



# DAMODAR INDUSTRIES LIMITED

Date: August 22, 2020

To,  
The Manager – CRD  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai – 400001  
Ref.: Script Code 521220

To,  
National Stock Exchange of India Limited  
The Corporate Relation Department,  
Exchange Plaza, Plot no. C/1, G Block  
Bandra - Kurla Complex  
Bandra (E) Mumbai - 400 051  
Script Symbol : DAMODARIND

Dear Sir/Madam,

Subject: Annual Report for the Financial Year 2019-2020.

With regards to captioned subject, and pursuant to Regulation 34(1) of Securities Exchange board of India (Listing Obligations and Disclosures requirements) Regulations, 2015, we hereby enclose herewith Annual Report for the F.Y 2019-20.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,

For Damodar Industries Limited

  
Subodh Kumar Soni  
Company Secretary

Regd. Office : 19/22 & 27/30, Madhu Estate, Pandurang Budhkar Marg, Worli, Mumbai - 400 013.

Tel : + 91-22-66610301/ 02/ 08, + 91-22-49763180/ 3203

Factory : Survey No. 265 / 10 / 1, Demni Road, Dadra Village, D.& N. H. (U. T.) - 396 230 Tel.: 0260 3253390

:T- 26, MIDC Amravati, Addl. Indl. Area, MIDC, Textile Park, Nandgaon Peth, Maharashtra - 444 901.

Email : cs@damodargroup.com | Website : www.damodargroup.com | GST No. : 27AAACD3850G1ZV | CIN : L17110MH1987PLC045575





**DAMODAR**  
INDUSTRIES LIMITED



**32<sup>nd</sup>**  
**ANNUAL REPORT**  
**2019-20**

***Tomarrow Creativity***  
***Brought Today***

## 5 YEAR SNAP SHOT:

( ₹ in Cr.)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Turnover	767.92	771.38	649.65	704.02	620.94
Total Income	770.62	773.72	651.85	704.74	621.37
Total Expenses	781.78	761.40	634.15	690.91	593.27
PBDIT	45.67	38.65	37.13	38.24	41.10
Interest	33.80	13.92	10.96	12.53	13.00
PBDT	11.87	24.73	26.17	25.71	28.10
Depreciation	23.03	12.41	8.47	11.88	12.78
PBT	(11.16)	12.32	17.70	13.83	15.32
Tax	4.22	3.96	5.99	4.78	4.92
PAT	(6.94)	8.36	11.71	9.05	10.40
Earning Per Share ( EPS)	(2.98)	3.76	10.53	8.13	9.34
Equity Share Capital	11.65	11.12	11.12	11.12	11.12
Dividend ( % )	0	15	30	28	27

### Important Communication to Members

The Ministry of Corporate Affaires has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses to the Company or its Registrar and Share Transfer Agents (RTA).

You are requested to send an e-mail to for register your e-mail ID with Name of 1st registered shareholder, Folio/DP ID & Client ID. On registration, all the communication will be sent to the e-mail ID registered in the Folio/DP ID & Client ID.



## CORPORATE INFORMATION

### Board of Directors

**Mr. Arunkumar Biyani**  
Chairman (DIN:00016519)

**Mr. Ajay D. Biyani**  
Managing Director (DIN:00014896)

**Mr. Anil D. Biyani**  
Executive Director (DIN:00016554)

**Mr. Ketan K. Patel**  
Independent Director  
(DIN:00014896)

**Mrs. Farida Bomi Jambusarwalla**  
Independent Director  
(DIN:07139945)

**Mr. Pankaj Srivastava**  
Independent Director  
(DIN:06716582)

### Registered Office

**Damodar Industries Limited**  
19/22 & 27/30, Madhu Estate,  
Pandurang Budhkar Marg, Worli, Mumbai – 400 013  
Maharashtra.  
Ph.: 022-66610301-2, Fax: 022-66610308  
E-mail: cs@damodargroup.com Website: www.damodargroup.  
com CIN No.: L17110MH1987PLC045575

### Registrar & Share Transfer Agent

Link Intime India Pvt. Limited,  
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),  
Mumbai – 400083  
Tel. No.: 022- 49186000  
Fax No.: 022- 49186060  
E-mail: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.com

**Chief Financial Officer**  
Sheetal Prashad Singhal

**Company Secretary & Compliance Officer**  
Mr. Subodh Kumar Soni

**Auditors**  
M/s. Jitendra Mishra & Company  
Chartered Accountants, Mumbai

**Cost Auditors**  
M/s. Dilip M. Bathija  
Cost Accountants

**Bankers**  
State Bank of India  
Bank of Baroda  
Kotak Mahindra Bank Limited  
Yes Bank Limited  
HDFC Bank Ltd.

### Plant Location

- Survey No. 265/10/1, 2 & 3  
Demni Road, Dadra Village, D. & N.H. (U.T.) – 396230  
Ph.: 0260-3264788, Fax: 0260-2668929
- Plot No. 165/67/68, Dabhel Ind. Co.-Op. Soc.  
Dabhel, Nani Daman (U.T.) - 396210
- T-26, Add. Textile Park (MIDC Amravati) Amravati,  
Maharashtra - 444605

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## DAMODAR INDUSTRIES LIMITED

Reg. 19/22 & 27/30, Madhu Estate, Pandurang Budhkar Marg, Worli, Mumbai – 400 013

CIN: L17110MH1987PLC045575

Tel. No. – 22-66610301/2, Fax – 22-66610308

E-Mail – [cs@damodargroup.com](mailto:cs@damodargroup.com) website: [www.damodargroup.com](http://www.damodargroup.com)

### Notice of 32<sup>nd</sup> (Thirty-second) Annual General Meeting

Notice is hereby given that the **32<sup>nd</sup> Annual General Meeting** (AGM) of the Members of **Damodar Industries Limited** (“Company”) will be held on Friday, September 18, 2020 through Video Conferencing(“VC”) / Other Audio Visual Means (“OAVM”) at 11.30 a.m. to transact the following business(es):

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajay D. Biyani (DIN: 00014896) who retires by rotation and, being eligible, offers himself for re-election.
3. To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the thirty seventh Annual General Meeting and to fix their remuneration:

“**RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s Swati Kanse & Co. Chartered Accountant (FRN:132689W), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of thirty seventh Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively.”

#### SPECIAL BUSINESS

4. **To approve remuneration of the Cost Auditors for the financial year 2019-20**

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

“**RESOLVED THAT** in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 and other applicable provisions, if any and as recommended by the Audit Committee, the Company hereby approves the remuneration payable of ₹ 40,000/- (Rupees Forty Thousand Only) inclusive of out-of-pocket expenses to be paid to Mr. Dilip M. Bathija, Cost accountants (Mem. No. 10904) Cost Auditor appointed by the Board of Directors of the Company to conduct audit of the cost accounting records of the Company for the financial year 2020-21.

**FURTHER RESOLVED THAT** any Director and/or Company Secretary of the Company be and is/are hereby authorized to file necessary forms with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution.”

5. **To re-appoint Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) as an Independent Director for a second term of 5 (five) years**

To Consider and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (hereinafter referred to as “the Act”) (including any statutory modifications or re-enactment thereof for the time being in force), Mrs. Farida Bomi Jambusarwalla (DIN: 07139945), Independent Director of the Company, who is not disqualified from being appointed as Director in





terms of Section 164 of the Act and has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on her evaluation of performance, the Nomination and Remuneration Committee has recommended her re-appointment to the Board, be and is hereby re-appointed as a Director (Non-Executive, Independent Director) of the Company to hold office for a second term of 5 (Five) years, commencing from March 30, 2020 to March 29, 2025, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Director(s) and / or Company Secretary of the Company be and are / is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

#### 6. Appointment of Mr. Pankaj Srivastava (DIN: 06716582) as Non-Executive Independent Director of the Company.

To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (hereinafter referred to as “the Act”) (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Pankaj Srivastava (DIN: 06716582) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. May 11, 2020, pursuant to Section 161 of the Act and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom, the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company and who is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations, be and is hereby appointed as a Non-Executive & Independent Director of the Company, on the Board of the Company to hold office for a term upto 5 (five) consecutive years from the date of appointment i.e. May 11, 2020 to May 10, 2025, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Director(s) and / or Company Secretary of the Company be and are / is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

#### 7. To re-appoint Mr. Arunkumar Biyani as the Chairman and Wholetime Director of the Company for a further term of 3 (three) years

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, and such other provisions to the extent applicable, and as recommended and approved by the Nomination and Remuneration Committee of the Board of Directors of the Company and the Board of Directors of the Company at their respective meetings held on March 26, 2020, Mr. Arunkumar Biyani be and is hereby reappointed as the Chairman & Wholetime Director of the Company with effect from April 1, 2020 for a further period of 3 (three) years, i.e. up to March 31, 2023 on the same terms and conditions which are as follows:

- 1) Base salary: A salary of ₹ 54,00,000/- (Rupees Fifty Four Lacs Only) per annum plus incentives and perquisites as mentioned below.
- 2) Incentives: Annual incentive – Performance based pay-out with maximum eligibility up to 50% of the base salary;
- 3) Perquisites:
  - a) Medical benefits for self and family: All medical expenses incurred by the Chairman & Wholetime Director and his family shall be reimbursed in accordance with the Medclaim Policy.
  - b) Personal Accident Insurance: Group Personal Accident Insurance Policy as applicable, as per the rules of the company.
  - c) Reimbursement of expenses: The Company shall reimburse to the Chairman & Wholetime Director, all the actual expenses incurred wholly, necessarily and exclusively for and on behalf of the Company and / or incurred in performance of the duties of the Company.



d) Retirement Benefits:

Provident Fund: The Company's contribution to Provident Fund not exceeding 12% of the basic salary, as per the rules of the Company.

Gratuity: Gratuity at the rate of half-month's basic salary for each completed year of service.

Superannuation Fund: Company may contribute or allow transfer to Superannuation Fund, as per the rules of the Company.

Leave: Directors shall be entitled for leave with full pay or encashment thereof, as per the rules of the Company.

Explanation: "family" shall mean the spouse, the dependent children and the dependent parents of the Chairman & Wholetime Director."

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to vary the remuneration of Mr. Arunkumar Biyani, Chairman & Wholetime Director, from time to time within the limits prescribed and permitted under the Companies Act, 2013, as amended, during his term of office without being required to seek any fresh approval of the shareholders of the Company and the decision of the Nomination and Remuneration Committee shall be final and conclusive in that regard.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to finalise other terms of appointment and scope of work as may be in the overall interest of the Company."

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution."

**8. To re-appoint Mr. Ajay Biyani as the Managing Director of the Company for a further term of 3 (three) years**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, and such other provisions to the extent applicable, and as recommended and approved by the Nomination and Remuneration Committee of the Board of Directors of the Company and the Board of Directors of the Company at their respective meetings held on March 26, 2020, Mr. Ajay Biyani, Managing Director of the Company with effect from April 1, 2020 for a further period of 3 (three) years, i.e. up to March 31, 2023 on the same terms and conditions which are as follows:

- 1) Base salary: A salary of ₹ 54,00,000/- (Rupees Fifty Four Lacs Only) per annum plus incentives and perquisites as mentioned below.
- 2) Incentives: Annual incentive – Performance based pay-out with maximum eligibility up to 50% of the base salary;
- 3) Perquisites:
  - a) Medical benefits for self and family: All medical expenses incurred by the Managing Director and his family shall be reimbursed in accordance with the Mediclaim Policy.
  - b) Personal Accident Insurance: Group Personal Accident Insurance Policy as applicable, as per the rules of the company.
  - c) Reimbursement of expenses: The Company shall reimburse to the Managing Director, all the actual expenses incurred wholly, necessarily and exclusively for and on behalf of the Company and / or incurred in performance of the duties of the Company.
  - d) Retirement Benefits:



Provident Fund: The Company's contribution to Provident Fund not exceeding 12% of the basic salary, as per the rules of the Company.

Gratuity: Gratuity at the rate of half-month's basic salary for each completed year of service.

Superannuation Fund: Company may contribute or allow transfer to Superannuation Fund, as per the rules of the Company.

Leave: Directors shall be entitled for leave with full pay or encashment thereof, as per the rules of the Company.

Explanation: "family" shall mean the spouse, the dependent children and the dependent parents of the Managing Director."

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to vary the remuneration of Mr. Ajay Biyani as the Managing Director of the Company, from time to time within the limits prescribed and permitted under the Companies Act, 2013, as amended, during his term of office without being required to seek any fresh approval of the shareholders of the Company and the decision of the Nomination and Remuneration Committee shall be final and conclusive in that regard.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to finalise other terms of appointment and scope of work as may be in the overall interest of the Company."

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution."

#### 9. To re-appoint Mr. Anil D. Biyani as the Wholetime Director of the Company for a further term of 3 (three) years

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, and such other provisions to the extent applicable, and as recommended and approved by the Nomination and Remuneration Committee of the Board of Directors of the Company and the Board of Directors of the Company at their respective meetings held on March 26, 2020, Mr. Anil D. Biyani be and is hereby reappointed as the Wholetime Director of the Company with effect from April 1, 2020 for a further period of 3 (three) years, i.e. up to March 31, 2023 on the same terms and conditions which are as follows:

- 1) Base salary: A salary of ₹ 54,00,000/- (Rupees Fifty Four Lacs Only) per annum plus incentives and perquisites as mentioned below.
- 2) Incentives: Annual incentive – Performance based pay-out with maximum eligibility up to 50% of the base salary;
- 3) Perquisites:
  - a) Medical benefits for self and family: All medical expenses incurred by the Wholetime Director and his family shall be reimbursed in accordance with the Mediclaim Policy.
  - b) Personal Accident Insurance: Group Personal Accident Insurance Policy as applicable, as per the rules of the company.
  - c) Reimbursement of expenses: The Company shall reimburse to the Wholetime Director, all the actual expenses incurred wholly, necessarily and exclusively for and on behalf of the Company and / or incurred in performance of the duties of the Company.
  - d) Retirement Benefits:





Provident Fund: The Company's contribution to Provident Fund not exceeding 12% of the basic salary, as per the rules of the Company.

