st March, 2019
Note 18 : Other Expenses		
<u>Selling and Distribution Expenses:</u>		
Advertisement Expenses	21,601	53,174
	21,601	53,174
<u>Establishment Expenses:</u>		
Motorcar Expenses	6,889	32,400
Electricity charges	77,278	71,177
Repairs & Maintenance	16,800	35,308
Rent Rates & Taxes	125,600	80,070
License, Subscription & Other Fees	63,760	87,596
Expenses on Directors other than Remuneration	57,555	165,321
Computer Repairs & Internet Charges	12,148	2,700
Insurance Charges	6,774	8,207
PF Damages and Interest charges	-	1,006,015
Printing & Stationery Expenses	140,466	166,656
Postage, Telephone & Other Expenses	84,723	98,788
Travelling & Conveyance Expenses	198,739	250,947
Consolidated Notified Area Tax	-	75
AP PROJECT EXPS.	78,000	-
Miscellaneous Expenses	167,606	182,409
Legal & Professional Fees	820,657	1,492,560
Payment to Auditors	200,000	240,000
	2,056,995	3,920,229
Total	2,078,596	3,973,403
Note 19 : Finance Cost		
Bank Charges & Commission	4,252	253,171
Processing charges	-	82,500
Other Interest & Finance Charges	-	1,200
Total	4,252	336,871
Note 20 : Exceptional Items		
Land revenue/Water Taxes Paid	-	-
Legal Cases settlement cost	-	1,625,000
Loss on Sale of Fixed Assets	-	-
Less: Transfer from Revaluation reserve	-	-
Total	-	1,625,000

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OTHER NOTES TO ACCOUNTS

21. **Contingent Liability/Assets –**
(A) Statutory Dues

Sr. No.	Particulars	Period	Amt	Forum where the dispute pending
1	Income Tax	A.Y. 1995-96	36,97,936	Mumbai High Court
2	Income Tax	A.Y. 2012-13	30,51,500	DY. Comm. of I.T. Mumbai
3	Income Tax	A.Y. 2014-15	44,51,160	CIT- Appeal Mumbai
4	Excise Duty	F.Y. 1996-97	90,00,000	CESTAT (Tribunal) Ahmadabad

Note.

- Against Statutory dues of Rs.90,00,000/- towards Excise duty Rs.6,75,151/- have been paid in earlier years.
- Income Tax liabilities for the Assessment year 2014-15 Rs.44,51,160/- against that Rs.2,50,000/- have been paid during the year 2016-17.

(B) **Claim by Employees**

- There are 46 claims for back wages & other claim by employee (worker & staff) in respect of 36 employees, since the exact amount is not Quantifiable, Approximate Rs. 50,000/- per employee i.e.Rs.18,00,000/- is treated as contingent liabilities and 10 employees the contingent liability is Rs.9,30,486/- and the total contingent liabilities Rs.27,30,486/-
- The contingent liability towards gratuity claim filled by employees is Rs.2,04,229/-

(C) **Contingent Assets**

During the past years, the company had entered in to correspondence with Gujarat Electricity Board, Now Known as Dakshin Gujarat vij. Co. Ltd. For recovery of the refund due consequent upon the Arbitration award amounting Rs.1,59,11,789/- as principal amount together with the interest and delayed payment charges due there on as per the Arbitration award which is contingent asset as at 31-03-2019.

22. **Remuneration to Directors:**

Remuneration paid during the year ended 31st March, 2020 to Managing Director Rs. 5,00,000 (P.Y. Rs. 12,00,000/-).
Sitting Fees paid to Non- Executive/ Independent Directors –

Remuneration	2019-20	2018-19
	Rs.	Rs.
Sitting Fees	17,000	32,250

23. **Earnings and Expenditure in Foreign Currency**

Earning in Foreign Currency - NIL (P.Y. – NIL)
Expenditure in Foreign Currency - NIL (P.Y. – NIL)

24. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the Current Assets, Loans & Advances in the ordinary course of the business will not be less than the value stated in the Balance Sheet and provision for all known liabilities are adequate and not in excess of the amount reasonably required to be provided.

25. **Earning Per Share**

Earning Per Share		2019-20	2018-19
Basic & Diluted EPS :			
Net Profit (Loss) after Tax for the year (Rs.)	A	4,96,134	(54,44,796)
Weighted Average No. of Shares (In Nos)	B	1,20,85,625	1,20,85,625
Basic & Diluted Earnings Per Share of Face Value of Rs 10 Per Share.	C (A/B)	0.04	(0.45)

26. **Related Party Disclosure as per IND AS 24**

A. List of related parties.

a) **Key Management Personnel (KMP)**

- Shri Pankaj M Kadakia – Managing Director.
- Shri Bharat A Parikh – Chief Financial Officer
- Smt. Chandni Pansuriya – Company Secretary

b) **Relatives of Key Management Personnel:**

- Pankaj M Kadakia (HUF)
- Mrs. M.P Kadakia
- Mr. S.P. Kadakia

c) **Other related parties (Companies/Enterprises in which director or their relatives have significant influence)**

