

# KUMAKA

**INDUSTRIES LIMITED**

CIN: L99999MH1973PLCO16315

47<sup>th</sup>

Annual Report  
2020-21

---

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

**CIN: L99999MH1973PLC016315**

**(Incorporated on 13-02-1973)**

**47<sup>th</sup> Annual Report 2020-21**

**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

**Shri Nitil Kamble**

Non Executive Additional Independent Director (w.e.f: 21.07.2021)

**Mr. Bharat A Parikh**

Chief Financial Officer

**Ms. Mauli R Mehta**

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](mailto: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, 5<sup>th</sup> 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](http://www.kumukaindustries.com)**

**e-mail: [secretarial@kumakaindustries.com](mailto:secretarial@kumakaindustries.com)**

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## NOTICE

Dear Member(s),

NOTICE is hereby given that the 47<sup>th</sup> Annual General Meeting (AGM) of the Members of KUMAKA INDUSTRIES LIMITED will be held on Tuesday, September 21, 2021 at 03.00 p.m. through video conferencing (VC)/Other Audio Visual Means (OVAM) at deemed venue at the Registered Office of the Company at 404 Sharda Chambers, 33, New Marine Lines, Churchgate, Mumbai. 400020, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statement for the year ended on March 31, 2021 along with the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. Indula Panchal (DIN-07543310), who retires by rotation and being eligible, offers herself for re-appointment.

Special Business:

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

**"RESOLVED THAT** pursuant to the Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR) read with Section 149, 150, 152, 161(1) and any other provisions applicable, if any, read with Schedule IV of the Companies Act, 2013 ('the Act') [including statutory modification(s) and re-enactment(s) thereof] as also any other applicable laws as the case maybe and Articles of Association of the Company and on the recommendation of Nomination and Remuneration committee and Board of Directors, Mr. Nitil Kamble (DIN: 09225346), who holds office as an Additional Director up to ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the LODR and in respect of whom the Company has received a requisite notice in writing under Section 160(1) of the Act from a Member, signifying intention to propose his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director, not liable to retire by rotation, for a term of five consecutive years with effect from 21<sup>st</sup> July, 2021."

Date: 21<sup>st</sup> July, 2021  
Place: Vadodara

For and On behalf of the Board

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

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## 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) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- (ii) Since, the AGM is being conducted through VC/OAVM in terms of aforesaid MCA circulars 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 2020-21 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 2020-21 will also be available on the Company's website [www.kumakaindustries.com](http://www.kumakaindustries.com); website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://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](http://www.kumakaindustries.com) and

on the website of Link Intime India Pvt. Ltd. at [www.linkintime.co.in](http://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 corporate 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) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. On request, members can inspect the same by sending an email to [secretarial@kumakaindustries.com](mailto:secretarial@kumakaindustries.com)
- (viii) In case you have any query relating to the enclosed financial statement, 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](mailto: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 Tuesday, 14<sup>th</sup> September, 2021 to Tuesday, 21<sup>st</sup> September, 2021 (both days inclusive) for the Annual General Meeting.

### 4. E-VOTING & CUT OFF DATE:

In compliance with the provisions of Section 108 of The Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facility to cast their votes electronically, through the e-voting services provided by Link Intime India Pvt. Ltd. on all the resolutions set forth in this Notice.

The Members, whose names appear in the Register of Members / Beneficial Owners as on Tuesday, 14<sup>th</sup> September, 2021 (the "Cut-off Date") may cast their vote electronically. The e-voting period will commence from 18<sup>th</sup> September, 2021 at 09:00 a.m. (IST) and will end on 20<sup>th</sup> September, 2021 at 05:00 pm. (IST). The e-voting module will be disabled on 20<sup>th</sup> September, 2021 at 05:00 p.m. (IST). The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 14<sup>th</sup> September, 2021.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## 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 addresses 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](http://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. SCRUTINIZER

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.

## 7. 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](http://www.kumakaindustries.com) and on the website of Link Intime India Private Ltd. ('LLIPL') i.e. [www.linkintime.co.in](http://www.linkintime.co.in), immediately after the result is declared and simultaneously communicated to the BSE.

## 8. 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.

## 9. DETAILS UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE NO. 1.2.5 OF SECRETARIAL STANDARDS-2 IN RESPECT OF THE DIRECTORS SEEKING APPOINTMENT/ RE APPOINTMENT ARE ENCLOSED AS PER ANNEXURE-A TO THE NOTICE.

## 10. VOTING BY MEMBERS

The voting period begins on 18<sup>th</sup> September, 2021 at 09:00 am and ends on 20<sup>th</sup> September, 2021 at 05:00 pm. During this period shareholders of the Company, as on the cut-off date of 14<sup>th</sup> September, 2021, 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
- 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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

## 11. JOINING OF AGM THROUGH VC:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (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](mailto: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](mailto:secretarial@kumakaindustries.com) from 14/09/2021 to. 19/09/2021.

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,

# KUMAKA INDUSTRIES LIMITED

## ANNUAL REPORT 2020-21

mobile number at [secretarial@kumakaindustries.com](mailto:secretarial@kumakaindustries.com). The same will be replied by the Company suitably.

**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

**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](mailto: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](mailto:maildeveshpathak@rediffmail.com) with copies marked to the Company at [secretarial@kumakaindustries.com](mailto:secretarial@kumakaindustries.com) and to its RTA at [alpesh.gandhi@linkintime.co.in](mailto:alpesh.gandhi@linkintime.co.in).

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

---

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”):**

### **Item no. 3**

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, appointed Mr. Nitil Kamble as an Additional Director of the Company w.e.f. 21<sup>st</sup> July, 2021, for a term of five years, not liable to retire by rotation, subject to the approval of Members at the 47<sup>th</sup> Annual General Meeting.

In terms of Section 161(1) of the Companies Act, 2013, Mr. Kamble holds office only up to the date of the ensuing AGM as an Additional Director and shall be eligible for appointment as an Independent Director subject to approval of members at the 47<sup>th</sup> AGM.

The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a member proposing candidature as Director in the capacity of an Independent Director of the Company.

The Company has received requisite consent and declarations from Mr. Kamble including confirmation that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Nitil Kamble, aged 58 years holds Masters Degree in Business Administration and has a versatile and rich experience of more than 28 years in the areas of Banking & Finance Sector, Internal control, corporate governance.

In the opinion of the Board, he fulfils the criteria as specified in the Act and is independent of the management. Further, he possesses appropriate skills, experience, expertise and knowledge which would benefit the business of the Company.

Your Directors recommend and seek your approval to the resolution as set out in item no. 3 of the accompanying notice.

A copy of the letter of appointment of Mr. Kamble setting out the terms and conditions of appointment is available for inspection up to the date of AGM and will also be available for inspection during the AGM.

None of the Directors and Key Managerial Personnel or their relatives except Mr. Nitil Kamble and his relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 3 of the Notice.

Date: 21<sup>st</sup> July, 2021

Place: Vadodara

For and On behalf of the Board

Sd/-

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



# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## ANNEXURE 'A'

**Details under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and in terms of Secretarial Standard-2 issued by Institute of Company Secretaries of India, in respect of Director's seeking appointment/ re-appointment:**

Name of Director	Dr. Indula Panchal	Mr. Nitil Kamble
DIN	07543310	09225346
Date of birth	14/05/1942	17/02/1963
Nationality	Indian	Indian
Qualifications	Doctor of Medicine	MBA
Expertise in specific functional areas	Medicine & Administration	Banking & Finance
Terms and conditions of re appointment	Re-appointment as a Retiring Director	Appointment as an Independent Director
Details of remuneration and remuneration last drawn	NA	NA
Date on which first appointment on Board	15/06/2016	21/07/2021
Details of shareholding in the company	900 shares	NIL
Relationship with other directors / key managerial person (if any)	Not Related	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	NIL

Date: 21<sup>st</sup> July, 2021  
Place: Vadodara

For and On behalf of the Board

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

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## BOARD'S REPORT

To,  
The Members,  
Kumaka Industries Limited.

Your Directors are pleased to present their 47<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited financial statement for the Year ended 31<sup>st</sup> March, 2021.