Gratuity: Gratuity at the rate of half-month's basic salary for each completed year of service.

Superannuation Fund: Company may contribute or allow transfer to Superannuation Fund, as per the rules of the Company.

Leave: Directors shall be entitled for leave with full pay or encashment thereof, as per the rules of the Company.

Explanation: "family" shall mean the spouse, the dependent children and the dependent parents of the Wholetime Director."

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to vary the remuneration of Mr. Anil D. Biyani, Wholetime Director, from time to time within the limits prescribed and permitted under the Companies Act, 2013, as amended, during his term of office without being required to seek any fresh approval of the shareholders of the Company and the decision of the Nomination and Remuneration Committee shall be final and conclusive in that regard.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to finalise other terms of appointment and scope of work as may be in the overall interest of the Company."

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution."

#### 10. Approval of Related Party Transactions

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

**"RESOLVED THAT** in suppression to the earlier resolution passed at the 31<sup>st</sup> Annual General Meeting held on August 13, 2019 and pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Companies (Meeting of the Board and its Powers) Rules, 2014 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto ("SEBI Listing Regulations"), the provisions of the Memorandum and Articles of Association of the Company and the applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include the Audit Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution), for entering into the Material Related Party Transaction(s) as entered/to be entered into by the Company with effect from date of passing this resolution at ensuing Annual General Meeting and every year thereafter, up to the maximum amount per annum as appended in table below:

Sl. No.	Name of Related Parties	Nature of Transactions	Estimated Amount (₹ in Crores)
1.	Suam Overseas Pvt. Ltd.	Sale/Purchase/Job Work	160.00
2.	Shri Damodar Yarn Manufacturing Pvt. Ltd.	Sale/Purchase/Job Work	75.00
3.	Damosuam Carriers Private Limited	Transport Services	2.50
4.	Arunkumar Biyani, Ajay Biyani and Anil D. Biyani	Interest on Loan	4.00
5.	Aditya Biyani, Payal Biyani, Abhishek Biyani, Radhika Biyani, Aman Biyani, Bhawna Biyani, Manju Biyani, Sanju Biyani, Kanta Biyani, Akshay Biyani, Reiya Biyani, Risha Biyani, Savitridevi Damodarlal Biyani, Arunkumar Biyani-HUF, Ajay Biyani-HUF, Damodarlal Biyani-HUF, Kiara Biyani, Jia Biyani	Interest on Fixed Deposits	3.00
6.	Aditya Biyani, Aman Biyani, Akshay Biyani, Payal Biyani, Kiara Biyani, Radhika Biyani, Jia Biyani,	Remuneration to Employee	3.00
7.	Shri Damodar Foundation	Leasing/sublease/rent for office	3.00



AND to do all such acts, deeds, matters and things, etc. as may be necessary or desirable including any negotiation/ re-negotiation/ modification/ amendments to or termination thereof, of the subsisting arrangements/ transactions or any future arrangements/ transactions and to make or receive/ pay monies in terms of such arrangements/ transactions.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded to the Board of Directors of the Company and/ or a Committee thereof, to severally do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related parties and severally execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving full effect to this resolution, in the best interest of the Company.”

#### 11. Approval of Acceptance of Fixed Deposits

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

“**RESOLVED THAT** pursuant to the provisions of Section 73 and 76 and read with Companies (Acceptance of Deposit) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for acceptance of deposits from its members and public on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever and appointment of trustee for depositors and obtain the credit rating from credit rating agencies and extent of deposit insurance from insurance company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

**Registered Office:**

19/22 & 27/30, Madhu Estate,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 013

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

Sd/-  
**Subodh Kumar Soni**  
Company Secretary

Place : Mumbai  
Date : July 31, 2020



## NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business(es) at Sr. 4 to 11 to be transacted at the Annual General Meeting is annexed hereto. The relevant details as required under regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of SS-2 (Secretarial Standards – 2) on General meetings by the Institute of Company Secretaries of India, in respect of the person seeking appointment / re-appointment as Directors under item no. 5,6,7,8 and 9 of the Notice, is also annexed.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as “MCA Circulars”) permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 32<sup>nd</sup> Annual General Meeting of the Members of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. 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 [cs@damodargroup.com](mailto:cs@damodargroup.com) and to its RTA at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in)
5. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Notice of the 32<sup>nd</sup> Annual General Meeting of the Company along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company’s website [www.damodargroup.com](http://www.damodargroup.com) and also on website of the Stock Exchanges i.e BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Exchange of India at [www.nseindia.com](http://www.nseindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 12<sup>th</sup> August 2020 to Friday, 14<sup>th</sup> August, 2020 (both days inclusive) for the purpose of the Thirty-second Annual General Meeting of the Company.
8. Since the Thirty-second AGM will be held through VC/OAVM, the route map is not annexed.
9. Members are requested to:

- i) Register their email ID and Bank Account details:

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

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

- a) 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.

- b) 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.

- ii) Intimate the Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd., for consolidation into a single folio Members, if they have shares in physical form in multiple folios in identical names or joint holding in the same order of names.
  - iii) Convert their holdings in dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members can write to the company’s registrar and share transfer agent in this regard.
  - iv) Members may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. Members holding shares in physical form may obtain the Nomination forms from the Company’s Registrar and Share Transfer Agents and Members holding shares in electronic form may obtain the Nomination forms from their respective Depository Participant(s).
10. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
  11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Pvt. Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
  12. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by sending E-mail to Company on [cs@damodargroup.com](mailto:cs@damodargroup.com).
  13. Members desiring any information relating to the Accounts are requested to address their queries to the Registered Office of the Company at least seven days before the date of the AGM, to enable the management to keep the information ready.
  14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
  15. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
  16. Consolidation of Shares under one folio

The Company would urge shareholders holding shares of the Company under different folios to consolidate the shares under one folio. This would substantially reduce paperwork and transaction costs and benefit the shareholders and the Company. Shareholder can do so by writing to the Registrar with details on folio numbers, order of names, shares held under each folio, and the folio under which all shareholding should be consolidated. Share certificates need not be sent.

17. Voting through electronic means (Remote E-voting):
  - i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (“CDSL”).
  - ii) The remote e-voting period commences on **Tuesday, September 15, 2020 (9:00 a.m. IST) and ends on Thursday, September 17, 2020 (5:00p.m. IST)**. During this period shareholders’ of the Company, holding shares either in physical form or in



dematerialized form, as on the cut-off date (record date) of Friday, September 11, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL e-voting platform for voting thereafter.

- iii) The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, September 11, 2020 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.
- iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- v) The facility for e-voting at the AGM will be available and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through e-voting.
- vi) The Company has appointed Mr. Vishal Manseta, Practising Company Secretaries as Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
- vii) The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, would first unblock the e-voting at the meeting, thereafter unblock the votes cast through remote e-voting and make within a period not exceeding two (2) days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any and submit forth with to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
- viii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.damodargroup.com/> and on the website of CDSL immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.
- ix) The Resolution shall be deemed to be passed on the date of AGM i.e. September 18, 2020 subject to receipt of sufficient votes.

**The instructions for shareholders voting electronically are as under:**

- I. The remote e-voting period commences on Tuesday, September 15, 2020 (9:00 a.m. IST) and ends on Thursday, September 17, 2020 (5:00p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date (Record Date) of Friday, September 11, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- IV. Now click on "Shareholders" to cast your votes.
- V. Now, select the "Damodar Industries Limited" from the drop down menu and click on "Submit".
- VI. Now Enter your User ID.
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VII. Next enter the Image Verification as displayed and Click on Login.
- VIII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- IX. If you are a first time user follow the steps given below:



	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
Dividend Bank Details Or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- X. After entering these details appropriately, click on “SUBMIT” tab.
- XI. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XIII. Click on the EVSN for Damodar Industries Limited.
- XIV. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XV. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XVI. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XVII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVIII. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- XIX. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XX. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles.

The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**XXI. Non-Individual shareholders and Custodian:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.





- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

XXII. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (A) The voting right of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off Date of September 11, 2020.
- (B) Mr. Vishal Manseta (Membership No. ACS 25183), Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
- (C) The Scrutinizer shall within a period of three (3) working days from the conclusion of the Shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, votes cast in favour or against, if any, to the chairman of the Company.
- (D) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.damodargroup.com](http://www.damodargroup.com) and on the website of CDSL within 3 (three) days of passing of the resolution at the AGM of the Company and communicated to the exchanges i.e. BSE Limited and National Stock Exchange of India Limited.
- (E) Members who are not casting their vote electronically may cast their vote at the Annual General Meeting.

#### **Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:**

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

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

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 schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

Shareholders/ Members will be provided with InstaMeet 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 InstaMeet <<<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 )

**InstaMeet Support Desk**

**Link Intime India Private Limited**

**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 [cs@damodargroup.com](mailto:cs@damodargroup.com) from Tuesday, September 15, 2020 (9:00 a.m. IST) and ends on Thursday, September 17, 2020 (5:00p.m. IST).

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@damodargroup.com](mailto:cs@damodargroup.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 InstaMeet:**

Once the electronic voting is activated by the scrutiniser 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 InstaMeet and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/ Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.



5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting 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 InstaMeet. 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 )**

**InstaMeet Support Desk**

**Link Intime India Private Limited**



## **EXPLANATORY STATEMENT**

(Pursuant To Section 102 (1) of the Companies Act, 2013)

### **Item Nos.4 : To approve remuneration of the Cost Auditors for the financial year 2019-20**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Dilip M. Bathija, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of ₹ 40,000/- (Rupees Forty Thousand only), subject to payment of applicable taxes thereon and re-imbursement of out of pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, consent of the members is sought to ratify the remuneration payable to the Cost Auditors.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval of the members. None of the Directors or Key Managerial Personnel and their relatives, is concerned or interested (financially or otherwise) in the resolution as set out at Item No. 4 of the Notice.

### **Item Nos.5 : To re-appoint Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) as Independent Directors for a second term of 5 (five) years**

Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) was appointed as the Independent Director of the Company for a term of 5 (five) years, which term expires on March 29, 2020. In terms of Section 149(10) of the Companies Act, 2013 and the Listing 24, Regulations, Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) is eligible for appointment as Independent Directors for another term of 5 (five) years subject however to approval of the shareholders by way of a special resolution.

Accordingly, on the basis of performance evaluation, the Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company at their meetings held on February 7, 2020 has recommended appointment of Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) as Independent Director of the Company for a second term of 5 (five) years i.e. for the period from March 30, 2020 till March 29, 2025. Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) has given her consent to act as independent director for another term of five years along with a declaration to the Board that they meet the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

In the opinion of the Board of Directors of the Company, Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) fulfil the conditions specified in the Companies Act, 2013 and the Listing Regulations for appointment as Independent Directors and is independent of the management of the Company. None of them is disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013. Further, it is felt that the Company would continue to be benefitted by their rich experience and expertise, if they are re-appointed for a second term of 5 (five) years.

A copy of the draft letter of appointment of the Independent Directors setting out the terms and conditions for appointment shall be open for inspection at the Company's Registered Office and Corporate Office between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays).

The details of Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) as required to be given in terms of Regulation 36 of the Listing Regulations have been provided separately under Profile of Directors seeking appointment / re-appointment.

The Board of Directors recommend passing of the Special Resolution to re-appoint M Mrs. Farida Bomi Jambusarwalla (DIN: 07139945) as Independent Director for a second term of 5 (five) years. In light of above, you are requested to accord your approval to the Special Resolutions as set out at Agenda Item Nos.5 of the accompanying Notice.

Except for Mrs. Farida Bomi Jambusarwalla (DIN: 07139945), being the appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives have any concern or interest, financial or otherwise, in the proposed resolution.



## Item Nos. 6 : To Appoint Mr. Pankaj Srivastava (DIN: 06716582) as an Independent Director of the Company

Based on the recommendations of the Nomination and Remuneration Committee and under the provisions of Section 161 of the Act, the Board of Directors by circulation by resolution on May 11, 2020 have appointed Mr. Pankaj Srivastava (DIN: 06716582) as Additional Director in the capacity of Independent Non-Executive Director on the Board of the Company who holds his office upto the date of this Annual General Meeting.

The appointment of Mr. Pankaj Srivastava (DIN: 06716582) as an Independent Non-Executive Director shall be effective upon approval by the members in their Meeting under the provisions of Section 149 and 152 of the Companies Act, 2013 ("the Act"). The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Pankaj Srivastava (DIN: 06716582) for the office of Director of the Company. Mr. Pankaj Srivastava (DIN: 06716582) has given his consent to act as a Director and given a declaration stating that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and that he meets the criteria of independence as prescribed in both under subsection (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Pankaj Srivastava (DIN: 06716582) fulfills the conditions for his appointment as an Independent Non-Executive Director as specified in the Act and the Listing Regulations. Mr. Pankaj Srivastava (DIN: 06716582) is independent of the management and possesses appropriate skills, experience and knowledge.

The relevant particulars of Mr. Pankaj Srivastava (DIN: 06716582) as required under the provisions of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this notice.