- Kadakia Alkalies & Chemicals Ltd.
- USM Enterprises
- Ashok Cellulose Limited

B. Details of transaction with related parties

Amount in Rs. Lacs

Nature of Transaction	KMP	Other Related Parties	Total
Remuneration paid	5.00 (12.00)	NIL (NIL)	5.00 (12.00)

C. Closing Balances

Amount in Rs. Lacs

Nature of Transaction	KMP	Other Related Parties	Total
Loans (Non Current Assets)	NIL (NIL)	NIL (Nil)	Nil (Nil)
Investments	NIL (NIL)	0.82 (0.82)	0.82 (0.82)
Other Current Liabilities	NIL (NIL)	NIL (NIL)	Nil (NIL)

*Figures in Italic and brackets are pertain to previous year

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27. **Disclosure as per Regulation 34 (3) and 53 (f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

a) Loans and Advances to Subsidiary Companies:	Rs. Nil
b) Loans and Advances to Associate Companies:	Rs. Nil
c) Loans and Advances to Associate Companies/firms in which directors are Interested (excluding Subsidiary and Associate companies):	Rs. Nil

28. **Risk Factors**

The Company's business activities expose it to various risks viz: market risk, credit risk, liquidity risk. The Board of Directors of the Company has approved a risk management policy to address and mitigate the risks associated with the business of the Company. The Board of Directors of the Company regularly monitors and reviews the risks and takes actions to respond to and mitigate the risks.

Various sources of risks and their management in the financial statements is given below:

Credit Risks

Credit risk arises on account of credit exposure to customers, loans given to parties, security deposits given, deposits with banks and financial institution. The credit risk is assessed and managed on an ongoing basis. The Company uses its internal market intelligence while dealing with the customers and parties to whom loans are given. The Company manages the credit risk based on internal rating system. The Company has dealings only with nationalized and high rated private banks and financial institutions for its banking transactions and placement of deposits.

Default of a financial asset occurs when the counterparty fails to make contractual payment within 365 days of due date of payment. This definition of default is determined by considering the business environment in which the entity operates, ongoing business relationship with the counterparty and other macro – economic factors.

Liquidity Risk Management

Liquidity risk management involves management of the Company's short, medium and long term fund requirement efficiently by maintaining sufficient cash and cash equivalent and availability of funding through adequate amount of committed credit facilities to meet the obligations when due. The management of the Company manages the liquidity risk by maintaining adequate surplus cash in short term deposits. The management regularly monitors the forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows.

Market Risk

Market risk can arise on account of fluctuation in future market prices which will impact the fair value or future cash flows of financial instruments. The fluctuation in market price can be in the form of Currency Risk, Interest Rate Risk or other price risk such as Equity Price Risk. The Company is not exposed to Currency Risk as it does not have any foreign exchange exposure. Similarly, the Company does not have any equity price risk as it does not have any material investment in equity shares nor does the Company trade in any investment. The Company manages Interest Rate Risk on its loan exposures by controlling the exposure within acceptable parameters and at the same time getting optimum returns on its surplus funds.

29. **Capital Management**

The objectives of capital management are:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for the other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company does not have any exposure towards debt. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

30. **Income Tax**

Income Tax Assessments of the Company have been completed up to Assessment Year 2014-15. There is no disputed demand outstanding up to the said Assessment Year.

During the Current Year provision for Income Tax is Nil as per Section 115JB of the Income Tax Act, 1961 as the Income Tax liability under normal method is NIL on account of accumulated losses of current and prior years.

31. **Segment Information**

The Company's Managing Director is the Chief Operating Decision Maker (CODM). Based on his examination of Company's performance from a product and geographical perspective he has identified there are no segments for reporting.

32. In view of the global pandemic COVID – 19, the management, after considering internal and external information available up to the date of approval of these financial statements, has assessed the recoverability of the assets of the Company, including receivables, loans and inventory. Based on the current estimates, the Company expects to recover the carrying amount of these assets. The Company has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, the Company does not expect significant impact on its business operations and future financial results.

Actual impact of the global pandemic on the Company's future business operations might be different from that estimated on the date of approval of these financial results and the Company will closely monitor any material changes in future economic conditions and its impact on the Company's operations.

These financial statements are prepared on a going concern basis as the Company does not have any debt, and substantial part of its financial assets are in the form of Fixed Deposits with nationalized bank which are more than adequate to meet the Company's other liabilities.

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33. Previous year's figures have been regrouped/ rearranged wherever considered necessary.
34. The Notes referred to above form an integral part of Balance Sheet and Profit & Loss Account.

As per our Report on even date

For SCA And Associates.
Chartered Accountants
Firm Registration No 101174 W

For and on behalf of the Board

Prakash R. Muni
Partner
Membership No.030544

Pankaj M. Kadakia
Managing Director
DIN- 00166339

Dr. Niranjana M. Pandya
Director
DIN- 00385689

Place: Mumbai
Date: 27th June 2020

Bharat A Parikh
Chief Financial Officer

Chandni Pansuriya
Company Secretary