### 1. THE STATE OF THE COMPANY'S AFFAIRS :

Financial summary / highlights:

Amount InLacs.		
Particulars	31.03.2021	31.03.2020
Total Revenue	47,27,210	37,13,055
Profit / (Loss) before Depreciation, taxes and exceptional items	(22,49,609)	(6,19,141)
Add/ (Loss) : Depreciation and amortisation expenses	(2,81,609)	(1,23,007)
Add/ (Loss) :Tax	-	-
Add/ (Loss) :Exceptional items	(40,30,889)	-
Profit/(Loss) after tax carried to Balance Sheet	(65,62,107)	4,96,134

### 2. DIVIDEND

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

### 3. RESERVES

The Company is not required to transfer any amount to its reserve. Hence no amount is transferred to reserves during the year under review.

### 4. REPORT OF FRAUDS

There have been no instances of fraud reported by the Auditors under section 143(12) of the Act and rules framed there under either to the Company or to the Central Government.

### 5. SHARE CAPITAL

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 Annual General Meeting (AGM) considered it appropriate to issue one fully paid share in lieu of four partly paid shares. However Bombay Stock Exchange (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 approached Hon'ble High Court of Bombay. Thereafter the same was transferred to NCLT

Reg. Off. : 404, Sharda Chambers, 33, Sir VithaldasThakerseyMarg New Marine Lines, Mumbai - 400 020.

Corp. Off. : 5<sup>th</sup> Floor, Ramkrishna Chambers, BPC Road, Alkapuri, Vadodara- 390 007, Gujarat.

Tel. No. +91 265-2330019, Fax No. +91 265-2333884

Website : [www.kumakaindustries.com](http://www.kumakaindustries.com) E-mail address : [secretarial@kumakaindustries.com](mailto:secretarial@kumakaindustries.com)

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

(Mumbai Bench) in the matter with a Scheme and Arrangement to modify/reset its Share capital.

In pursuance to The Hon'ble NCLT (Mumbai Bench) order dated 06th July, 2020, The Company has reduced its equity share capital by Rs 1,03,750 by extinguishment 10375 equity shares of Rs 10 each.

The Hon'ble National Company Law Appellate Tribunal (Hon'ble NCLAT) vide its order no. 136/2020 dtd. 20th October, 2020 had set aside the order of The Hon'ble NCLT, Mumbai Bench and has directed the Company to undo all the actions taken in line with the scheme sanctioned by the Hon'ble NCLT.

The Company in its Board meetings and in its unaudited quarterly results for September 2020 and December 2020 quarter has stated that Hon'ble NCLAT order dated 20th October, 2020 is being implemented.

The Board of Directors/The Management has decided to give effect to the Hon'ble NCLAT order on undoing:

- i. reduction of the share capital of 10375 shares of Rs.10 each amounting to Rs. 1,03,750/-.
- ii. Extinguishment of 603250 fully paid-up shares of Rs.10 each included in the said share capital and reinstating 2413000 partly paid-up shares at Rs. 2.50 each.

The Company has sought directions/clarification from the Hon'ble NCLAT vide its application dtd. 16-03-2021 and Acknowledgement no. 9910138/01397/2021. Pending directions/clarification from the Hon'ble NCLAT no effect has been given in the financial statements for the year ended 31-03-2021.

The impact of uncertainty arising from NCLAT's order on matters stated above is currently unascertainable. Consequently, the Company is unable to estimate the impact, if any, that may result from a conclusion of these matters on the standalone financial statements for the year ended 31st March 2021.

## Future Prospects:

Your Company has started sterilization plant through ETO process at Sidhpur. The plant was to start in March 2020. But due to CoVID-19 Pandemic and lockdown situation, Plant could not start in April. Your Company has resumed as set out below by 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 the time to time developments and directives issued by the Central Government/ State Governments and the Local Authorities and necessary actions are being taken.

## 6. SUBSIDIARY COMPANIES

The Company does not have subsidiary/joint venture/associate Company and no Company has become/ceased to be subsidiary/joint venture/associate Company during the year.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT

- a) That in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and Loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

- d) That the annual financial statements have been prepared on a going concern basis and applying IND-AS.
- e) Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) Those systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 8. DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Act 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 but there was change in the Key Managerial Personnel of the Company.

CS Chandani Pansuriya resigned on 22<sup>nd</sup> September, 2020 and CS Mauli Mehta was appointed with effect from 1<sup>st</sup> January, 2021 as a Company Secretary & Compliance officer.

## 10. Statement on declaration given by independent directors under Section 149(6) Of the Act

The Board of Directors hereby declares that all the independent directors duly appointed by the Company have given the declaration and they meet criteria of independence as provided under Section 149(6) of the Act.

## 11. A statement with regard to integrity, expertise and experience of independent directors

Your Directors are of the opinion that Independent Directors of the Company are of high integrity and suitable expertise as well as experience (including proficiency).

## 12. BOARD MEETINGS HELD DURING THE YEAR.

Eight Meetings of Board of Director were held during the year on 27/06/2020, 18/07/2020, 20/07/2020, 12/09/2020, 07/11/2020, 04/01/2021, 11/02/2021 and 13/03/2021. For details of meetings of the

Board please refer to the Corporate Governance Report, which forms part of the Board's' Report.

## 13. 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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## 14. 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.

## 15. 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, which forms part of this report.

## 16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

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

## 17. AUDITORS

### (1) Statutory Auditors:

M/S. SCA And Associates., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from the conclusion of 43<sup>rd</sup> Annual General Meeting. The Company has received necessary eligibility certificate and consent under section 141 of the Act to act as a statutory Auditor till the conclusion of the 48<sup>th</sup> Annual General Meeting to be held in the calendar year 2022 in terms of the first proviso to Section 139 of the Companies Act, 2013.

### (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, 2021. The Secretarial Audit Report is annexed as **Annexure – 2**.

The Secretarial Audit Report for the financial year ended March 31, 2021 contains observations. In the regard your

Directors would like to state that the Hon'ble NCLT had approved the scheme of Arrangement between the Company and its Equity Shareholders mainly in respect of Equity Share capital and the Company was in the course of implementation of the same. However, as detailed in paragraph 5 of this Report, the Company has sought reactions of Hon'ble NCLAT.

Your Directors are optimistic that directions from Hon'ble NCLAT would go a long way in addressing the observations.

### (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 2020-21 by the Board of Directors, upon recommendation of the Audit Committee.

## 18. CORPORATE GOVERNANCE REPORT

The Company has been following the principles and practices of Corporate Governance and has endeavored to ensure 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 Corporate Governance Report, issued by M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara, Gujarat, the Secretarial Auditors, forming part of the Board's Report as per **Annexure- 3**.

## 19. 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.

## 20. RISK MANAGEMENT:

Risk Management Policy is in place. Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

## 21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

The Company has not provided any loans and not given 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. CSR

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

## 23. 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 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 2020-21.

## 24. 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 ethics 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.

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

In the regard, your Directors would like to state that earlier the Hon'ble National Company Law Tribunal, Mumbai (Hon'ble NCLT) had approved the scheme of Arrangement between the Company and its Equity shareholders mainly in respect of equity share capital. The Company was in the course of implementation of the same.

However, there after order of Hon'ble NCLT, on being challenged by a shareholder, Hon'ble National Company Law Appellate Tribunal (Hon'ble NCLAT) vide its order no. 136/2020 dtd 20<sup>th</sup> October, 2020 set aside the order of Hon'ble NCLT and directed the Company to undo all the actions taken in line with the scheme sanctioned by the Hon'ble NCLT.

Keeping in view divergent views of stakeholders in respect of implementation of the order dtd. 20<sup>th</sup> October, 2020 issued by Hon'ble NCLAT, the Company has sought directions of Hon'ble NCLAT.

## 26. 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 2020-21.

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

Annual Return as required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 ('the Act') is available at weblink/web address at [www.kumakaindustries.com](http://www.kumakaindustries.com)

## 28. MANAGEMENT DISCUSSION & ANALYSIS



# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

A report on Management Discussion and Analysis, as required in terms of Regulation 34(2) of LODR forms part of this Report. It deals with the Business Operations and Financial Performance, Research & Development Expansion & Diversification, Risk Management, Marketing Strategy, Safety & Environment, Human Resource Development, etc. enclosed as per Annexure- 4.