Copy of draft letter of appointment of Mr. Pankaj Srivastava (DIN: 06716582) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No .6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members

## Item No.7: To re-appoint Mr. Arunkumar Biyani as the Chairman & Wholetime Director of the Company for a further term of 3 (three) years

It is proposed to reappoint Mr. Arunkumar Biyani as the Chairman & Wholetime Director of the Company with effect from April 1,2020 for a further period of 3 (three) years, i.e. up to March 31, 2023 . As a matter of good governance and prudent on same terms and conditions practice, the following additional information as required under Part II Section II of Schedule V to the Companies Act, 2013 is being furnished hereunder:

### I. General Information:

- (1) Nature of industry:- Trading Company.
- (2) Date or expected date of commencement of commercial production:- NA
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: - NA
- (4) Financial performance based on given indicators: – The following are the results of the Company for the last 3 (three) years, at glance:

Financial Parameters	2019-20	2018-19	2017-18
Turnover	767.92	771.38	649.65
Net Profit / (Loss) (as per Statement of P & L)	(6.94)	8.36	11.71
Amount of Equity Dividend	Nil	0.75	3.00
Rate of Equity Dividend	Nil	15%	30%

- (5) Foreign investments or collaborations, if any:- NA



## II. Information about the appointee:

- (1) Background details:- Mr. Arunkumar Biyani, associated with Company as an Director since 1988. He has handled finance portfolios of the Company.
- (2) Past remuneration – Rs. 67,20,000/-
- (3) Recognition or awards:- NA
- (4) Job profile and his suitability:- Chairman & Wholtime Managing Director. He is having 44 years of experience in the field of Finance, Direct and Indirect taxes.
- (5) Remuneration proposed:- The details of remuneration proposed to be paid to Mr. Arunkumar Biyani have been disclosed in the resolution.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:- Taking into account the contribution being made by Mr. Arunkumar Biyani in the affairs of the Company, his academic background, rich experience, the increasing key role he is playing and considering efforts taken by him in improving the Varsity financial position of the Company, the proposed remuneration is reasonable and in lines with the remuneration levels in the industry across the Country.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:- Mr. Arunkumar Biyani is a Promoter Director and holds 26,50,000 equity shares of the Company in his individual capacity as on the date of this Notice. He also holds equity shares in capacity as karta of HUF and jointly with others. Mr. Arunkumar Biyani does not have any pecuniary relationship, directly or indirectly with the Company. Mr. Arunkumar Biyani is related to Mr. Anil D. Biyani, Whole Time Director and Mr. Ajay Biyani, Managing Director of the Company and except for that Mr. Arunkumar Biyani does not have any other relationship with any other Director / Key Managerial Personnel of the Company.

### Other Information:

- (1) Reasons of loss or inadequate profits:- The Company could not achieve its financial milestones in the financial year 2019 - 2020 due to sluggish market performance and other relevant factors involved.
- (2) Steps taken or proposed to be taken for improvement:- The Company is exploring to expand its business.
- (3) Expected increase in productivity and profits in measurable terms:- Looking at the past performance and effects being made during the year, the Company is expecting increase in the sales turnover and profit of the Company during the year 2020-21.

### Disclosures:

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:-

- i. all the elements of the remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- ii. details of the fixed component and performance linked incentives along with the performance criteria;
- iii. service contract, notice period, severance fees;
- iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

A copy of the draft agreement to be entered into between the Company and Mr. Arunkumar Biyani, Chairman & Wholtime Director is available for inspection at the Company's Registered Office and Corporate Office between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of the ensuing Annual General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of the ensuing Annual General Meeting.

The details of Mr. Arunkumar Biyani as required to be given in terms of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided separately under Profile of Directors seeking appointment / re-appointment.





The Board of Directors recommend passing of the Special Resolution for reappointment of Mr. Arunkumar Biyani, Chairman & Wholetime Director of the Company for a further period of 3 (three) years. In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.7 of the accompanying Notice.

Mr. Arunkumar Biyani himself, Mr. Ajay Biyani, Managing Director and Mr. Anil D. Biyani, the Wholetime Director and their relatives may be deemed to be concerned or interested in the said resolution. Except the above, none of the Directors or Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

**Item No.8: To re-appoint Mr. Ajay Biyani as the Managing Director of the Company for a further term of 3 (three) years**

It is proposed to reappoint Mr. Ajay Biyani as the Managing Director of the Company with effect from April 1, 2020 for a further period of 3 (three) years, i.e. up to March 31, 2023. As a matter of good governance and prudent on same terms and conditions practice, the following additional information as required under Part II Section II of Schedule V to the Companies Act, 2013 is being furnished hereunder:

**I. General Information:**

- (1) Nature of industry:- Trading Company.
- (2) Date or expected date of commencement of commercial production:- NA
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: - NA
- (4) Financial performance based on given indicators: – The following are the results of the Company for the last 3 (three) years, at glance:

Financial Parameters	2019-20	2018-19	2017-18
Turnover	767.92	771.38	649.65
Net Profit / (Loss) (as per Statement of P & L)	(6.94)	8.36	11.71
Amount of Equity Dividend	Nil	0.75	3.00
Rate of Equity Dividend	Nil	15%	30%

- (5) Foreign investments or collaborations, if any:- NA

**II. Information about the appointee:**

- (1) Background details:- Mr. Ajay Biyani, associated with Company as an Director since 1988. He has handled Production portfolios of the Company.
- (2) Past remuneration – Rs. 67,20,000/-
- (3) Recognition or awards:- NA
- (4) Job profile and his suitability:- Managing Director. He is having 38 years of experience in the field of Finance, Direct and Indirect taxes.
- (5) Remuneration proposed:- The details of remuneration proposed to be paid to Mr. Ajay Biyani have been disclosed in the resolution.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:- Taking into account the contribution being made by Mr. Ajay Biyani in the affairs of the Company, his academic background, rich experience, the increasing key role he is playing and considering efforts taken by him in improving the Varsity financial position of the Company, the proposed remuneration is reasonable and in lines with the remuneration levels in the industry across the Country.



- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:- Mr. Ajay Biyani is a Promoter Director and holds 34,00,000 equity shares of the Company in his individual capacity as on the date of this Notice. He also holds equity shares in capacity as karta of HUF and jointly with others. Mr. Ajay Biyani does not have any pecuniary relationship, directly or indirectly with the Company. Mr. Ajay Biyani is related to Mr. Arunkumar D. Biyani, Whole Time Director and Mr. Anil D. Biyani, Wholetime Director of the Company and except for that Mr. Ajay Biyani does not have any other relationship with any other Director / Key Managerial Personnel of the Company.

#### **Other Information:**

- (1) Reasons of loss or inadequate profits:- The Company could not achieve its financial milestones in the financial year 2019 - 2020 due to sluggish market performance and other relevant factors involved.
- (2) Steps taken or proposed to be taken for improvement:- The Company is exploring to expand its business.
- (3) Expected increase in productivity and profits in measurable terms:- Looking at the past performance and effects being made during the year, the Company is expecting increase in the sales turnover and profit of the Company during the year 2020-21.

#### **Disclosures:**

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:-

- i. all the elements of the remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- ii. details of the fixed component and performance linked incentives along with the performance criteria;
- iii. service contract, notice period, severance fees;
- iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

A copy of the draft agreement to be entered into between the Company and Mr. Ajay Biyani, Managing Director is available for inspection at the Company's Registered Office and Corporate Office between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of the ensuing Annual General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of the ensuing Annual General Meeting.

The details of Mr. Ajay Biyani as required to be given in terms of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided separately under Profile of Directors seeking appointment / re-appointment.

The Board of Directors recommend passing of the Special Resolution for reappointment of Mr. Ajay Biyani, Managing Director of the Company for a further period of 3 (three) years. In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.8 of the accompanying Notice.

Mr. Ajay Biyani himself, Mr. Arunkumar Biyani, Chairman & Wholetime Director and Mr. Anil D. Biyani, the Wholetime Director and their relatives may be deemed to be concerned or interested in the said resolution. Except the above, none of the Directors or Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

#### **Item No.9: To re-appoint Mr. Anil D. Biyani as the Wholetime Director of the Company for a further term of 3 (three) years**

It is proposed to reappoint Mr. Anil D. Biyani as the Wholetime Director of the Company with effect from April 1, 2020 for a further period of 3 (three) years, i.e. up to March 31, 2023. As a matter of good governance and prudent on same terms and conditions practice, the following additional information as required under Part II Section II of Schedule V to the Companies Act, 2013 is being furnished hereunder:

#### **I. General Information:**

- (1) Nature of industry:- Trading Company.
- (2) Date or expected date of commencement of commercial production:- NA



- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: - NA
- (4) Financial performance based on given indicators: – The following are the results of the Company for the last 3 (three) years, at glance:

Financial Parameters	2019-20	2018-19	2017-18
Turnover	767.92	771.38	649.65
Net Profit / (Loss) (as per Statement of P & L)	(6.94)	8.36	11.71
Amount of Equity Dividend	Nil	0.75	3.00
Rate of Equity Dividend	Nil	15%	30%

- (5) Foreign investments or collaborations, if any:- NA

## II. Information about the appointee:

- (1) Background details:- Mr. Anil D. Biyani, associated with Company as an Director since 1988. He has handled Marketing portfolios of the Company.
- (2) Past remuneration – Rs. 67,20,000/-
- (3) Recognition or awards:- NA
- (4) Job profile and his suitability:- Managing Director. He is having 38 years of experience in the field of Finance, Direct and Indirect taxes.
- (5) Remuneration proposed:- The details of remuneration proposed to be paid to Mr. Anil D. Biyani have been disclosed in the resolution.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:- Taking into account the contribution being made by Mr. Anil D. Biyani in the affairs of the Company, his academic background, rich experience, the increasing key role he is playing and considering efforts taken by him in improving the Varsity financial position of the Company, the proposed remuneration is reasonable and in lines with the remuneration levels in the industry across the Country.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:- Mr. Anil D. Biyani is a Promoter Director and holds 31,00,000 equity shares of the Company in his individual capacity as on the date of this Notice. He also holds equity shares in capacity as karta of HUF and jointly with others. Mr. Anil D. Biyani does not have any pecuniary relationship, directly or indirectly with the Company. Mr. Anil D. Biyani is related to Mr. Arunkumar D. Biyani, Whole Time Director and Mr. Arunkumar Biyani, Chairman & Wholetime Director of the Company and except for that Mr. Anil D. Biyani does not have any other relationship with any other Director / Key Managerial Personnel of the Company.

## Other Information:

- (1) Reasons of loss or inadequate profits:- The Company could not achieve its financial milestones in the financial year 2019 - 2020 due to sluggish market performance and other relevant factors involved.
- (2) Steps taken or proposed to be taken for improvement:- The Company is exploring to expand its business.
- (3) Expected increase in productivity and profits in measurable terms:- Looking at the past performance and effects being made during the year, the Company is expecting increase in the sales turnover and profit of the Company during the year 2020-21.

## Disclosures:

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:-



- i. all the elements of the remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- ii. details of the fixed component and performance linked incentives along with the performance criteria;
- iii. service contract, notice period, severance fees;
- iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

A copy of the draft agreement to be entered into between the Company and Mr. Anil D. Biyani, Wholetime Director is available for inspection at the Company's Registered Office and Corporate Office between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of the ensuing Annual General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of the ensuing Annual General Meeting.

The details of Mr. Anil D. Biyani as required to be given in terms of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided separately under Profile of Directors seeking appointment / re-appointment.

The Board of Directors recommend passing of the Special Resolution for reappointment of Mr. Anil D. Biyani, Wholetime of the Company for a further period of 3 (three) years. In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.9 of the accompanying Notice.

Mr. Anil D. Biyani himself, Mr. Arunkumar Biyani, Chairman & Wholetime Director and Mr. Ajay Biyani, the Managing Director and their relatives may be deemed to be concerned or interested in the said resolution. Except the above, none of the Directors or Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

#### **Item No. 10 : Approval for entering into Material Related Party Transaction(s)**

The Company is engaged in the business as Manufacturing of Various types of Yarn. The Company enters into related party transaction(s) with various related parties for purchase/sale of goods and services, deposit, lease rental and service charges, purchase and sale of capital goods and other services. All the related party transaction(s) were entered or to be entered into are at arms' length basis and in the ordinary course of business, in line with the Company's Policy on Related Party Transactions as approved by the Audit Committee and the Board of Directors of the Company.

The aforementioned transactions are likely to exceed the threshold limits provided in Rule 15 (3) of the Companies (Meetings of the Board and its Powers) Rules, 2014 ['Rules'] under the respective category of related party transactions.

Further the approval of Members is required, if as per the applicable provisions of Act read with relevant rules framed thereunder, the amount of transaction exceed the threshold limit as provided therein and/or if as per Regulation 23 of Listing Regulations, the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company.

Accordingly, the approval of Members is sought for following transactions. In terms of provisions of Companies (Meetings of the Board and its Powers) Rules, 2014 as amended, the details in relation to related party transaction(s) are as under:

In terms of Explanation (3) appended to Rule 15 (3) of the said Rules, the under-noted information is of relevance:

<b>Sl. No.</b>	<b>Name of Related Parties</b>	<b>Nature of Trans- actions</b>	<b>Estimated Amount (₹ In Crores)</b>	<b>Material Terms/Particulars of the contract or arrangement</b>
1.	Suam Overseas Pvt. Ltd.	Sale/Purchase/ Job Work	160.00	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.
2.	Shri Damodar Yarn Manufacturing Pvt. Ltd.	Sale/Purchase/ Job Work	75.00	



Sl. No.	Name of Related Parties	Nature of Transactions	Estimated Amount (₹ In Crores)	Material Terms/Particulars of the contract or arrangement
3.	Damosuam Carriers Pvt. Ltd.	Transport Services	2.50	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.
4.	Arunkumar Biyani, Ajay Biyani and Anil D. Biyani	Interest on Loan	4.00	Interest at rates not more than the rates prevailing in the market for similar loans.
5.	Aditya Biyani, Payal Biyani, Abhishek Biyani, Radhika Biyani Aman Biyani, Bhawna Biyani, Manju Biyani, Sanju Biyani, Kanta Biyani, Akshay Biyani, Reiya Biyani, Risha Biyani, Savitridevi Damodar Lal Biyani, Arunkumar Biyani-HUF, Ajay Biyani-HUF, Damodar Lal Biyani-HUF, Kiara Biyani, Jia Biyani	Interest on Fixed Deposits	3.00	As per Unsecured Fixed Deposit Scheme of the Company.
6.	Aditya Biyani, Aman Biyani, Akshay Biyani	Remuneration to Employee	3.00	As per term and conditions of the employment approved by the Board of Director.
7.	Shri Damodar Foundation	Leasing/sub- lease/ rent for office	3.00	The Company has entered into agreement with respective related party for leasing / subleasing / office sharing of the property situated at Nani Tambadi, Valsad

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto are furnished hereunder:

Name of the Director or Key Managerial Personnel who is related, if any	<p>Arunkumar Biyani, Ajay Biyani &amp; Anil D. Biyani, Directors of the Company holds 6.67%, 20% &amp; 14.92% shares respectively of Suam Overseas Pvt. Ltd.</p> <p>Arunkumar Biyani, Ajay D. Biyani &amp; Anil D. Biyani, Directors of the Company holds 50.00%, 16.25% &amp; 12.50% shares respectively of Damosuam Carriers Pvt. Ltd.</p> <p>Arvind Damodar Lal Biyani, Director of Shri Damodar Yarn Manufacturing Pvt. Ltd. is brother of Arunkumar Biyani, Ajay Biyani &amp; Anil Biyani, directors of Damodar Industries Limited. Aditya Biyani - Payal Biyani, Aman Biyani- Bhawana Biyani are sons and daughters in law of Arunkumar Biyani. Abhishek Biyani- Radhika Biyani are son and daughter in law of Shri Ajay Biyani. Smt. Manju Biyani, Smt. Kanta Biyani and Smt. Sanju Biyani are respective wives of Arunkumar Biyani, Ajay Biyani and Anil D. Biyani. Akshay Biyani is Son of Anil D. Biyani. Savitridevi Biyani is mother of Arunkumar Biyani, Anil D. Biyani, Ajay Biyani, Directors of the Company. Reiya and Risha Biyani are Daughters of Aman Biyani. Kaira Biyani is daughter of Aditya Biyani, Jia is daughter of Abhishek Biyani.</p>
Any other information relevant or important for the members to take a decision on the proposed resolution	The transaction have been reviewed and approved by the Audit Committee /Board and an arms' length price has been established.

The above contracts / arrangements / transactions were approved by Board of Directors at their meeting held on July 31, 2020.

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.



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

The Board is of the opinion that the transactions of sale, purchase or supply of goods or materials, deposit, leasing of property and availing or rendering of services with related parties are in the best interest of the Company. The Board recommends passing of the Ordinary Resolution at Item No.10 for approval.

Save and except Mr. Arunkumar Biyani, Mr. Ajay Biyani and Mr. Anil D. Biyani Executive Directors the Company and their relatives, to the extent of their shareholding interest, if any, none of the other directors/key managerial personnel of the Company and their relatives is in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No.10 of the Notice.

#### **Item Nos. 11 Approval of acceptance of Fixed Deposit**

The Company has a Fixed Deposit Scheme, pursuant to the provisions of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014, wherein it accepts unsecured deposits from the Members of the Company and the Public. The said scheme is valid up to the date of this Annual General Meeting. Along with complying with the conditions stated in Sections 73 and 76 of the Companies Act, 2013, approval of the shareholders is required for accepting deposits from the Members and the Public within the limits prescribed under the Companies (Acceptance of Deposits) Rules, 2014. The Board of Directors at its meeting held on July 31, 2020, has resolved to recommend to the Shareholders the acceptance of Fixed Deposits from the Members and the Public pursuant to Sections 73 and 76 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014. The Fixed Deposit Scheme would be credit rated on an annual basis and the Company may provide deposit insurance cover, if available, as required under the said Act read with the said Rules. It is proposed to authorise the Board to finalise the terms of the Fixed Deposit Scheme and to do such other acts and deeds as may be necessary or incidental thereto.

None of the Directors of the Company are in any way concerned or interested in the said resolution. Key Managerial Personnel, Directors' Relatives and Relatives of Key Managerial Personnel are eligible to the benefits of the Scheme at the same rates as are applicable to the Members and Public. The Board recommends the Special Resolution at item no. 11 for your approval.

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

Sd/-  
**Subodh Kumar Soni**  
Company Secretary

Place : Mumbai  
Date : July 31, 2020





## ANNEXURE TO THE NOTICE

**Profile of Directors seeking appointment / re-appointment at the 32th Annual General Meeting as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Secretarial Standard on General Meetings ("SS-2"), in respect of Directors seeking appointment/re-appointment/payment of remuneration at the Annual General Meeting is as under:**

Particulars	Arunkumar Biyani	Ajay Biyani	Anil D. Biyani	Mrs. Farida Bomi Jambusharwall	Mr. Pankaj Srivastava
Director Identification Number	00016519	00014896	00016554	07139945	06716582
Date of Birth	20/01/1956	04/05/1962	09/06/1964	17/06/1953	13/04/1960
Date of first Appointment on the Board	09/02/1992	05/06/1988	28/03/1992	30/03/2015	11/05/2020
Qualification	B.Com	B.Com	B.Com	BSc.	BSc. MBA
Experience	Arunkumar Biyani designated as Chairman Executive Director and is expertise in Financial Management & Project Advisory & Financing and working Capital Arrangements of the Company	He is the Managing Director of the Company, He oversees the production activities, Strategic Planning Functions, Expansion and Acquisition Plans.	He has Wide and rich experience in the field of Marketing, Trading and Corporate Management and production process aspects of yarn.	She possesses a diverse and wide ranging experience and profound knowledge as human resource strategist and educational motivator.	He possesses a diverse and wide-ranging experience and profound knowledge of Financial, Sales & Marketing and Risk Management.
No. of Shares held	2650000	3400000	3100000	179756	7500
Terms & Conditions	As per the resolution at Item No.7 of the Notice.	As per the resolution at Item No. 8 of the Notice.	As per the resolution at Item No.9 of the Notice.	As per the resolution at Item No.5 of the Notice.	As per the resolution at Item No.6 of the Notice.
Remuneration Last Drawn	₹67,20,000/- p.a.	₹67,20,000/- p.a.	₹67,20,000/- p.a.	None	None
Remuneration sought to be paid	₹54,00,000/- p.a	₹54,00,000/- p.a	₹54,00,000/- p.a	None	None
Number of Board Meetings attended during the Financial Year 2019-20	The details have been provided in the Corporate Governance Report				NA
Relationship with other Directors/ Manager/ Key Managerial Personnel	Brother of Mr. Ajay Biyani, Managing Director & Mr. Anil D. Biyani, Executive Director of the Company	Brother of Mr. Arunkumar Biyani, & Mr. Anil D. Biyani, Executive Director of the Company	Brother of Mr. Ajay Biyani, Managing Director & Mr. Arunkumar Biyani, Executive Director of the Company	None	None
Directorships held in other Companies in India	Damosuam Carriers Private Limited	Damosuam Carriers Private Limited	None	None	None
Committee Membership held in other Companies	Nil	Nil	None	None	None



## BOARD'S REPORT

To the Members,

The Board of Directors ('Board') are pleased to submit its report on the performance of the Company, along with the audited standalone financial statements for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

(₹ In Lakhs)

Particulars	2019-20	2018-19
Revenue	76792.21	77137.83
Other income	269.67	234.11
Total Income	77061.88	77371.94
Expenses		
Operating expenditure	72494.69	73506.50
Depreciation	2303.83	1240.62
Total expenses	74798.52	74747.12
Profit before finance cost and tax	2263.36	2624.82
Finance costs	3379.85	1392.48
Profit before Tax	(1116.49)	1232.34
Less: Provision for Taxation		
Current Tax	0.00	265.55
Deferred Tax	422.49	395.79
MAT credit entitlement	0.00	(265.55)
Profit after Tax	(694.00)	836.55
Add/(Less): Other Comprehensive Income (net of taxes)	(618.53)	25.51
Total Comprehensive Income/(Expenses) for the year	(1312.53)	862.06
Opening balance of retained earnings	5997.13	5775.39
Profit for the year	(694.00)	836.55
Less: Transfer to Reserves	200.00	200.00
Less: Dividend paid on Equity Shares	166.89	333.77
Less: Dividend Distribution Tax	34.30	68.61
Less : Remeasurement of Defined benefit plan	10.59	12.43
Balance carried forward	4891.35	5997.13
Earnings per share (EPS) -Basic/Diluted (in ₹)	(2.98)	3.76

### DIVIDEND

During the years, your Directors have not recommended the payment of any dividend, because the Company has not earned any profit.

### INDUSTRY SCENARIO

We would like to inform you that Company operates in a single segment i.e. "TEXTILE" as such disclosure requirements as per Indian Accounting Standard (Ind AS) 108 issued by the Institute of Chartered Accountants of India, New Delhi, are applicable. We would also like to inform you that the year gone by, has been a very difficult period for Textile Industry. The increase in the prices of raw cotton without the corresponding increase in the yarn prices coupled with decline in demand for cotton yarn affected the financial performance of the Company. The exchange rate fluctuations and reduction in export incentives further aggravated the problems and affected company's performance during the year. In spite of the challenges, Company has been able to maintain its Topline at 767.92 crores as against ₹771.38



Crores in the previous year. However, the export at ₹ 443.28 Crores has shown a decline of 10.1% as compared to previous year. The profitability of the Company was severely impacted because of the reasons mentioned above and it suffered a loss of ₹ 6.94 crores during the year under review.

In the current year, the outlook for the Textile Industry seems to be Positive but Covid- 19 plays a very crucial role this year, may impact the performance of sector. Your Management expects that company will be able to put up a reasonably good performance in the Current Year.

#### **TRANSFER TO RESERVES**

The Company proposes to transfer ₹ 2.00 Crores to the General Reserve out of the amount available for appropriations and an amount of ₹ 48.91 Crores is proposed to be retained in the Profit and Loss Account.

#### **RESERVE AND SURPLUS**

Reserves and Surplus stood at to ₹98.13 Crores as at March 31, 2020 compared to ₹110.10 Crores as at March 31, 2019.

#### **SHARE CAPITAL DURING THE YEAR 2019-20**

During the year under review, the paid up share capital has increased from ₹ 11,12,58,120 to ₹ 11,65,00,000 in the following manner:

Date of Allotment	No. of shares allotted	Mode	Paid Up share capital (In ₹)
March 26,2020	10,48,376	Preferential Issue	11,65,00,000

The Company has raised funds through preferential allotment and fully utilized till March 31, 2020.

#### **BOARD MEETINGS**

The Board of Directors duly met 6 times during the financial year from April 1, 2019 to March 31, 2020. The dates on which the meetings were held are as follows: May 25, 2019, August 13, 2019, November 13, 2019, February 07, 2020, February 14, 2020 and March 26,2020.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The current policy is to have an appropriate mix of executive and independent directors. On March 31, 2020 the Board consists of five members, three of whom are executive directors or whole Time Director and Two are independent directors.

The policy of the Company on directors' appointment and remuneration including criteria for determining qualification, positive attributes independence of director and other matters as required under sub- section (3) of Section 178 of the Companies Act,2013 is available on our website [www.damodargroup.com](http://www.damodargroup.com). There has been no change in the policy since the last fiscal year. We affirm that remuneration paid to directors is as per the terms laid out in the nomination and remuneration policy of the company.

As per SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the listed Companies are required to formulate certain policies. As a good corporate entity, the Company has already formulated several corporate governance policies and the same are available on the Company's website i.e. [www.damodargroup.com](http://www.damodargroup.com). The said policies are reviewed periodically by the Board to make them in compliance with the new Regulations/ requirements.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **Directors Retiring by Rotation**

Pursuant to Section 152 and other applicable provisions of the Act, and the Articles of Association of your Company, one-third of the Directors (other than Independent Directors) as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr. Ajay D. Biyani (DIN: 00014896), retires by rotation and being eligible, offers himself for re-appointment in accordance with provisions of the Act.



## **Appointments**

Mr. Ketan K. Patel, was appointed as an Independent Director, with effective from November 13, 2019 and the same was approved by shareholders (vide postal ballot concluded on March 17,2020).

Mrs. Farida Jambusharwalla, was reappointed as an Independent Director, with effective from March 30, 2020 to March 29,2025, subject to approval by shareholders in the ensuing Annual General Meeting.

The Board of Directors has appointed Mr. Pankaj Srivastava as an Additional Independent Director of the Company w.e.f. May 11, 2020 and holds office up to this Annual General Meeting and shall be eligible for appointment as Independent Director in terms of Section 149 and 152 of the Act at Annual General Meeting, subject to the provisions of the Act, your Company has received a notice in writing from a member proposing his candidature for the office of Independent Directors along with the requisite deposit. He qualifies to be an Independent Director pursuant to the provisions of Section 149(6) of the Companies Act, 2013.

## **Resignation**

Mr. Girdharlal S. Daga an Independent Director of the Company, resigned as member of the Board effective November 12,2019 due to health issue as an Independent director of the Company and Mr. Raghavan Srinivas an Independent Director, resigned as member of the Board effective February 12,2020 to expire of current term of as an Independent director of the Company.