## 29. 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.

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

### A) Conservation of Energy:

Your Company is serious in 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 was not made any expenditure on R&D.

### C) Foreign Exchange earnings and outgo:

There was neither inflow nor out flow 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.

## 31. 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.

## 32. No application/ proceeding under IBC

Neither any application is made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (IBC) during the year under review and accordingly the Company has no information to offer in the regard.

## 33. No one time settlement

The Company has not undergone any one time settlement and accordingly the Company has no information to offer in respect of difference between the amount of the valuation at the time of one time settlement and the valuation date while taking loan, if any.

## 34. 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.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for each and every person who risked their life and safety to fight this pandemic.

**Registered Office Address: -**  
**404 Sharda Chambers,**  
**33, Sir Vithaldas Thakersey Marg**  
**New Marine Lines,**  
**Mumbai City MH 400020 IN**  
**Date: 21<sup>st</sup> July, 2021**

**For and on behalf of the Board,**

**Sd/-**

**Pankaj Kadakia**  
**Chairman & Managing Director**  
**(DIN: 0016339)**

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## Annexure- 1

### 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 2. Sterilization plant through ETO process
c.	Duration of the contracts/arrangements/transaction	5 years w.e.f. 1 <sup>st</sup> 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 <sup>th</sup> February, 2020
f.	Amount paid as advances, if any	As given in balance sheet.



# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## Annexure-2

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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; [presently: The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]
  - (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;

# KUMAKA INDUSTRIES LIMITED

*ANNUAL REPORT 2020-21*

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [presently: Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021] 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:

Sr. No	Compliance Requirement (Sections / Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks
1.	Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in filing certificate signed by the Compliance Officer of the Company.	The Company has submitted certificate for the half year ended 30 <sup>th</sup> September, 2020 with a delay of 37 days.
2.	Regulation 13 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in filing investor grievance report.	The Company has submitted the investor grievance report for the quarter ended 30 <sup>th</sup> September, 2020 with a delay of 42 days.
3.	Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non-submission of disclosure pertaining to Related Party Transactions.	Disclosure for the half year ended on 31 <sup>st</sup> March, 2020 and 30 <sup>th</sup> September, 2020 has not been submitted to BSE Ltd.
4.	Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non submission of Annual Secretarial Compliance Report to the Stock exchange.	The Company has timely obtained the Annual Secretarial Compliance Report for the year ended on 31 <sup>st</sup> March, 2020 from us but the same does not appear on the website of BSE Ltd.
5.	Regulation 27(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in filing Corporate Governance Report.	The Company has submitted the Corporate Governance Report for the quarter ended 31 <sup>st</sup> March, 2020 and 30 <sup>th</sup> September, 2020 with a delay of 111 days and 47 days respectively.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

Sr. No	Compliance Requirement (Sections / Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks
6.	Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in filing Shareholding Pattern.	The Company has submitted the shareholding pattern for the quarter ended 30 <sup>th</sup> September, 2020 with a delay of 45 days.
7.	Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non-fulfilment of criteria pertaining to mandatory dematerialization of equity shares.	Entire shareholding of the promoters is required to be held in demat form. However, the same is in physical format as informed to us, since the Company is still awaiting the clarification from Hon'ble NCLAT on their order in the aforesaid matter.
8.	Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non-fulfilment of criteria pertaining to submission of declaration on unmodified opinion	The Company has not submitted a declaration on unmodified opinion along with Audited Financial Results for the year ended on 31 <sup>st</sup> March, 2020
9.	Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Public share holding is below the threshold as prescribed under Rule 19A of the Securities Contracts (Regulation) Rules, 1957	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 awaiting clarification from Hon'ble NCLAT on their order in the aforesaid matter.
10.	Regulation 40(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in filing certificate under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company has submitted the certificate for the Half Year ended 30 <sup>th</sup> September, 2020 with a delay of 37 days.
11.	Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non-fulfilment of criteria pertaining to public announcement in newspapers	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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

Sr. No	Compliance Requirement (Sections / Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks
12.	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018	Delay in submission of Reconciliation of Share Capital Audit Report	The Company has submitted the Reconciliation of Share Capital Audit Report for the Quarter ended 30 <sup>th</sup> September, 2020 with a delay of 35 days.

## 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:

(a) the Company has 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) the Company has 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) 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 the compliance by listed companies (including the Company) with the requirement of minimum public share holding inter alia:

- a) direct freezing of voting rights and corporate benefits of the promoter/promoter group shareholding;
- b) prohibition on the promoters /promoter group from dealing in securities of their respective companies;
- c) restraint on Promoter/promoter group shareholders from holding any new position as a director in any Listed Company;

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

d) restraint on Directors of the Company from holding any new position as director in any Listed Company

(d) Equity Shares of the Company stand suspended with BSE Ltd. due to penal reasons. The petition was submitted by the Company to the Hon'ble High Court of Bombay under Section 391 to 394 of the Companies Act, 1956. Thereafter the same was transferred to Hon'ble National Company Law Tribunal, Mumbai Bench. The order approving the scheme of arrangement was pronounced on 6th July, 2020.

Material provisions of the order of NCLT approving the scheme of arrangement were as follows:

- a) Ratification of reduction of 18,09,750 Equity shares by conversion of 24,13,000 partly paid up shares to the extent of Rs. 2.50 per share to 6,03,250 fully paid shares per share.
- b) 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 paise per share.
- c) Rearranging and numbering the distinctive numbers of shares to reconcile the same with the paid up share capital.
- d) Issue and allotment of 21,04,865 fully paid up shares as bonus shares to the public shareholders of the Company other than promoters.

The Company had already implemented cancellation and extinguishment of 10375 fully paid up equity shares by reduction of paid up share capital by 10375 shares accordingly the number of shares of the Company stood reduced to 1,20,75,250 (1,20,85,625-10,375) as at 30th September, 2020 in clause no. 6 of the Table as per Annexure-A.

Further, in line with the approved scheme the Company had also fixed a record date for the issue and allotment of 21,04,865 fully paid up equity shares as bonus shares.

However, Hon'ble National Company Law Appellate Tribunal (Hon'ble NCLAT) vide its order no 136/2020 dtd. 20th October, 2020 had set aside the order of Hon'ble NCLT, Mumbai Bench and directed the Company to undo all the actions taken in line with the scheme sanctioned by the Hon'ble NCLT.

Accordingly, In compliance with order of Hon'ble NCLAT:

- the cancellation and extinguishment of 10375 fully paid up shares had been initially undone and accordingly, the capital of the company again stands increased to 1,20,85,625 (1,20,75,250+10,375) as at 31st March, 2021 as per clause no. 7(i) of the table as per Annexure-A.
- the record date fixed for the bonus issue had also been withdrawn.

Keeping in view, divergent views of stakeholders in respect of implementation of the order dtd. 20<sup>th</sup> October, 2020 issued by Hon'ble NCLAT, the Company has sought further directions of Hon'ble NCLAT in the regard.

However, we have been informed that pending direction/clarification from Hon'ble NCLAT, no effect has been given in the Financial Statement for the year ended 31.03.2021.

(e) The Company has not paid Annual Listing Fees for the year(s) 2018-19, 2019-20 and 2020-21 since, the Company is still awaiting the clarification on the aforesaid order of Hon'ble NCLAT in the matter.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

- (f) Vide letter no. LIST/COMP PH VII/526923/142/SCN/2020-21 dtd. 21st December, 2020, BSE Ltd. had issued a Show Cause notice in the matter of compulsory delisting of securities of Kumaka Industries Limited.

In the regard the Company has informed to BSE that they have read and understood Regulation 23 and Regulation 24 of SEBI (Delisting of Equity Shares) Regulations, 2009 and that the promoters of the Company have also expressed their willingness to provide exit option to the public shareholders in case of compulsory delisting of shares.

- (g) Mrs. Chandani Pansuriya resigned as Company Secretary and Compliance Officer of the Company w.e.f. 22<sup>nd</sup> September, 2020 and Mrs. Mauli Mehta was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 1st January, 2021.