## **INDEPENDENT DIRECTORS**

In terms of Section 149 of the Act, and Regulation 16(1) of the Listing Regulations Mr. Ketan Patel and Mrs. Farida Bomi Jambusarwalla are the Independent Directors of the Company as on March 31, 2020. The Independent Directors have submitted a declaration that each of them meet the criteria for independence as laid down under Section 149(6) of the Act read with Rules framed thereunder and Regulation 16 of the Listing Regulations and that they are not aware of any circumstance or situation, which exists or is anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence as required under Regulation 25 of Listing Regulations.

## **KEY MANAGERIAL PERSONNEL (KMP)**

Pursuant to the provisions of Section 203 of the Act, the KMP's of your Company for Financial Year 2019-20 were Mr. Ajay Biyani, Managing Director, Mr. R. Kumar, Chief Financial Officer and Mr. Subodh Kumar Soni, Company Secretary of the Company as on March 31,2020.

Mr. R. Kumar, Chief Financial Officer of the Company, resigned with effect from May 8,2020, due to health issue. Mr. Sheetal Prasad Singhal has been appointed as Chief Financial Officer of the Company with effect from July 31,2020.

## **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. 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.

## **CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for prevention of insider trading is available on our website [www.damodargroup.com](http://www.damodargroup.com). All Directors and Senior Management Personnel have affirmed compliance with the Code. A declaration to this effect signed by the Managing and Chief Financial Officer of the Company appears elsewhere in this Annual Report.

## **CHANGE IN NATURE OF BUSINESS, IF ANY**

During the year, there was no change in the nature of business of the Company.



## SHIFTING OF REGISTERED OFFICE OF THE COMPANY

The Resolution has been passed by postal Ballot concluded on March 17, 2020 by the shareholders for the shifting of the Registered Office of the Company from Mumbai to other state UT. The Company has initiated the process for the same.

## CREDIT RATING

We are pleased to inform that the CARE Ratings Limited has re-affirmed the credit rating “BBB-/Stable” for long term debt instruments/ facilities, “A3” for the short term debt instruments/ facilities. The rating “BBB-” indicates stable and rating “A3” indicates “The rating of the Company is tempered by high gearing levels, decline in profitability in H1FY20 with losses at PAT level, project stabilization risk, susceptibility of margins to raw material price volatility and foreign exchange fluctuation, geographical concentration risk in case of exports and fragmented and cyclical nature of industry. Further the CARE Ratings Limited has re-affirmed the credit rating “BBB-/Stable” for Fixed Deposits.

## DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(3) of the Companies Act, 2013, the Directors would like to state:

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2020, 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 the Notes to the Financial Statements have been selected and applied consistently and judgment 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, 2019 and of the profit 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;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## DETAIL OF FRAUD AS PER AUDITORS REPORT

During the year under review, neither the statutory auditors nor the secretarial auditors has reported to the audit committee, under section 143 (2) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employee, the details of which would need to be mentioned in the Board Report.

## COMMITTEE OF THE BOARD

The composition and terms of reference of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee and Nomination and Remuneration Committee.

## STATUTORY AUDITORS AND AUDITOR'S REPORT

M/s. Jitendra Mishra & Company, Chartered Accountants (FRN No. 125334W), have been appointed as the Statutory Auditors of the Company for an initial term of five years from the conclusion of the 27<sup>th</sup> Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company.

The Report of the Statutory Auditors along with the Notes to Schedules forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation, disclaimer or adverse remark.



The Statutory Auditors of the Company have not reported any fraud as specified in Section 143(12) of the Act.

M/s. Swati Kanse & Co., Chartered Accountants (FRN No. 132689W), have been appointed as the Statutory Auditors of the Company for an initial term of five years from the conclusion of the 32th Annual General Meeting till the conclusion of the 37th Annual General Meeting of the Company subject to approval of Shareholder in ensuing Annual General Meeting of the Company.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed M/s. Pramod Jain and Co., Company Secretaries in Practice, to undertake the secretarial audit of the Company for the year 2019-20. The Secretarial Audit Report is annexed as **Annexure I**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS**

During Financial Year 2019-20, the Company has complied with the relevant provisions of Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

## **COST AUDIT**

The Board, on the recommendation of the Audit Committee, had appointed M/s. Dilip M. Bathija, Cost Accountants (FRN No.100106) as cost auditor to conduct the audit of Company's cost records for the financial year ended March 31, 2019. The Cost Auditors will submit their report for the FY 20 on or before the due date.

The Cost Audit Report, for the year ended March 31, 2019, was filed with the Central Government within the prescribed time.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors for FY 21 is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

## **INTERNAL AUDITOR**

As per requirements of Section 138(1) of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, the Board of Directors of the Company had appointed Mr. Vikas Kakani, Chartered Accountants, Employee of the Company as Internal Auditor of the Company to conduct Internal Audit of business processes, financial reporting controls, compliance with applicable laws, regulations etc. for the year 2019-20.

## **FIXED DEPOSITS:**

Details relating to Fixed Deposits, covered under Chapter V of the Companies Act, 2013, as under:

a. Accepted and renewed during the year	: ₹ 19,59,22,000/-
b. Remained unpaid or unclaimed as at the end of the year	: 0.00
c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year	: Nil

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.





Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 13, 2019 (date of last Annual General Meeting) on the Company's website ([www.damodargroup.com](http://www.damodargroup.com)), as also on the Ministry of Corporate Affairs' website.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **CORPORATE GOVERNANCE**

A separate section on Corporate Governance forms part of our Report. A certificate has been received from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Both appear elsewhere in the Annual Report.

## **RISK MANAGEMENT**

The Company has laid down Risk Management Policy. The Policy aims to identify, evaluate, manage and monitor all types of risks associated with the business of the Company. The Board as well as Audit Committee regularly oversees the risk management process in the Company, as required under 134(3)(n) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your Company is operating in Textile segment and has identified certain risks which may affect the performance of the Company. These are operational risks such as fluctuation in cotton prices, fluctuation in foreign exchange rates, Labour problems and regulatory risks such as change in Government Policy with respect to Textile Industry etc. The Company's Risk Management Policy aims to suggest the steps to be taken to control and mitigate the risk associated with the Company's Textile Business. We are of opinion that none of identified risk is such that which may threaten the existence of the Company.

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

As required under Regulation 34(2) (e) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

## **VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES**

The Company has established a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism provides for adequate safeguards against victimization of person who use vigil mechanism and also provide direct access to Chairman of the Audit Committee and Managing Director of the Company in appropriate and exceptional cases.

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.damodargroup.com](http://www.damodargroup.com)

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

As required under the above mentioned Act, we report that in the year 2019-20 no case of sexual harassment of women was filed under the said Act.

## **MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT**

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report other than those disclosed in the financial statements.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

During the year under review, no significant material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement.



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

The information required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-II** to this report.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form No. MGT-9 as per Sections 92(3) and 134(3) of the Act read with the Rules framed thereunder are given as **Annexure-III**, which forms part of this Report. The Annual Return for Financial Year 2018-19 is also available on the Company's website at [www.damodargroup.com](http://www.damodargroup.com).

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure- IV** of this Report in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is also available on the website of your Company at [http://damodargroup.com/investors/policies/CSR\\_Policy\\_Final.pdf](http://damodargroup.com/investors/policies/CSR_Policy_Final.pdf). For other details regarding the CSR Committee please refer to the Corporate Governance Report, which is a part of the Annual Report.

The Company's spend on the CSR activities has been less than the limits prescribed under the Companies Act 2013. This is because the company did not find any further suitable projects or programs during the year to spend, for achieving the prescribed limit as per the Companies Act, 2013. However the CSR activities are scalable which coupled with new initiatives that may be considered in future, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The prescribed particulars of Employee required under section 197 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-V** as form the part of Boards Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

## PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

There were no Related Party Transactions (RPTs) entered into by the company during the financial year, which attracted the provisions of Section 188 of Companies Act, 2013. However, there were material RPTs, which got covered as material RPTs under Regulation 23 of SEBI LODR 2015. During the year 2019-20, pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI LODR 2015, all RPTs were placed before Audit Committee for its prior / omnibus approval and taken prior approval from shareholders. The requisite disclosure in Form AOC-2 is furnished in **Annexure-VI**.

## POLICY ON REMUNERATION OF DIRECTORS

Your Company has adopted a Remuneration Policy for the Directors, KMP, Senior Management and other employees, pursuant to the provisions of the Act and the Listing Regulations. The key principles governing your Company's Remuneration Policy and connected matter as provided in section 178(3) of the Act has been disclosed in the Corporate Governance Report which forms part of this Report. It is affirmed that the remuneration paid to Directors, KMP and all other employees is as per the Remuneration Policy of your Company. The Remuneration Policy for Directors, KMP and other Employees is uploaded on the website of your Company at [http://damodargroup.com/investors/policies/remuneration\\_policy.pdf](http://damodargroup.com/investors/policies/remuneration_policy.pdf).

## FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTOR(S):

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their role, rights and Responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the



familiarization program are explained in the Corporate Governance Report and are also available on the Company's website at [www.damdoargroup.com](http://www.damdoargroup.com).

#### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

According to Section 134(5)(e) of the Act, the term Internal Financial Control ('IFC') means the policies and procedures adopted by the Company 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.

The Company's internal control systems are commensurate with its size and the nature of its operations. The Company has a strong and independent Internal Audit department. The Audit Committee also deliberates with the members of the management, considers the systems as laid down and meets the internal auditors and statutory auditors to ascertain their views on the internal financial control systems. Further details are provided in the Management Discussion and Analysis Report which forms a part of the Annual Report.

#### **GENERAL DISCLOSURES**

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

##### **(A) Issue of share with differential rights**

The Company has not issued any shares with differential rights and hence no disclosure is required as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

##### **(B) Issue of Sweat Equity Shares**

The Company has not issued any sweat equity shares during the year under review and hence no disclosure is required as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

##### **(C) Issue of Equity Shares Under Employee Stock Option Scheme**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no disclosure is required as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

#### **ACKNOWLEDGMENTS**

Your Directors wish to express their appreciation for the assistance and co-operation received from the Members, Banks, Government Authorities, Customers, Suppliers, Associates, Employees and Various Authorities. The directors of the Company thank all stakeholders for their valuable sustained support and encouragement towards the conduct of the proficient operation of the Company and look forward to their continued support during the year.



## Annexure – I to Boards' Report

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members of  
**DAMODAR INDUSTRIES LIMITED**  
19/22 & 27/30, Madhu Estate,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400013

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from April 1, 2019 and ended March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Damodar Industries Limited ("The Company") for the financial year ended on March 31, 2020, according to the provisions of:
  - i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) Overseas Direct Investment and External Commercial Borrowings [applicable to the extent of Foreign Direct Investment and Overseas Direct Investment];
  - v. The following Regulations and Guidelines, to the extent applicable, prescribed under The Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client;
    - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - vi. Other laws applicable specifically to the Company.



2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:
  - i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - iii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. We have also examined compliance with the applicable clauses of the following:
  - i. Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India,;
  - ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
6. We further report that:
  - i. The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
  - ii. 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 of the meeting.
  - iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
7. We further report that based on the review of the Compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Chairman & Managing Director and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. We further report that, during the audit period, there were no specific events/actions in pursuance of above referred the laws, rules, regulations, guidelines, standards, etc., having a major bearing on the company's affairs.

**For PRAMOD JAIN & CO.**  
Company Secretaries

**Place:** Indore  
**Date:** July 31, 2020  
**UDIN:** F006711B000537648

**(Pramod Kumar Jain)**  
Proprietor  
FCS No: 6711 CP No: 11043

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



## **'Annexure A'**

To  
The Members of  
**DAMODAR INDUSTRIES LIMITED**  
19/22 & 27/30, Madhu Estate,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400013

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For PRAMOD JAIN & CO.**  
Company Secretaries

**Place:** Indore  
**Date:** July 31, 2020  
**UDIN:** F006711B000537648

**(Pramod Kumar Jain)**  
Proprietor  
FCS No: 6711 CP No: 11043



## Annexure – II to Boards' Report

### CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO (PARTICULARS PURSUANT TO SECTION 134 (8) (3) OF THE COMPANIES ACT, 2013).

#### (A) Conservation Of Energy

The nature of the Company's Operation entails a very High Level of Energy Consumption. However, adequate measures have been taken to conserve energy. Total energy consumption and energy consumption per unit of production:

Particulars	2019-20	2018-19
[A] Power and fuel consumption		
1. Electricity		
A) Purchased unit	60057757	36301139
Amount (Rs 000)	270351	176572
Rate/Unit (₹Rs )	4.50	4.86
B) Own Generation		
i) Through Diesel Generator Unit		-
ii) Unit/Liter of Diesel Oil		-
iii) Fuel cost / unit (₹)		-
[B] Electricity units Consumption in		
Production of Yarn per KG. (Unit/Kg)	2.52	1.66

#### (B) RESEARCH AND DEVELOPMENT

- a. Specific areas in which R & D was carried out by the Company:

The Company is actively engaged in product up gradation design development.

- b. Benefits derived as a result of the above R & D:

Improved product designs resulted in higher value added products and better realisations.

- c. Future plan of action:

Emphasis on the above activities is the ongoing exercise.

- d. Expenditure on R & D:

Since the expenditure incurred on research and development activities were not substantial, no separate account for the same were being maintained.

#### (C) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Since the Company's products are being developed by an in-house R & D team, no further information under this head is required to be given.

#### (D) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used ₹ 3071.01Lacs (Previous year ₹ 4242.35 Lacs) and earned ₹ 34946.81 Lacs (Previous Year 47771.86 Lacs).





## Annexure – III to Board’s Report

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L17110MH1987PLC045575
ii)	Registration Date	11/12/1987
iii)	Name of the Company	Damodar Industries Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered Office	19/22 & 27/30, Madhu Estate, Pandurang Budhkar Marg, Worli, Mumbai – 400 013 Phone No.: 022-66610301/2 Fax No.: 022-66610308 Email ID: cs@damodargroup.com Website: www.damodargroup.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Pvt. Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai – 400083 Tel. No.: 022-49186000 Fax No.: 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	YARN – Manufacturing of Cotton & Fancy Yarn	131	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding:

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the End of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	14188000	0	14188000	63.76	14191000	818376	15009376	64.42	0.66
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00



Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the End of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
[2]	Foreign									
	Bodies Corporate	1217000	0	1217000	5.47	1217000	230000	1447000	6.21	0.74
	<b>Sub Total (A)(1)</b>	<b>15405000</b>	<b>0</b>	<b>15405000</b>	<b>69.23</b>	<b>15408000</b>	<b>1048376</b>	<b>16456376</b>	<b>70.63</b>	<b>1.40</b>
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>15405000</b>	<b>0</b>	<b>15405000</b>	<b>69.23</b>	<b>15408000</b>	<b>1048376</b>	<b>16456376</b>	<b>70.63</b>	<b>1.40</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Financial Institutions / Banks	8000	1750	9750	0.04	0	1750	1750	0.01	-0.04
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>8000</b>	<b>1750</b>	<b>9750</b>	<b>0.04</b>	<b>0</b>	<b>1750</b>	<b>1750</b>	<b>0.01</b>	<b>-0.04</b>
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	95400	0	95400	0.43	157284	0	157284	0.68	0.25
	<b>Sub Total (B)(2)</b>	<b>95400</b>	<b>0</b>	<b>95400</b>	<b>0.43</b>	<b>157284</b>	<b>0</b>	<b>157284</b>	<b>0.68</b>	<b>0.25</b>
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	2508411	554190	3062601	13.76	2482503	426770	2909273	12.49	-1.28
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2109083	0	2109083	9.48	2061656	0	2061656	8.85	-0.63
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									0.00
	Trusts	0	0	0	0.00	100	0	100	0.00	0.00
	Hindu Undivided Family	743277	0	743277	3.34	820391	0	820391	3.52	0.18
	Non Resident Indians (Non Repat)	6841	0	6841	0.03	3341	0	3341	0.01	-0.02
	Non Resident Indians (Repat)	54493	0	54493	0.24	43251	0	43251	0.19	-0.06
	Clearing Member	141872	0	141872	0.64	13025	0	13025	0.06	-0.58
	Bodies Corporate	614407	8900	623307	2.80	832053	1500	833553	3.58	0.78
	<b>Sub Total (B)(3)</b>	<b>6178384</b>	<b>563090</b>	<b>6741474</b>	<b>30.30</b>	<b>6256320</b>	<b>428270</b>	<b>6684590</b>	<b>28.69</b>	<b>-1.61</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>6281784</b>	<b>564840</b>	<b>6846624</b>	<b>30.77</b>	<b>21821604</b>	<b>1478396</b>	<b>6843624</b>	<b>29.37</b>	<b>-1.40</b>
	<b>Total (A)+(B)</b>	<b>21686784</b>	<b>564840</b>	<b>22251624</b>	<b>100.00</b>	<b>21664320</b>	<b>2526772</b>	<b>23300000</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (A)+(B)+(C)</b>	<b>21686784</b>	<b>564840</b>	<b>22251624</b>	<b>100.00</b>	<b>21664320</b>	<b>2526772</b>	<b>23300000</b>	<b>100.00</b>	<b>0.00</b>



## ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/encumbered to total shares	
1	Mr. Ajay Biyani	3400000	15.28	0	3400000	14.59	0	-0.69
2	Mr. Anil D. Biyani	2950000	13.26	0	3100000	13.30	0	0.04
3	Mr. Arunkumar Biyani	2650000	11.91	0	2650000	11.37	0	-0.54
4	Mrs. Manju Biyani	1340000	6.02	0	1340000	5.75	0	-0.27
5	Mrs. Kanta Biyani	740000	3.33	0	800000	3.43	0	0.10
6	Arun Kumar Biyani (HUF)	710000	3.19	0	710000	3.05	0	-0.14
7	Mrs. Sanju A. Biyani	650000	2.92	0	800000	3.43	0	0.51
8	Calves N Leaves initiative Private Limited (Previously known as CSS Mercantile Pvt. Ltd.)	500000	2.25	0	500000	2.15	0	-0.10
9	Suam Overseas Pvt. Ltd.	470000	2.11	0	700000	3.00	0	0.89
10	Mr. Aditya Biyani	320000	1.44	0	350000	1.50	0	0.06
11	Mr. Akshay Anil Biyani	270000	1.21	0	400000	1.72	0	0.51
12	Mr. Aman Biyani	270000	1.21	0	270000	1.16	0	-0.05
13	Damosuam Carriers Private Limited	247000	1.11	0	247000	1.06	0	-0.05
14	Mr. Bhawna A. Biyani	220000	0.99	0	270000	1.16	0	0.17
15	Mr. Ajay D. Biyani (HUF)	180000	0.81	0	180000	0.77	0	-0.04
16	Mr. Abhishek A. Biyani	170000	0.76	0	300000	1.29	0	0.53
17	Damodar Lal Biyani (HUF)	140000	0.63	0	140000	0.60	0	-0.03
18	Mrs. Payal A Biyani	98000	0.44	0	149376	0.64	0	0.20
19	Mrs. Radhika A Biyani	80000	0.36	0	150000	0.64	0	0.28
	<b>Total</b>	<b>15405000</b>	<b>69.23</b>	<b>0</b>	<b>16456376</b>	<b>70.63</b>	<b>0</b>	<b>1.40</b>

## (iii) Change in Promoters Shareholding:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Mr. Ajay Biyani	3400000	15.28				
	At the end of the year					3400000	14.59
2	Mr. Anil D. Biyani	2950000	13.26				
	Preferential Allotment			26-Mar-20	150000		
	At the end of the year					3100000	13.30
3	Mr. Arun Kumar Biyani	2650000	11.91				
	At the end of the year					2650000	11.37



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
4	Mrs. Manju Biyani	1340000	6.02				
	At the end of the year					1340000	5.75
5	Mrs. Kanta Biyani	740000	3.33				
	Preferential Allotment			26-Mar-20	60000		
	At the end of the year					800000	3.43
6	Arun Kumar Biyani (HUF)	710000	3.19				
	At the end of the year					710000	3.05
7	Mrs. Sanju A. Biyani	650000	2.92				
	Preferential Allotment			26-Mar-20	150000		
	At the end of the year					800000	3.43
8	Calves N Leaves initiative Private Limited (Previously known as CSS Mercantile Pvt. Ltd.)	500000	2.25				
	At the end of the year					500000	2.15
9	Suam Overseas Pvt. Ltd.	470000	2.11				
	Preferential Allotment			26-Mar-20	230000		
	At the end of the year					700000	3.00
10	Mr. Aditya Biyani	320000	1.44				
	Preferential Allotment			26-Mar-20	30000		
	At the end of the year					350000	1.50
11	Mr. Aman Biyani	270000	1.21				
	At the end of the year					270000	1.16
12	Mr. Akshay Anil Biyani	270000	1.21				
	Preferential Allotment			26-Mar-20	130000		
	At the end of the year					400000	1.72
13	Damosuam Carriers Pvt. Ltd.	247000	1.11				
	At the end of the year					247000	1.06
14	Mrs. Bhawna A. Biyani	220000	0.99				
	Preferential Allotment			26-Mar-20	50000		
	At the end of the year					270000	1.16
15	Ajay Biyani (HUF)	180000	0.81				
	At the end of the year					180000	0.77
16	Mr. Abhishek A. Biyani	170000	0.76				
	Preferential Allotment			26-Mar-20	130000		
	At the end of the year					300000	1.29
17	Mr. Damodarlal Biyani (HUF)	140000	0.63				
	At the end of the year					140000	0.60
18	Mrs. Payal A Biyani	98000	0.44				
	Transfer			23-Aug-19	1286	99286	0.45
	Transfer			30-Aug-19	1714	101000	0.45
	Preferential Allotment			26-Mar-20	48376	149376	0.64
	At the end of the year					149376	0.64
19	Mrs. Radhika A Biyani	80000	0.36				
	Preferential Allotment			26-Mar-20	70000		
	At the end of the year					150000	0.64



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

MGT-9 IV.(iv) Shareholding Pattern of top ten Shareholders							
Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	DINDAYAL BIYANI EQUITIES PRIVATE LIMITED	250000	1.1235			250000	1.1235
	Transfer			27 Sep 2019	111860	361860	1.6262
	Transfer			11 Oct 2019	168	362028	1.6270
	AT THE END OF THE YEAR					362028	1.6270
2	OMKARNATH DAMODAR MALPANI HUF	240000	1.0786			240000	1.0786
	AT THE END OF THE YEAR					240000	1.0786
	AT THE END OF THE YEAR					179756	0.8078
3	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	95400	0.429				0.429
	Transfer to IEPF Authority			25-Jun-19	53886	149286	0.641
	Transfer to IEPF Authority			12-Dec-19	7998	157284	0.675
	AT THE END OF THE YEAR					157284	0.675
4	F L DADABHOY	150000	0.6741			150000	0.6741
	AT THE END OF THE YEAR					150000	0.6741
5	PUSHPADEVI SITARAM BIYANI	147404	0.6624			147404	0.6624
	AT THE END OF THE YEAR					147404	0.6624
6	MAHESHKUMAR TEJRAJ INANI	120326	0.5408			120326	0.5408
	Transfer			19 Apr 2019	431	120757	0.5427
	Transfer			26 Apr 2019	2726	123483	0.5549
	Transfer			29 Jun 2019	16898	140381	0.6309
	Transfer			13 Sep 2019	1018	141399	0.6355
	Transfer			31 Dec 2019	2441	143840	0.6464
	Transfer			03 Jan 2020	3014	146854	0.6600
	Transfer			31 Mar 2020	205	147059	0.6609
	AT THE END OF THE YEAR					147059	0.6609
7	DILIPKUMAR H PARMAR	120240	0.5404			120240	0.5404
	AT THE END OF THE YEAR					120240	0.5404
8	BINA GIRDHARLAL DAGA .	116000	0.5213			116000	0.5213
	AT THE END OF THE YEAR					116000	0.5213
9	VIJAYLAXMI EXPORTS PRIVATE LIMITED	70340	0.3161			70340	0.3161
	Transfer			12 Apr 2019	12606	82946	0.3728
	Transfer			19 Apr 2019	10864	93810	0.4216
	Transfer			23 Aug 2019	20000	113810	0.5115
	AT THE END OF THE YEAR					113810	0.5115



**MGT-9 IV.(iv) Shareholding Pattern of top ten Shareholders**

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
10	TEJRAJ MOTILAL INANI HUF	28560	0.1284				
	Purchase			03 May 2019	5603	34163	0.1466
	Purchase			10 May 2019	336	34499	0.1481
	Purchase			12 Jul 2019	3894	38393	0.1648
	Purchase			19 Jul 2020	681	39074	0.1677
	Purchase			26 Jul 2019	6667	45741	0.1963
	Purchase			02 Aug 2019	4940	50681	0.2175
	Purchase			09 Aug 2019	3693	54374	0.2334
	Purchase			16 Aug 2019	346	54720	0.2348
	Purchase			30 Aug 2019	1404	56124	0.2409
	Purchase			27 Sep 2019	4286	60410	0.2593
	Purchase			04 Oct 2019	1000	61410	0.2636
	Purchase			18 Oct 2019	2235	63645	0.2732
	Purchase			25 Oct 2019	1925	65570	0.2814
	Purchase			01 Nov 2019	3055	68625	0.2945
	Purchase			08 Nov 2019	833	69458	0.2981
	Purchase			29 Nov 2019	5732	75190	0.3227
	Purchase			13 Dec 2019	12803	87993	0.3777
	Purchase			27 Dec 2019	400	88393	0.3794
	Purchase			03 Jan 2020	285	88678	0.3806
	Purchase			10 Jan 2020	2000	90678	0.3892
	Purchase			17 Jan 2020	1492	92170	0.3956
	Sale			24 Jan 2020	-3478	88692	0.3807
	Purchase			31 Jan 2020	2563	91255	0.3917
	Purchase			07 Feb 2020	3000	94255	0.4045
	Purchase			14 Feb 2020	1378	95633	0.4104
	Purchase			21 Feb 2020	2844	98477	0.4226
	Purchase			28 Feb 2020	2000	100477	0.4312
	Purchase			13 Mar 2020	2340	102817	0.4413
	Purchase			20 Mar 2020	3979	106796	0.4584
	Purchase			27 Mar 2020	2222	109018	0.4679
	Purchase			31 Mar 2020	1952	110970	0.4763
	AT THE END OF THE YEAR					110970	0.4763



**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding at the beginning of the year(01.04.2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding at the end of the year (31.03.2020)	
		No. of Shares held	% of total shares of the Company				No. of Shares held	% of total shares of the Company
1	Mr. Ajay Biyani	3400000	15.28	No change during the year			3400000	14.59
2	Mr. Anil D. Biyani	2950000	13.26	26-03-20	150000	Preferential Allotment	3100000	13.30
3	Mr. Arunkumar Biyani	2650000	11.91	No change during the year			2650000	11.37

The following Directors / Key Managerial Personnel (KMP) did not hold any shares during financial year 2019-20.

# Mr. Iyer Kumar Ramamoorthy, Chief Financial Officer of the Company and Mr. Subodh Kumar Soni, Company Secretary of the Company

# Mr. Girdharlal S. Daga, Mr. Raghavan Srinivas, Directors of the Company and Mr. Iyer Kumar Ramamoorthy, Chief Financial Officer of the Company has resigned from the Directorship w.e.f. 12/11/2019, 12/02/2020 & 08/05/2020.