For Devesh Pathak & Associates  
Practising Company Secretaries

Date: 21<sup>st</sup> July, 2021

Place: Vadodara

Sd/-  
Devesh A. Pathak  
(Sole proprietor)  
Membership No. FCS 4559  
CoP No. : 2306  
UDIN: F004559C000656936

**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

ANNUAL REPORT 2020-21

21<sup>st</sup> July, 2021

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

Ref: Secretarial Audit Report dated 21<sup>st</sup> July, 2021 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. Consequent to the COVID-19 pandemic and advisories issued by the Government, 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 31<sup>st</sup> March, 2021.
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 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.
5. 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.
6. 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

ANNUAL REPORT 2020-21

## Annexure – 3

### REPORT ON CORPORATE GOVERNANCE for Financial Year 2020-21

#### 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 31<sup>st</sup> March, 2021 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, Eight Board Meetings were held on 27.06.2020, 18.07.2020, 20.07.2020, 12.09.2020, 07.11.2020, 04.01.2021, 11.02.2021, 13.03.2021.

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 31<sup>ST</sup> MARCH, 2021**

Name of Directors	Category of Directors	No. of Board Meetings attended during the year 2020-21		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	8	8	Yes	-----	-----	-----	-----
Dr. Niranjana Pandya DIN 00385689	Non-Executive Independent	8	8	Yes	-----	-----	-----	-----
Dr. Indula Panchal DIN 06457903	Non-Executive woman	8	8	Yes	-----	-----	-----	-----
Dr. T. D. Tiwari DIN 08182575	Non-Executive Independent	8	8	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



# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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 7 (Seven) 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, 2021 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](http://www.kumakaindustries.com)

## LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES AS IDENTIFIED BY THE BOARD OF DIRECTORS OF THE COMPANY:

Name of Director	Mr. Pankaj Manilal Kadakia	Mr. Niranjan Maneklal Pandya	Mrs. Indula Panchal Dhananjay	Mr. Taradatt Shiromani Tiwari
<b>Skills/Expertise/Competencies whether available with the Board or not?</b>				
<b>INDUSTRY KNOWLEDGE/EXPERIENCE</b>				
- Experience	√	√	√	√
- Industry Knowledge	√	√	√	√
- Understanding of relevant laws, rules and policy	√	√	√	√
- Risk Management	√	√	√	√
<b>TECHNICAL SKILLS/EXPERIENCE</b>				
- Accounting and Finance	√	√	√	√
- Business Development and Strategy	√	√	√	√
- Information Technology	√	√	√	√
- Leadership	√	√	√	√
<b>BEHAVIORAL COMPETENCIES</b>				
- Integrity and ethical standards	√	√	√	√
- Monitoring abilities	√	√	√	√
- Interpersonal relations	√	√	√	√

## 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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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 27.06.2020, 18.07.2020, 07.11.2020, 11.02.2021.

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	4	4
Mr.PankajKadakia	Member	4	4
Dr. T. D. Tiwari	Member	4	4

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 04.01.2021.

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	1
Mr.PankajKadakia	Member	1	1
Dr. T. D. Tiwari	Member	1	0

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:**

- i. 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
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. 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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## **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.NiranjanPandya, Dr. T. D. Tiwari and Mr.PankajKadakia.

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/- for attending every Board Meeting and Committee Meetings respectively.**

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

## **3. Stakeholders' Relationship Committee**

The Committee is consisted of two Independent Directors vizDr.Niranjan M. Pandya, as a Chairman, and, with Dr. T. D. Tiwari, as a member. Mr.PankajKadakia is also a member of the Committee. One Meeting was held on 11.02.2021 which was attended by Dr.Niranjan M. Pandya and Mr.PankajKadakia and Dr. T. D. Tiwari.

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, 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 31.03.2021, there was no Investor Grievances remaining pending/ unresolved with ATR filed for same, and no complaint was pending.

## **4. Independent Directors' Meeting**

One separate meeting of Independent Directors was held on 11.02.2021 with all the Independent Directors present at the meeting.

Independent Directors at their meeting discussed following matters in relation to FY-2020-21:-

- 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:

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

Sr. No.	Date	Time	Place	Special Resolution
(1)	18-09-2018  & adjourned due to want of Quorum on  25-09-2018	3:30 PM    3:30 PM	The Electric Merchants Association, Room No. 7&12, 2 <sup>nd</sup> floor, ShreejiBhuvan, 51 Mangaldas Lane, LoharChawl, Mumbai-400002   The Electric Merchants Association, Room No. 7&12, 2 <sup>nd</sup> floor, ShreejiBhuvan, 51 Mangaldas Lane, LoharChawl, Mumbai-400002	To consider re-appointment of and remuneration payable to ShriPankajKadokia as the Managing Director.
(2)	14-09-2019  & adjourned on  21-09-2019	3:30 PM    3:30 PM	All India Manufacturers' Organization, 4 <sup>th</sup> Floor, 'JeevanSahakar', Near RBI Old Building, Opp. PNB Building, Sir P.M. Road, Fort, MUMBAI – 400 001.   All India Manufacturers' Organization, 4 <sup>th</sup> Floor, 'JeevanSahakar', Near RBI Old Building, Opp. PNB Building, Sir P.M. Road, Fort, MUMBAI – 400 001.	i. To approve continuance of Dr.IndulaPanchal 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.PankajManilalKadokia, (DIN:00166339), as a Managing Director.
(3)	21-09-2020	4:00 PM	Through video conferencing(VC)/Other Audio Visual Means (OVAM),	i. To approve Contract/Arrangement for Related Party transactions between the Company and ShriManilalHarilalKadokia Charitable Trust

## Disclosures:

- (a) There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- (b) 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:

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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. 47<sup>th</sup> Annual General Meeting:

Date and Time : 21<sup>th</sup> September, 2021 at 03.00 P.M. through video conferencing at the deemed venue at Registered Office 404, Sharda Chambers, 33, New Marine Lines, Churchgate, Mumbai- 400020.

b. Financial Year : Year ended March 31, 2021

c. Dates of Book Closure : From Tuesday, 14<sup>th</sup> September, 2021 to , Tuesday To 21<sup>st</sup> September, 2021(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, 1<sup>st</sup> 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](mailto: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 subject to prevailing laws.

j. Distribution of Shareholding :

### (i) The Distribution of Shareholding as on 31<sup>st</sup> March, 2021

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

### (iii) Shareholding Pattern as on 31<sup>st</sup> March, 2021:

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

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

4. Other Corporate Bodies	67,150	0.56
5. Indian Public	14,26,025	11.80
<b>TOTAL</b>	<b>1,20,85,625</b>	<b>100.00</b>

(k)	Outstanding GDRs/ ADRs Warranty	Not Applicable
(l)	Plants Location	Plot No. 180- GIDC, Sidhpur Industrial Estate, Abu- Ahmedabad Highway - 384151
(m)	Address of Correspondence	<b>Registrar &amp; Transfer Agents</b> <b>Link Intime India Private Limited.</b> 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 <b>OR</b> <b>Kumaka Industries Limited</b> Corporate Office of the Company at 5th Floor, Ram Krishna Chambers, BPC Road, Vadodara - 390007.

## Green Initiative:

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to shareholders at their e-mail address registered with the Company/their Depository Participants (DPs)/Registrars & Transfer Agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with our Registrar and Transfer Agent i.e. M/s. Link Intime India Private Limited, by sending a letter, duly signed by the first/sole holder quoting Folio No.

For and Behalf of the Board of Directors,

Sd/-

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

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## 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 ETO sterilization plant in the March. 2021 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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## **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 31<sup>st</sup> March, 2021, 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: 21<sup>st</sup> July, 2021

For Kumaka Industries Limited

Place: Vadodara

Sd/-  
**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 31<sup>st</sup> March, 2021, 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: 21<sup>st</sup> July, 2021

For Kumaka Industries Limited

Place: Vadodara

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

Sd/-  
Bharat A. Parikh  
(CFO)



# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## 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, 2021, 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 advisories.

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, 2021 as applicable except that

1. Disclosure pertaining to Related Party Transactions pursuant to Regulation 23(9) of the Listing Regulations for the half year ended on 31st March, 2020 and 30th September, 2020 has not been submitted to BSE Ltd.
2. The Company has timely obtained the Annual Secretarial Compliance Report pursuant to Regulation 24A of the Listing Regulations for the year ended on 31st March, 2020 from us but the same does not appear on the website of BSE Ltd.