**V. INDEBTEDNESS**

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

(Amt. in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,78,63,45,515	25,73,00,000	27,42,00,000	3,31,78,45,515
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>2,78,63,45,515</b>	<b>25,73,00,000</b>	<b>27,42,00,000</b>	<b>3,31,78,45,515</b>
Change in Indebtedness during the financial year				
• Addition	1,64,20,964	18,42,00,000	22,74,1000	22,33,61,964
• Reduction	-	-	-	-
<b>Net Change</b>	<b>1,64,20,964</b>	<b>18,42,00,000</b>	<b>2,27,41,000</b>	<b>22,33,61,964</b>
Indebtedness at the end of the financial year				
i) Principal Amount	2,80,27,66,479	44,15,00,000	29,69,41,000	3,54,12,07,479
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,80,27,66,479</b>	<b>44,15,00,000</b>	<b>29,69,41,000</b>	<b>3,54,12,07,479</b>





## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in ₹)

SI No.	Particulars of Remuneration	Name of Managing Director/Whole Time Director			Total
		Ajay Biyani	Arunkumar Biyani	Anil D. Biyani	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67,20,000	67,20,000	67,20,000	2,01,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
5	Other, Please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>67,20,000</b>	<b>67,20,000</b>	<b>67,20,000</b>	<b>2,01,60,000</b>
	Ceiling as per the Act	In compliance of Section 197 read with Schedule V of the Companies Act, 2013			

### B. Remuneration to other directors:

(Amt. in ₹)

SI No.	Particulars of Remuneration	Name of Directors				Total
		Mr. Girdharlal S. Daga	Mr. Ketan K. Patel	Mr. Raghavan Srinivas	Mrs. Farida Bomi Jambusarwalla	
1	Independent Directors					
	• Fee for attending board committee meetings	20,000	30,000	40,000	50,000	
	• Commission	Nil	Nil	Nil	Nil	
	• Others, please specify	Nil	Nil	Nil	Nil	
	<b>Total (1)</b>	<b>20,000</b>	<b>30,000</b>	<b>40,000</b>	<b>50,000</b>	<b>140,000</b>
2	Other Non-Executive Directors					
	• Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.	
	• Commission					
	• Others, please specify					
	<b>Total (2)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	
	<b>Total (B)=(1+2)</b>	<b>20,000</b>	<b>30,000</b>	<b>40,000</b>	<b>50,000</b>	<b>140,000</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>20,300,000</b>
	Ceiling as per the Act	In compliance of Section 197 read with Schedule V of the Companies Act, 2013				



**C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD:**

(₹ in Lakhs)

Sl No.	Particulars of Remuneration	Name of KMP			Total
		CEO	Company Secretary (Subodh Kumar Soni)	CFO (R. Kumar)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	10.38	16.53	24.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	- as % of profit				
	- others, specify	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>		<b>10.38</b>	<b>16.53</b>	<b>24.87</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences against the Company or against any of its Directors or Officers in default, during the year ended March 31, 2020.



## Annexure – IV to Board's Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The CSR Policy was approved by the Board of Directors of the Company and has been uploaded on the Company's Website i.e. [www.damodargroup.com](http://www.damodargroup.com). A gist of the programs/activities that the Company has undertaken under the CSR Policy are mentioned below (Please refer Point No. 5).

2. The Composition of the CSR Committee:

The Company has a Corporate Social Responsibility Committee of Directors comprising of Mr. Arunkumar Biyani, Chairman, Mr. Ketan k. Patel and Mr. Anil D. Biyani, Members.

3. Average net profit for three years : Rs. 1628.53 Lakhs  
 Prescribed CSR expenditure (2% of Average Net Profit) : Rs. 32.57 Lakhs  
 CSR amount unspent as on March 31, 2019 : Rs. 26.22 Lakhs  
 Total CSR amount available for the financial year 2019-20 : Rs. 58.79 Lakhs  
 Contribution made by the Company for CSR Expenditure during the Financial year 2019-20 : Rs. 13.08 Lakhs
4. CSR amount unspent as on March 31, 2020 and carried forward to next year : Rs. 45.71 Lakhs
5. Purposes for which the amount was spent on CSR during the financial year is detailed below:

Sl. No.	CSR project or activity	Sector in which the project is covered	Location	Amount Outlay (Budget) Project or Program wise (Rs.in lacs)	Amount spent on the Projects or Programs Sub Heads:(1) Direct Expenditure on Projects or Programs(2) Overheads (Rs. in lacs)	Cumulative Expenditure upto the reporting period i.e. FY 2018-2019 (Rs. in lacs)	Amount Spent Direct or through Implementing Agency
1.	Animal Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and faun and, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil	Nani – Tambadi (Valsad)	13.08	13.08	Nil	Implementing Agency – Damodar Foundation



6. The Company could not spend entire two percent of average net profits of the last three financial years since the company did not find any further suitable projects or programs during the year to spend, for achieving the prescribed limit as per the Companies Act, 2013. However the CSR activities are scalable which coupled with new initiatives may be considered in future, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits. The Company is making efforts to identify the projects for spending the unspent and carried forward CSR funds. All unspent CSR funds of previous year (s) are carried forward for spending on CSR activities.

#### **RESPONSIBILITY STATEMENT**

The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR & G) Committee of the Board of Directors of the Company, is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-

Sd/-

Place : Mumbai

**Arunkumar Biyani**

**Anil D. Biyani**

Date : July 31, 2020

Chairman (CSR Committee)

Member (CSR Committee)



## Annexure-V to Board's Report

### Particulars of Employees pursuant to section 197 of the Companies Act, 2013 read with Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20, The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20:

Name of Directors	Ratio of remuneration of each director to median remuneration of the employees	% increase in Remuneration in the Financial Year 2019-20
Mr. Arunkumar Biyani	42.87	7.14%
Mr. Ajay D. Biyani	42.87	7.14%
Mr. Anil D. Biyani	42.87	7.14%
Mr. Ketan K. Patel	0.19	N.A.
Mrs. Farida Bomi Jambusarwalla	0.32	N.A.
Mr. R.Kumar (Chief Financial Officer)	NA	8.81%
Mr. Subodh Kumar Soni (Company Secretary)	NA	7.83%

- (ii) The MRE of the Company during the financial year under review was ₹1,56,762/- P.A. as compared to ₹1,32,000/- P.A. in previous year.
- (iii) The increase in MRE in the financial year 2019-20 as compared to the financial year 2018- 19 was 18.76 %. The calculation of percentage increase in the Median Remuneration is based on the comparable employees.
- (iv) There were 1466 permanent employees on the rolls of the Company as on March 31,2020.
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 5% to 30%, whereas the increase in the managerial remuneration for the financial year was 5% to 10%..
- (v) Component of Remuneration of directors is not variable during the particular year.
- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company.

Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. List of Top Ten Employees of the Company in terms of remuneration drawn during the FY 2019-20 other than Directors.

S. No	Name	Designation	Education & Experience	Age. (Yrs)	Nature of employment	% age of Equity Shares	Remuneration Paid p.a. (Amt. in Lakhs)	Previous Employment & Designation	Whether Relative of Director or not
1	Mr. Aditya Biyani	Finance and Marketing – Head	B.Com & 10 Years	33	Permanent	1.44	30.00	-	Related to Mr. Arunkumar Biyani
2	Mr. Aman Biyani	Marketing - Head	B.Com & 15 Years	38	Permanent	1.21	30.00	-	Related to Mr. Arunkumar Biyani



S. No	Name	Designation	Education & Experience	Age. (Yrs)	Nature of employment	% age of Equity Shares	Remuneration Paid p.a. (Amt. in Lakhs)	Previous Employment & Designation	Whether Relative of Director or not
3	Mr. Shree Valsalan	President – Technical	DIP. TEXT. Tech. & 42 Years	66	Permanent	0	28.86	Century Yarns- Production Manager	No
4	Mr. Milind V. Malwade	Vice President – Marketing	MBA & 19 Years	44	Permanent	0	22.84	Nagreeka Exports Pvt. Ltd. -Mrkt. Manager	No
5	Mr. Iyer Rramamoorthy Kumar	Chief Financial Officer	M.Com & 28 Years	60	Permanent	0	16.33	Investment Banking Org. Asst. V.P.	No
6	Mr. Tapan Malani	General Manager – Production	BE - Textile & 19 Years	43	Permanent	0	13.56	Suam Overseas Pvt. Ltd.- Production Manager	No
7	Mr. Vikash Kakani	Internal Auditor	CA & 9 years	34	Permanent	0	13.20	Shankar Packaging - Manager	No
8	Mr. Ramanand Tripathi	Civil Engineer	B.E - CIVIL& 20 Years	50	Permanent	0	12.60	Aftab Constructions - Civil Engineer	No
9	Mr. Sanjeev Kumar Jain	GM - Technical	B.Tech, MBA & 25 years	46	Permanent	0	12.60	Tk Limited - GM Technical	No
10	Mr. Parag Shinde	GM - Works	Dip in Textile Manufacturing & 30 years	43	Permanent	0	12.00	Maharaja Shree Umed Mills - DGM	No

- List of Employees of the Company (other than directors) employed throughout the FY 2019-20 and were paid remuneration not less than Rupees One Crore and Two Lakhs per annum: Nil
- Employees employed for the part of the year (other than Directors) and were paid remuneration during the FY 2019-20 at a rate which in aggregate was not less than ₹ 8.50 Lakh Per Month: Nil
- None of the employee was in receipt of remuneration in excess of that drawn by the Managing Director.



## FORM AOC - 2

(Pursuant to clause (h) of Sub-section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Account) Rules, 2014.

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

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

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

Name of Party	Nature of Transaction	Amount (₹)
Arunkumar Biyani	Interest on Unsecured Loan	1,436,550
	Directors Remuneration	6,720,000
	Unsecured Loan Balance	46,300,000
Ajay D Biyani	Interest on Unsecured Loan	1,814,345
	Directors Remuneration	6,720,000
	Unsecured Loan Balance	52,700,000
Anil D Biyani	Interest on Unsecured Loan	2,934,267
	Directors Remuneration	6,720,000
	Unsecured Loan Balance	112,500,001
Shri Damodar Yarn Mfg. Pvt. Ltd	Sales of Goods/materials	7,817,145
	Purchases Goods/materials	45,032,078
	Job Work	2,943,341
Damosuam carriers Pvt. Ltd.	Transportation charges	4,633,244
	Trade Payables	-
	Advance given for Transportation charges	191,121
Suam Overseas Pvt. Ltd.	Sales of Goods/materials	207,060,619
	Purchases Goods/materials	111,019,497
	Assets Purchased	-
	Job Work Sales	-
	Job Work Purchases	5,278,103
	Trade receivables	-
Shri Damodar Foundation	Rent	960,000
	Trade Payables	1,943,000
Arunkumar Biyani HUF	Fixed Deposit Balance	1,300,000
	Interest on FD	66,536
Ajay D Biyani HUF	Fixed Deposit Balance	700,000
	Interest on FD	30,350
Kanta Biyani	Fixed Deposit Balance	23,400,000
	Interest on FD	2,333,061
Abhishek Biyani	Interest on FD	1,951,440.00
	Fixed Deposit Balance	16,800,000
Akshay Biyani	Interest on FD	1,895,887
	Fixed Deposit Balance	15,400,000
	Employee Remuneration	2,100,000





Name of Party	Nature of Transaction	Amount (₹)
Manju Biyani	Interest on FD	2,918,744
	Fixed Deposit Balance	29,500,000
Sanju Biyani	Interest on FD	2,166,825
	Fixed Deposit Balance	20,000,000
Bhawna Biyani	Interest on FD	612,679
	Fixed Deposit Balance	4,500,000
Reiya Biyani	Interest on FD	24,472
	Fixed Deposit Balance	400,000
Risha Biyani	Interest on FD	25,413
	Fixed Deposit Balance	400,000
Savitridevi Biyani	Interest on FD	167,932
	Fixed Deposit Balance	450,000
Aman Biyani	Interest on FD	2,241,728
	Fixed Deposit Balance	21,400,000
	Employee Remuneration	3,000,000
Aditya Biyani	Interest on FD	2,263,060
	Fixed Deposit Balance	20,600,000
	Employee Remuneration	3,000,000
Payal Biyani	Interest on FD	315,062
	Employee Remuneration	-
	Fixed Deposit Balance	2,120,000
Kiara Biyani	Interest on FD	31,422
	Fixed Deposit Balance	280,000
Radhika Biyani	Interest on FD	50,089
	Fixed Deposit Balance	-
	Employee Remuneration	-
Jia Biyani	Interest on FD	26,300
	Fixed Deposit Balance	250,000
Subodh Kumar Soni	Employee Remuneration	1,038,000
R. Kumar	Employee Remuneration	1,653,372

a) Duration of the contracts / arrangements/transactions: FY 2019-20.

b) Salient terms of the contracts or arrangements or transactions including the value, if any:

All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length.

c) Date of approval by the Board: In the quarterly meeting of the Board.

d) Amount paid as advances, if any: ₹ 1,91,121.



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2019-2020

Pursuant to Regulation 34 (3) read with Schedule V of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Governance is an integral part of the Company's business practices based on the philosophy of Trusteeship. The core value of the Company's business practices are derived from the four pillars of Trusteeship, i.e. transparency, adequate disclosure, fairness to all and independent monitoring and supervision. The strong internal control systems and procedures, risk assessment and mitigation procedures and code of conduct for observance by the Company's directors and employees are conducive in achieving good Corporate Governance practices in the Company.

### CORPORATE GOVERNANCE PRACTICE

The Company maintains the highest standard of corporate governance; it is the Company's constant endeavour to adopt the best Corporate Governance Practice.