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: 21<sup>st</sup> July, 2021

**For Devesh Pathak & Associates**  
Practising Company Secretaries

Sd/-  
Devesh Pathak  
FCS No. 4559  
CP No. 2306  
UDIN: F004559C000656925

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

**The Members of**

Kumaka Industries Limited,  
404 Sharda Chambers,  
33, New Marine Lines,  
Churchgate  
Mumbai – 400020

We have examined the relevant registers, records, forms, and disclosures received (electronically only in view of COVID-19 advisories) from the Directors of Kumaka Industries Limited having CIN:L99999MH1973PLC016315 and having registered office at 404 Sharda Chambers, 33, New Marine Lines, Churchgate, Mumbai – 400020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority except Mr.- \_\_\_\_\_ (DIN-\_\_\_\_) who has been debarred/disqualified by - \_\_\_[give name of Statutory Authority and reason].

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Pankaj Manilal Kadakia	00166339	26/06/1974
2.	Mr. Niranjan Maneklal Pandya	00385689	20/11/2009
3.	Mrs. Indula Dhananjay Panchal	07543310	15/06/2016
4.	Mr. Taradatt Shiromani Tiwari	08182575	20/07/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Devesh Pathak & Associates  
Practising Company Secretaries

Place: Vadodara  
Date :21<sup>st</sup>July, 2021

Sd/-  
Devesh A. Pathak  
FCS 4559  
CP No. 2306  
UDIN: F004559C000656925

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## 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 2021, 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, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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.

#### Basis for Qualified Opinion

As more fully explained in note 11 to the Financial Statements; the Share Capital of the company comprises of 1,20,75,250 equity shares at Rs. 10 each amounting to Rs 12,07,52,500/-. During the year the Company received an order of Hon'ble NCLAT dated 20<sup>th</sup> October, 2020, setting aside the order of Hon'ble NCLT dated 6<sup>th</sup> July 2020. The management has not given effect to the Hon'ble NCLAT order on;

- i. Cancellation and extinguishment of 10,375 fully paid-up shares of Rs. 10 each amounting to Rs. 1,03,750/-. **As informed, the company is in the process of undoing and accordingly the share capital of the company will stand increased to 1,20,85,625.**
- ii. Extinguishment of 6,03,250 fully paid-up shares of Rs.10 each included in the said share capital and reinstating 24,13,000 partly paid-up shares at Rs.2.50 each.

This constitutes non-compliance of the directors of the NCLAT order dated 20<sup>th</sup> October 2020. As informed to us the Company is in the process of addressing the matters sited above and has sought directions of Hon'ble NCLAT in this regard.

The impacts of uncertainty arising from NCLAT's orders on matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact if any that may result from a conclusion of these matters on the standalone financial statements for the year ended 31<sup>st</sup> March 2021.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## **Qualified Opinion**

In our opinion, except for the effects of the matter stated in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the company as at 31<sup>st</sup> March 2021, of its financial performance, its cash flows and Statement of Changes in Equity for the year then ended.

## **Emphasis of Matter**

We draw attention to Note 32 in the Notes to the standalone Ind As financial statements, 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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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.

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. Refer Note 32 to the Standalone Financial Statements which describes the impact of the outbreak of Coronavirus (COVID-19) on the business

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

operations of the Company. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve

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 doings 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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".

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

- 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**

**Prakash R. Muni**  
**PARTNER**  
**Membership No: 30544**

UDIN No: 21030544AAAACJ6341

Place: Mumbai

Dated: 01<sup>st</sup> June 2021

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## Annexure “A” to the Independent Auditor’s Report

**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 31<sup>st</sup> March 2021, 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 are 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, 2021 which have not been deposited on account



# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

of any dispute. The particulars of dues of value added tax and service tax as at March 31, 2021 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	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.
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 give 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.: 21030544AAAACJ6341**  
Place: Mumbai  
Date: 01<sup>st</sup> June 2021

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## **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, 2021 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

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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, 2021 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**

**Prakash R. Muni**  
**PARTNER**  
**Membership No: 30544**  
UDIN: 21030544AAAACJ6341  
Place: Mumbai  
Dated: 01<sup>st</sup> June, 2021

KUMAKA INDUSTRIES LIMITED  
ANNUAL REPORT 2020-21

**KUMAKA INDUSTRIES LIMITED**  
**CIN - L99999MH1973PLC016315**  
**BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	149,212,722	149,399,575
(b) Financial Assets			
(i) Investment	3	82,750	82,750
(ii) Other Financial Assets	4A	14,768,328	14,768,328
(iii) Loans Receivables	5	-	-
(c) Income Taxes	6	1,133,819	625,970
(d) Other Non Current Assets	7	629,111	629,111
<b>Total Non Current Assets</b>		<b>165,826,730</b>	<b>165,505,734</b>
<b>Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables	8	225,505	1,224,001
(ii) Cash and Cash Equivalents	9A	194,310	125,077
(iii) Other Bank Balances	9B	18,348,768	2,909,082
(iv) Other Financial Assets	4B	29,880	600
(c) Other Current Assets	10	826,943	76,829,016
<b>Total Current Assets</b>		<b>19,625,406</b>	<b>81,087,776</b>
<b>TOTAL ASSETS</b>		<b>185,452,135</b>	<b>246,593,510</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share Capital	11	-	-
(b) Other Equity	12	60,879,808	67,338,164
<b>Total Equity</b>		<b>60,879,808</b>	<b>67,338,164</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Borrowings		-	-
(b) Employee Benefit Obligation		-	-
(c) Provisions		-	-
(c) Deferred Tax Liabilities		-	-
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	13 (A)	621,506	-
(b) Trade Payables		422,781	35,193
<b>Other Current Liabilities</b>	13 (B)	<b>2,775,541</b>	<b>58,363,903</b>
<b>Total Current Liabilities</b>		<b>3,819,828</b>	<b>58,399,096</b>
<b>TOTAL LIABILITIES</b>		<b>64,699,635</b>	<b>125,737,260</b>
<b>Significant accounting policies and notes on financial statements</b>			

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

**Prakash R. Muni**  
Partner  
Membership No 30544

Place : Mumbai  
Date : 01st June, 2021

**For and on behalf of the Board**

**Mr. Pankaj M. Kadakia**  
Managing Director  
DIN- 00166339

**Mr. Bharat A. Parikh**  
Chief Financial Officer

**Dr. Niranjan M. Pandya**  
Director  
DIN- 00385689

**Mauli Rushil Mehta**  
Company Secretary

**KUMAKA INDUSTRIES LIMITED**  
**ANNUAL REPORT 2020-21**

**KUMAKA INDUSTRIES LIMITED**  
**CIN - L99999MH1973PLC016315**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2021**

Particulars	Note	Year Ended March 31,2021	Year Ended March 31,2020
I Revenue from Operations	14	4,124,090	1,943,220
II Other Income(net)	15	603,120	1,769,835
III <b>TOTAL INCOME</b>		<b>4,727,210</b>	<b>3,713,055</b>
Expenses			
(a) Cost of Materials Consumed	16	1,197,201	109,061
(b) Purchase of Traded goods		-	-
(c) Employee Benefit Expenses	17	2,345,527	902,006
(e) Other Expenses	18	3,427,857	2,078,596
(f) Finance Costs	19	6,233	4,252
(g) Depreciation and Amortisation Expense	3	281,609	123,007
IV <b>TOTAL EXPENSES</b>		<b>7,258,428</b>	<b>3,216,922</b>
V <b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX(III-IV)</b>		<b>(2,531,218)</b>	<b>496,134</b>
VI Exceptional items	20	4,030,889	-
VII <b>PROFIT BEFORE TAX(V-VI)</b>		<b>(6,562,107)</b>	<b>496,134</b>
VIII <b>Tax Expense</b>			
Current Tax			
Deferred Tax Liability/(Asset)			
<b>TOTAL TAX EXPENSE</b>		-	-
IX <b>PROFIT FOR THE YEAR (VII-VIII)</b>		<b>(6,562,107)</b>	<b>496,134</b>
X <b>OTHER COMPREHENSIVE INCOME</b>			
(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		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)</b>		-	-
XI <b>TOTAL COMPREHENSIVE INCOME OF THE YEAR</b>		<b>(6,562,107)</b>	<b>496,134</b>
XII Earning per equity share:-Basic		(0.54)	0.04
Earning per equity share:-Diluted		-	-
Weighted average number of equity shares			
(Face value of Rs. 10 each)			
XIII <b>Significant accounting policies and notes on financial statements</b>			

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

**Mauli Rushil Mehta**  
Company Secretary

Place : Mumbai  
Date : 01st June, 2021

**KUMAKA INDUSTRIES LIMITED**  
**ANNUAL REPORT 2020-21**

KUMAKA INDUSTRIES LIMITED  
CIN- L99999MH1973PLC016315  
Cash Flow Statement for the period ended 31st March, 2021

(Rs.)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax	(6,562,107)	496,134
<b>Adjustments for:</b>		
Interest received	(457,452)	(300,693)
Dividend received	(3,150)	(5,040)
Interest	6,233	4,252
Depreciation	281,609	123,007
<b>Operating Profit before Working Capital Changes</b>	<b>(6,734,867)</b>	<b>317,659</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Inventory	-	-
(Increase)/Decrease in Trade Receivable	998,496	(543,461)
(Increase)/Decrease in Other Current Assets	76,002,073	(1,341,774)
Increase/(Decrease) in Trade Payable	387,588	35,193
Increase/(Decrease) in Current Liabilities	(54,966,856)	1,356,364
Cash generated from / (used in) operations	<b>15,686,434</b>	<b>(176,019)</b>
Direct Taxes paid	(507,849)	13,507
<b>Cash Flow from Operating Activities</b>	<b>15,178,585</b>	<b>(162,512)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property plant equipment	(94,756)	(3,730,324)
(Increase)/Decrease in Fixed Deposits	(15,439,686)	3,300,145
Interest received	428,172	379,662
Dividend received	3,150	5,040
<b>Net Cash used in Investing Activities</b>	<b>(15,103,120)</b>	<b>(45,477)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest paid	(6,233)	(4,252)
<b>Net Cash Generated from Financing Activities</b>	<b>(6,233)</b>	<b>(4,252)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>69,233</b>	<b>(212,241)</b>
<b>Cash &amp; Cash Equivalents (Opening)</b>	<b>125,077</b>	<b>337,318</b>
<b>Cash &amp; Cash Equivalents (Closing)</b>	<b>194,310</b>	<b>125,077</b>

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

**Mauli Rushil Mehta**  
Company Secretary

Place : Mumbai  
Date : 01st June, 2021

**KUMAKA INDUSTRIES LIMITED**  
**ANNUAL REPORT 2020-21**

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	Capital Reserve	General Reserve	Retained Earnings			
<b>Balance as at April 1,2019</b>	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
Transfer (to)/from Statement of Profit and Loss Account	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>120,856,250</b>	<b>292,203,750</b>	<b>-</b>	<b>40,178,015</b>	<b>(433,412,359)</b>	<b>168,368,758</b>	<b>67,338,164</b>	<b>188,194,414</b>
Transfer of profits to Capital Redemption Reserve	-	-	-	-	-	-	-	-
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	-	-	-
<b>Balance as at March 31 ,2020</b>	<b>120,856,250</b>	<b>292,203,750</b>	<b>-</b>	<b>40,178,015</b>	<b>(433,412,359)</b>	<b>168,368,758</b>	<b>67,338,164</b>	<b>188,194,414</b>
<b>Balance as at April 1,2020</b>	120,856,250	292,203,750	-	40,178,015	(433,412,359)	168,368,758	67,338,164	188,194,414
Transfer (to)/from Share capital	(103,750)	-	103,750	-	-	-	103,750	-
Profit for the year	-	-	-	-	(6,562,107)	-	(6,562,107)	(6,562,107)
Other comprehensive income	-	-	-	-	-	-	-	-
Transfer (to)/from Other comprehensive income	-	-	-	-	74,999,241	(74,999,241)	-	-
<b>Total comprehensive income</b>	<b>120,752,500</b>	<b>292,203,750</b>	<b>103,750</b>	<b>40,178,015</b>	<b>(364,975,224)</b>	<b>93,369,517</b>	<b>60,879,808</b>	<b>181,632,308</b>
Transfer (to)/from Statement of Profit and Loss Account	-	-	-	-	-	-	-	-
<b>Balance as at March 31 ,2021</b>	<b>120,752,500</b>	<b>292,203,750</b>	<b>103,750</b>	<b>40,178,015</b>	<b>(364,975,224)</b>	<b>93,369,517</b>	<b>60,879,808</b>	<b>181,632,308</b>

**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) **Capital Reserve**: Reserve arising from reduction of shares capital.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-33**

**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*

**Mauli Rushil Mehta**  
Company Secretary

Place : Mumbai  
Date : 01st June, 2021

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## KUMAKA INDUSTRIES LIMITED

### Corporate Information

The Company is promoted by Shri Pankaj M. Kadakia and is in the business of Manufacturing Chemicals.

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, 2021 and authorized for issue on June 01, 2021.

### 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.

#### 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.

#### 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



# KUMAKA INDUSTRIES LIMITED

## ANNUAL REPORT 2020-21

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 recognised 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.

#### **(vi) Employee Benefits**

##### **Short Term Employee Benefits**

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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 realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable 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 tax paying 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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

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 lessors. 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 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.

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

- 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 judgement, 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 capitalisation 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 nor 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.

## KUMAKA INDUSTRIES LIMITED ANNUAL REPORT 2020-21

KUMAKA INDUSTRIES LIMITED

**Note 2 : Property, Plant and Equipment**

Description	Land	Lease hold Land	Motor Car	Computers	Furniture and Fixtures	Air Conditioner	CC TV Camera	Fire Enstiguisher	Water Treatment Plant	Eto Sterilizer Plant (M.S.)	Weight Scale	Total
Cost/Deemed cost as at April 1,2020	137,045,222	9,198,500	320,346	27,800	458,938	23,990	-	-	200,000	2,688,444	18,600	149,981,840
Additions	-	-	-	-	-	27,336	59,830	7,590	-	-	-	94,756
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Cost/Deemed cost as at March 31,2021	137,045,222	9,198,500	320,346	27,800	458,938	51,326	59,830	7,590	200,000	2,688,444	18,600	150,076,596
Accumulated depreciation as at April 1,2020	-	-	(249,280)	(27,800)	(226,024)	(13,674)	-	-	(28,442)	(36,367)	(678)	(582,265)
Depreciation for the period	-	-	(38,057)	-	(40,436)	(8,927)	(7,350)	(466)	(12,660)	(170,179)	(3,534)	(281,609)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31,2021	-	-	(287,337)	(27,800)	(266,460)	(22,601)	(7,350)	(466)	(41,102)	(206,546)	(4,212)	(863,874)
<b>Net carrying amount as at March 31,2021</b>	<b>137,045,222</b>	<b>9,198,500</b>	<b>33,009</b>	<b>-</b>	<b>192,478</b>	<b>28,725</b>	<b>52,480</b>	<b>7,124</b>	<b>158,898</b>	<b>2,481,898</b>	<b>14,388</b>	<b>149,212,722</b>

Description	Land	Lease hold Land	Motor Car	Computers	Furniture and Fixtures	Air Conditioner	CC TV Camera	Fire Enstiguisher	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)
<b>Net carrying amount as at March 31,2020</b>	<b>137,045,222</b>	<b>9,198,500</b>	<b>71,066</b>	<b>-</b>	<b>232,914</b>	<b>10,316</b>	<b>-</b>	<b>-</b>	<b>171,558</b>	<b>2,652,077</b>	<b>17,922</b>	<b>149,399,575</b>



**KUMAKA INDUSTRIES LIMITED**  
**ANNUAL REPORT 2020-21**

**KUMAKA INDUSTRIES LIMITED**

Particulars	31st March, 2021	31st March, 2020
<b>Note 3 : Investments</b>		
<b><u>Investments Measured at Fair Value through OCI</u></b>		
<b><u>In Equity Shares of Former Subsidiary Unquoted, fully paid up</u></b>		
16,55,000 ( 16,55,000) Kadakia Alkalies & Chemicals Ltd of Rs.10/- each.	82,750	82,750
<b>Total</b>	<b>82,750</b>	<b>82,750</b>
<b>Note 4 : Other Financial Assets</b>		
<b>(A) Other Financial Assets - Non- Current</b>		
<b>Security Deposits</b>		
<b>a) Considered good</b>		
Deposit with GEB(DGVCL),GIDC Ankleshwar	3,693,196	3,693,196
Security Deposit	764,100	764,100
Deposits on Behalf of Kadakia Alkalies and Chemicals LTD with GEB (DGVCL)	10,311,032	10,311,032
<b>b) Credit Impaired</b>		
Deposit with DGVCL	209,024	209,024
Less: Provision for Doubtful Advances	(209,024)	(209,024)
<b>Total</b>	<b>14,768,328</b>	<b>14,768,328</b>
<b>(B) Other Financial Assets - Current</b>		
<b>a) Considered good</b>		
Interest receivable on bank Fixed Deposits	29,880	600
<b>b) Credit Impaired</b>	-	-
	<b>29,880</b>	<b>600</b>
<b>Note 5 : Loans Receivables</b>		
<b><u>a) Unsecured, Considered Goods</u></b>	-	-
<b><u>b) Credit Impaired</u></b>		
Interest free Advances to Related Parties	149,168,350	149,168,350
Less: Provision for Doubtful Advances	(149,168,350)	(149,168,350)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Note 6 : Income Taxes</b>		
Advance Income Tax (Net of Provision for Tax)	1,133,819	625,970
	<b>1,133,819</b>	<b>625,970</b>



**KUMAKA INDUSTRIES LIMITED**

Particulars	31st March, 2021	31st March, 2020
<b>Note 7 : Other Assets - Non Current</b>		
<b>a) Unsecured, Considered Goods</b>		
Capital Advances	629,111	629,111
<b>b) Credit Impaired</b>		
Other Advances	243,840	243,840
Less: Provision for Doubtful Advances	(243,840)	(243,840)
	-	-
<b>Total</b>	<b>629,111</b>	<b>629,111</b>
<b>Note 8 : Trade Receivables</b>		
<b>a) Unsecured, Considered Goods</b>		
	225,505	1,224,001
<b>b) Credit Impaired</b>		
Less: Provision for doubtful debts	2,530,447	2,530,447
	(2,530,447)	(2,530,447)
	-	-
<b>Total</b>	<b>225,505</b>	<b>1,224,001</b>
<b>Note 9A :Cash and Cash Equivalents</b>		
Cash on Hand	481	167
<b>Balance with banks:</b>		
In Current Accounts	193,829	124,910
<b>Total</b>	<b>194,310</b>	<b>125,077</b>
<b>Note 9B: Other Bank Balances</b>		
In Fixed Deposits (having maturity more than 3 months & held as security)	82,221	50,855
Fixed Deposits held at Margin Money , Gaurantee and Other Commitment	18,266,547	2,858,227
<b>Total</b>	<b>18,348,768</b>	<b>2,909,082</b>
<b>Note 10 : Other Current Assets</b>		
Indirect Taxes Recoverable	96,099	384,172
Advances recoverable in cash or kind	730,844	748,844
Assets Held for Sale	-	75,696,000
<b>Total</b>	<b>826,943</b>	<b>76,829,016</b>

**KUMAKA INDUSTRIES LIMITED**  
**ANNUAL REPORT 2020-21**

**KUMAKA INDUSTRIES LIMITED**

Particulars	31st March, 2021	31st March, 2020
<b>Note 11 : Share Capital</b>		
a) Authorised :		
1,50,00,000 Equity Shares @Rs. 10/- each	150,000,000	150,000,000
	<b>150,000,000</b>	<b>150,000,000</b>
b) Issued, Subscribed and Fully Paid up :		
120,75,250 Equity Shares @ Rs.10/- each fully paid up.	120,752,500	120,856,250
	<b>120,752,500</b>	<b>120,856,250</b>

**Note:**

(A) 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%.

(B) Hence the Board and later on the members at Annual General Meeting (AGM) considered it appropriate to issue one fully paid share in lieu of four partly paid shares. However Bombay Stock Exchange (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 approached Hon'ble High Court of Bombay. Thereafter the same was transferred to NCLT (Mumbai Bench) in the matter with a Scheme and Arrangement to modify/reset its Share capital.

In pursuance to The Hon'ble NCLT (Mumbai Bench) order dated 06th July, 2020, The Company has reduced its equity share capital by Rs 1,03,750 by extinguishment 10375 equity shares of Rs 10 each.

(C) The Hon'ble National Company Law Appellate Tribunal (Hon'ble NCLAT) vide its order no. 136/2020 dtd. 20th October, 2020 had set aside the order of The Hon'ble NCLT, Mumbai Bench and has directed the Company to undo all the actions taken in line with the scheme sanctioned by the Hon'ble NCLT.

The Company in its Board meetings and in its unaudited quarterly results for September 2020 and December 2020 quarter has stated that Hon'ble NCLAT order dated 20th October,2020 is being implemented.

The Board of Directors/The Management has decided to give effect the Hon'ble NCLAT order on undoing:

- i. reduction of the share capital of 10375 shares of Rs.10 each amounting to Rs. 1,03,750/-.
- ii. Extinguishment of 603250 fully paid-up shares of Rs.10 each included in the said share capital and reinstating 2413000 partly paid-up shares at Rs. 2.50 each.

(D) The Company has sought directions/clarification from the Hon'ble NCLAT and concerned Registrar and Transfer Agents vide its application dtd. 16-03-2021 and Acknowledgement no. 9910138/01397/2021. Pending directions/clarification from the Hon'ble NCLAT no effect has been given in the financial statements for the year ended 31-03-2021.

The impact of uncertainty arising from NCLAT's order on matters stated above is currently unascertainable. Consequently, the Company is unable to estimate the impact, if any, that may result from a conclusion of these matters on the standalone financial statements for the year ended 31st March 2021.

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

	31-03-2021		31-03-2020	
	No. of Shares	Amount(Rs.)	No. of Shares	Amount(Rs.)
Equity Shares outstanding at the beginning of the year	12,085,625	120,856,250	12,085,625	120,856,250
Fresh Issue/ESOP/Bonus Issue of Shares	-	-	-	-
Redemption/Buy-back of Shares	10,375	103,750	-	-
Equity Shares outstanding at the end of the year	12,075,250	120,752,500	12,085,625	120,856,250

**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	31-03-2021		31-03-2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1.Mr.Pankaj Manilal Kadakia Director	2,819,075	23.34%	2,829,450	23.41%
2.Mrs.Madhavi Pankaj Kadakia	3,907,850	32.33%	3,907,850	32.33%
3.Mr.Shyam Pankaj Kadakia	2,923,250	24.19%	2,923,250	24.19%
4.Ms.Niyati Pankaj Kadakia	911,600	7.54%	911,600	7.54%

Particulars	31st March, 2021	31st March, 2020
<b>Note 12 : Other Equity</b>		
<b>Securities Premium Account:</b>		
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
<b>Capital Resereve</b>		
At the beginning of the year	-	-
Addition during the year	103,750	-
Less:Utilised/Transferred during the year	-	-
At the end of the year	103,750	-
<b>General Reserve:</b>		
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
<b>Retained Earnings</b>		
At the beginning of the year	(433,412,359)	(433,908,492)
Add:Profit/(Loss) for the year	(6,562,107)	496,134
Add : Revaluation surplus on sale of land tranafer from Other Comprehensive Income (OCI)	74,999,241	-
Less:Utilised/Transferred during the year	-	-
At the end of the year	(364,975,224)	(433,412,359)
<b>Other Comprehensive Income (OCI)</b>		
At the beginning of the year	168,368,758	168,368,758
Add: Movement in OCI during the year	-	-
Less : Revaluation surplus on sale of land tranafer to retained Earnings	(74,999,241)	-
At the end of the year	93,369,517	168,368,758
<b>Total</b>	<b>60,879,808</b>	<b>67,338,164</b>

**KUMAKA INDUSTRIES LIMITED**  
**ANNUAL REPORT 2020-21**

**KUMAKA INDUSTRIES LIMITED**

Particulars	31st March, 2021	31st March, 2020
<b>Note13 (A) : Short Term Borrowings</b>		
<u>From Director</u>	621,506	-
<b>Total</b>	<b>621,506</b>	<b>-</b>
<b>Note 13 (B) : Other Current Liabilities</b>		
Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes,GST, TDS, etc.)	106,796	2,400
Provision for Other Expenses	650,417	741,379
Payable for Capital Projects	811,540	741,760
Director Remuneration Payable	1,206,000	417,100
Advance From Customers	788	67,744
Advances Received against Sale of Land	-	56,393,520
<b>Total</b>	<b>2,775,541</b>	<b>58,363,903</b>
<b>Note 14 : Revenue from Operations</b>		
Sale of Products	625,606	1,042,865
Sale of Services (ETO Service Charges)	3,498,484	900,355
<b>Revenue from Operations (Net)</b>	<b>4,124,090</b>	<b>1,943,220</b>
<b>Note 15 : Other Income</b>		
Interest Earned on Investments	457,452	300,693
Interest on IT Refund	2,812	2,502
Miscellaneous Income	12,550	1,443,180
Sundry Balance written back	127,156	18,420
Dividend Income	3,150	5,040
<b>Total</b>	<b>603,120</b>	<b>1,769,835</b>
<b>Note 16 : Cost of Materials Consumed</b>		
Opening Stock of Raw Materials	-	-
Add:Purchases	1,197,201	109,061
Less: Closing Stock of Raw Materials	-	-
<b>Total Cost of Materials Consumed</b>	<b>1,197,201</b>	<b>109,061</b>
<b>Note 17 : Employees Benefit Cost</b>		
Salaries & Wages/Service Charges	1,445,527	402,006
Director's Remuneration	900,000	500,000
<b>Total</b>	<b>2,345,527</b>	<b>902,006</b>

**KUMAKA INDUSTRIES LIMITED**  
**ANNUAL REPORT 2020-21**

**KUMAKA INDUSTRIES LIMITED**

Particulars	31st March, 2021	31st March, 2020
<b>Note 18 : Other Expenses</b>		
<b><u>Selling and Distribution Expenses:</u></b>		
Advertisement Expenses	32,491	21,601
	<b>32,491</b>	<b>21,601</b>
<b><u>Establishment Expenses:</u></b>		
Motorcar Expenses	-	6,889
Electricity charges	36,215	77,278
Repairs & Maintainance	72,216	16,800
Rent Rates & Taxes	507,273	125,600
Licence, Subscription & Other Fees	23,715	63,760
Expenses on Directors other than Remuneration	35,000	57,555
Computer Repairs & Internet Charges	12,434	12,148
Insurance Charges	15,870	6,774
Sundry Balance written off	568,524	-
Printing & Stationery Expenses	20,220	140,466
Postage, Telephone & Other Expenses	31,919	84,723
Travelling & Conveyance Expenses	53,262	198,739
AP PROJECT EXPS.	-	78,000
Miscellaneous Expenses	716,515	167,606
Legal & Professional Fees	1,102,204	820,657
Payment to Auditors	200,000	200,000
	<b>3,395,366</b>	<b>2,056,995</b>
<b>Total</b>	<b>3,427,857</b>	<b>2,078,596</b>
<b>Note 19 : Finance Cost</b>		
Bank Charges & Commission	4,626	4,252
Processing charges	-	-
Other Interest & Finance Charges	1,607	-
<b>Total</b>	<b>6,233</b>	<b>4,252</b>
<b>Note 20 : Exceptional Items</b>		
N U PENALTY	3,807,908	-
NAA charges	222,981	-
Land revenue/Water Taxes Paid	-	-
Legal Cases settlement cost	-	-
Loss on Sale of Fixed Assets	-	-
Less: Transfer from Revaluation reserve	-	-
<b>Total</b>	<b>4,030,889</b>	<b>-</b>

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## 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. 2012-13	30,51,500	DY. Comm. of I.T. Mumbai
2	Income Tax	A.Y. 2014-15	44,51,160	CIT- Appeal Mumbai
3	Excise Duty	F.Y. 1996-97	90,00,000	CESTAT (Tribunal) Ahmedabad

#### Note.

1. Against Statutory dues of Rs.90,00,000/- towards Excise duty Rs.6,75,151/- have been paid in earlier years.
2. 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

1. 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/-
2. 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 changes 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 31<sup>st</sup> March, 2021 to Managing Director Rs. 9,00,000 (P.Y. Rs. 5,00,000/-)

Sitting Fees paid to Non- Executive/ Independent Directors -

Remuneration	2020-21	2019-20
	Rs.	Rs.
Sitting Fees	35,000	17,000

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## 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		2020-21	2019-20
<b>Basic &amp; Diluted EPS :</b>			
Net Profit (Loss) after Tax for the year (Rs.)	A	(65,62,107)	4,96,134
Weighted Average No. of Shares (In Nos)	B	1,20,75,250	1,20,85,625
Basic & Diluted Earnings Per Share of Face Value of Rs 10 Per Share.	C (A/B)	<b>(0.54)</b>	<b>0.04</b>

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

### A. List of related parties.

#### a. Key Management Personnel (KMP)

- (i) Shri Pankaj M Kadakia - Managing Director.
- (ii) Shri Bharat A Parikh - Chief Financial Officer
- (iii) Mauli Rushil Mehta - Company Secretary

#### b. Relatives of Key Management Personnel:

- (i) Pankaj M Kadakia (HUF)
- (ii) Mrs. Madhavi Pankaj Kadakia
- (iii) Mr. Shyam Pankaj Kadakia

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

- (i) Kadakia Alkalies & Chemicals Ltd.
- (ii) USM Enterprises
- (iii) Ashok Cellulose Limited

### B. Details of transaction with related parties

Amount in Rs. Lacs

Nature of Transaction	KMP	Other Related Parties	Total
Remuneration paid	9.00 (5.00)	NIL (NIL)	9.00 (5.00)

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## C. Closing Balances

Nature of Transaction	Amount in Rs. Lacs		
	KMP	Other Related Parties	Total
<b>Loans (Non Current Assets)</b>	<b>NIL</b> <i>(NIL)</i>	<b>NIL</b> <i>(Nil)</i>	<b>Nil</b> <i>(Nil)</i>
<b>Investments</b>	<b>NIL</b> <i>(NIL)</i>	<b>0.82</b> <i>(0.82)</i>	<b>0.82</b> <i>(0.82)</i>
<b>Short Term Borrowings</b>	<b>6.21</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>6.21</b> <i>(NIL)</i>
<b>Other Current Liabilities</b>	<b>12.06</b> <i>(4.17)</i>	<b>NIL</b> <i>(NIL)</i>	<b>Nil</b> <i>(NIL)</i>

\*Figures in Italic and brackets are pertains to previous year

## 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 counterpart and other macro - economic factors.



# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

## **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:

- a. 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
- b. 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**

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. The Company continues to consider possible effects that may result from the global pandemic COVID -19 in preparation of these financials including recoverability of carrying amount of all its assets. In developing the assumptions relating to the future uncertainties in the economic conditions due to COVID-19 it has at the date of approval

# KUMAKA INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

of these results, considered relevant internal and external sources of information. Based on such information and its judgments, estimates and assumptions the Company expects that the carrying amount of all its assets is recoverable. The Company will continue to closely monitor any material changes to future economic conditions and its impact on the Company. The actual impact of COVID-19 may be different from that estimated as on the date of approval of these financial results.

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

**Prakash R. Muni**

*Partner*

*Membership No.030544*

**For and on behalf of the Board**

**Pankaj M. Kadakia**

*Managing Director*

*DIN- 00166339*

**Dr. Niranjan M. Pandya**

*Director*

*DIN- 00385689*

**Bharat A Parikh**

*Chief Financial Officer*

**Mauli Rushil Mehta**

*Company Secretary*

**Place: Mumbai**

**Date: 01<sup>st</sup> June 2021**