#### 1. BOARD OF DIRECTORS

The Board of Directors ensures that the Company runs its business on fair and ethical principles and plays an important role in creation of value for its stakeholders, in terms of the Company's Governance and Ethics Policy.

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 "Listing Regulations" and is in accordance with best practices in Corporate Governance. All statutory and other significant and material information including information mentioned in Regulation 17(7) read with Part A of Schedule II the Listing Regulations, is placed before the Board of Directors to enable it to discharge its responsibilities of strategic supervision of the Company with due compliance of laws and as trustees of stakeholders.

#### Composition and Categories of Board of Directors

The composition of the Board of Directors of the Company ('the Board') is in conformity with the requirement of Regulation 17 of the Listing Regulations read with Section 149 of the Act. As on March 31, 2020, the Board comprises of five directors including one woman director. The Chairman of the Board is an Executive Director and the number of Independent Directors is 50% and more of the total number of Directors. During FY 2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Directors on the Board is serving as an Independent Director in more than seven / three Listed entities, as specified in Regulation 25 of the Listing Regulations. None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees (as specified in Regulation 26 of Listing Regulations), across all the public companies in which he/she is a Director.

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



Name of Director	Category	*No. of Directorship in Public Limited Companies	**No. of Chairmanship/ Membership of Committees in public companies		Directorship in other listed entity (Category) of Directorship
			Membership	Chairmanship	
Mr. Arunkumar Biyani DIN – 00016519	Promoter / Executive Chairman	-	-	-	-
Mr. Ajay Biyani DIN – 00014896	Promoter / Managing Director	-	-	-	-
Mr. Anil D. Biyani DIN – 00016554	Promoter / Executive Director	-	-	-	-
Mr. Ketan K. Patel <sup>^</sup> DIN - 08607454	Independent / Non-Executive Director	-	-	-	-
Mrs. Farida Bomi# Jambusarwalla DIN – 07139945	Independent / Non-Executive Director	-	-	-	-
Mr. Girdharlal S. Daga\$ DIN – 00115772	Independent / Non-Executive Director	-	-	-	-
Mr. Raghavan Srinivas@ DIN – 07090385	Independent / Non-Executive Director	-	-	-	-

\* Excludes alternate Directorship, Directorship of Private Limited Companies, Section 8 Companies and Companies incorporated outside India.

\*\*In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies have been considered

<sup>^</sup> Mr. Ketan K. Patel has appointed as an Independent Director of the Company w.e.f. November 13, 2019

# Mrs. Farida Bomi Jambusarwalla has reappointed as an Independent Director w.e.f. March 30, 2020.

\$ Mr. Girdharlal S. Daga has resigned from the Directorship w.e.f. November 12, 2019.

@ Mr. Raghavan Srinivas has resigned from the Directorship due expire of 5 year term of Independent director.

None of the Directors are disqualified for appointment under section 164 (2) of Companies Act, 2013. None of the Director on Board is serving as Director in other listed Company except Damodar Industries Ltd.

#### Attendance of Directors at the Board Meetings held during 2019-2020 and the last Annual General Meeting held on August 13, 2019.

Name of Director	Category	Board Meeting		Attendance at the last AGM
		held	attended	
Mr. Arunkumar Biyani	Promoter/Executive Chairman	6	6	Yes
Mr. Ajay D. Biyani	Promoter/Managing Director	6	6	Yes
Mr. Anil D. Biyani	Promoter/Executive Director	6	6	Yes
Mr. Girdharlal S. Daga	Independent/Non-Executive Director	6	2	Yes
Mr. Raghavan Srinivas	Independent/Non-Executive Director	6	4	Yes
Mrs. Farida Bomi Jambusarwalla	Independent/Non-Executive Director	6	6	Yes
Mr. Ketan K. Patel	Independent/Non-Executive Director	6	3	NA

During the Financial Year 2019-2020 The Board met on Six (6) occasion's i.e., May 25, 2019, August 13, 2019, November 13, 2019, February 07, 2020, February 14, 2020 and March 26, 2020. The gap between any two meetings is not more than 120 days.



### Relationship between Directors

Out of 5 Directors 3 Directors are related Directors viz: Mr. Arunkumar Biyani, Executive Chairman, Mr. Ajay Biyani, Managing Director, Mr. Anil D. Biyani, Executive Director of the Company are related with each other.

### Equity Shareholding of the Non-Executive Directors in the Company as on March 31, 2020

The Individual shareholding of Non Executive Independent Directors of the Company as on March 31, 2020 is given below:

Name of Non – Executive Directors	No. of Shares
Mr. Girdharlal S. Daga	Nil
Mr. Raghavan Srinivas	Nil
Mrs. Farida Bomi Jambusarwalla	179756

\$ Mr. Girdharlal S. Daga and Mr. Raghavan Srinivas has resigned from the Directorship w.e.f. November 12, 2019 and February 12, 2020 respectively.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Director	Expertise in specific functional area
Mr. Arunkumar Biyani	Finance, Banking and Foreign Exchange, Markets.
Mr. Ajay D. Biyani	Production activities, Strategic Planning Functions, Expansion and Acquisition Plans.
Mr. Anil D. Biyani	Developing strategies to grow, sales and market share, build brand awareness and equity, and enhance enterprise reputation.
Mrs. Farida Bomi Jambusarwalla	A diverse and wide ranging experience and profound knowledge as human resource strategist and educational motivator.
Mr. Ketan K. Patel	Practicing advisor of Insurance and Risks Management. He Holds associate's/Fellowship in Insurance Education from Institute of Insurance, Mumbai. He possesses a diverse and wide ranging experience and profound knowledge of Financial, Insurance and Risk Management.

The Company has informal plan for orderly succession for appointment to the Board of Directors and Senior Management. The Board periodically reviews the compliance reports of all laws applicable to the Company.

### Details of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting

As per Provision of Companies Act, 2013, Mr. Ajay D. Biyani (DIN: 00014896), will retire at the ensuing AGM and being eligible seek reappointment. The Companies Act, 2013 provides for the appointment of independent director. Sub-section (10) of Section 149 of the Companies Act, 2013 provides that the Independent director shall hold office for a term of upto five consecutive year on the Board of a Company, and shall be eligible for reappointment for another term of five years on passing of a special resolution by the shareholders of the Company. All Independent directors were reappointed by the shareholders either at the general meeting or through or postal ballot as required under section 149 (10) of the Companies Act, 2013.

Mrs. Farida Jambusharwalla, was reappointed as an Independent Director, with effective from March 30, 2020 to March 29, 2025, subject to approval by shareholders in the ensuing Annual General Meeting.

Further, Section 149 (11) of the Companies Act, 2013 states that no Independent director shall be eligible to serve on the Board for more than two consecutive terms of five years. Section 149 (3) states that the provisions of retirement by rotation, as defined in sub-section (6) and (7) of section 152 of the Act, shall not apply to such directors.



The Board of Directors has appointed Mr. Pankaj Srivastava as an Additional Independent Director of the Company w.e.f. May 11, 2020 and holds office up to this Annual General Meeting and shall be eligible for appointment as Independent Director in terms of Section 149 and 152 of the Act at Annual General Meeting, subject to the provisions of the Act, your Company has received a notice in writing from a member proposing his candidature for the office of Independent Directors along with the requisite deposit. He qualifies to be an Independent Director pursuant to the provisions of Section 149(6) of the Companies Act, 2013.

Mr. Girdharlal S. Daga and Mr. Raghvan Srinivas has resigned from the Directorship w.e.f. November 12, 2019 and February 12, 2020 due to his health issue and completion of Five year term respectively. The Board places on record its appreciation for the services rendered by Mr. Girdharlal S. Daga and Mr. Raghvan Srinivas during their tenure with the Company.

### **Independent Directors Meeting**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on February 14, 2020, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. All the Independent Directors attended the Meeting of Independent Directors. Mr. Ketan K. Patel Chaired the meeting.

### **Directors' Interest in the Company**

Sometime, the Company enters into contracts with companies in which a Director of the Company is interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

### **Code of Conduct**

The Company has adopted Code of Conduct for its Executive Directors, Senior Management Personnel and other employees of the Company. The Company has confirmations from Executive Directors and Senior Management Personnel regarding compliance of the aforesaid Code for the financial year ended March 31, 2020. The Company has received confirmations from the Directors regarding compliance of the Code for the financial year ended March 31, 2020.

### **Board, Director and Committee Evaluation and Criteria for Evaluation**

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for performance evaluation of individual Directors and the Board / Committees.

The criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Executive Directors.

The criteria for Board Evaluation include degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The criteria for committee evaluation includes degree of fulfillment of key responsibilities, adequacy of Board committee composition, effectiveness of meetings, committee dynamics, quality of relationship of the committee with Board and the management.

### **Induction and Familiarization Program for Directors**

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with the Company, nature of the industry in which the Company operates etc. The Company familiarizes its Directors with the Company, their roles,



rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The details of familiarization programmes imparted to the Independent Directors is disclosed on the Company's Website at [www.damodargroup.com](http://www.damodargroup.com)

## 2. COMMITTEES OF THE BOARD

Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

### A. Audit Committee

The Audit Committee is governed by a Charter which is in line with the regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Committee is responsible for the effective supervision of the financial reporting processes to ensure accurate, timely, and proper disclosures and transparency, integrity and quality of financial reporting.

#### Composition, number of Meetings and Attendance

As on March 31, 2020 the Audit Committee of the Company comprises of four Directors, out of whom three are Non-Executive Independent Directors. Mr. Ketan K. Patel, Chairman of the Committee is an Independent Director, Mrs. Farida Jambusharwalla, independent director and Mr. Arunkumar Biyani, Executive Director as the other members of the committee. All the Members of the Committee possess accounting and financial management expertise. The Company Secretary functions as Secretary to the Committee.

During the year under review, four meetings of the Committee were held on May 25, 2019, August 13, 2019, November 13, 2019 and February 14, 2020. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

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

Member	Designation	No. of Meetings	
		held	attended
Mr. Ketan K. Patel	Chairman	4	1
Mr. Arunkumar Biyani	Member	4	4
Mrs. Farida Bomi Jambusarwalla	Member	4	1
Mr. Girdharlal S. Daga	Chairman	4	2
Mr. Raghavan Srinivas @	Member	4	3

Members of the Audit Committee have requisite financial, legal and management expertise.

The Chairman of the Audit Committee briefs the Board members about the significant discussions held at the Audit Committee meetings. The Internal Auditor reports directly to the Audit Committee. The Board has accepted all the recommendations made by the audit committee during the FY 2020. Committee invites such of the executives (particularly the head of the finance function), representatives of the statutory auditors and internal auditors, as it considers appropriate, to be present at its meetings.

The erstwhile Chairman of the Audit Committee, Mr. Girdharlal S. Daga was present at the Annual General Meeting held on August 11, 2019.



#Mr. Girdharlal S. Daga has resigned as a director of the company w.e.f. November 12, 2019 and consequently ceased to be a member of the committee.

@Mr. Raghavan Srinivas has resigned as a director of the company due to expiry of five year terms of Independent director of the Company w.e.f. February 12, 2020 and consequently ceased to be a member of the committee.

### Terms of Reference

The Committee has been mandated to comply with the requirements as specified in Part C of Schedule II of the Listing Regulations and the provisions of section 177 of the Act. The terms of reference are reviewed from time to time by the Board.

The functions of the Committee include:

- Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
  - a. Evaluation of internal financial controls and risk management systems;
  - b. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; Discussion with internal auditors of any significant findings and follow up there on;





- Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (I): The term “related party transactions” shall have the same meaning as provided in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Review of information by Audit Committee

**The Audit Committee shall mandatorily review the following information:**

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

**B. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee (NRC) of the Company is constituted in line with Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013. As on March 31, 2020, the NRC comprises of three Non-Executive Independent Directors. The composition of the NRC and the details of Meetings attended by the Members are given below:

Member	Designation	No. of Meetings	
		Held	Attendance
Mr. Ketan K. Patel	Chairman	3	1
Mrs. Farida Bomi Jambusarwalla	Member	3	2
Mr. Girdharlal S. Daga*	Member	3	1
Mr. Raghavan Srinivas*	Member	3	3

During the financial year 2019-20, the Nomination and Remuneration Committee met on May 25, 2019, November 13, 2019 and February 7, 2020.

\* Mr. Girdharlal S. Daga and Mr. Raghavan Srinivas has resigned as a director of the company w.e.f. November 12, 2019 and February 12, 2020 respectively and consequently ceased to be a member of the committee.



**The terms of reference of the Nomination and Remuneration Committee are as under:**

The Committee has been mandated to comply with the requirements as specified in Part C of Schedule II of the Listing Regulations and the provisions of section 178 of the Act. The terms of reference are reviewed from time to time by the Board.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries.

The Board of Directors decides on remuneration, if any, payable to non-executive Directors. The company is not paying any commission to its Non-Executive Directors.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (LODR), Regulations 2015, the performance of all the Directors have been evaluated by the Board periodically at its various meetings as to their contribution for the betterment and progress of the Company. The board also, carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

**Remuneration Paid to Directors during 2019-20**

(₹ in Lacs)

Name of Directors	Category	Sitting Fees	Salary	Total
Mr. Arunkumar Biyani	Promoter / Non-Executive Chairman	-	67.20	67.20
Mr. Ajay Biyani	Promoter / Managing Director	-	67.20	67.20
Mr. Anil D. Biyani	Promoter / Executive Director	-	67.20	67.20
Mr. Girdharlal S. Daga	Independent / Non-Executive Director	0.20	-	0.20
Mr. Raghavan Srinivas	Independent / Non-Executive Director	0.40	-	0.40
Mrs. Farida Bomi Jambusarwalla	Independent / Non-Executive Director	0.50	-	0.50
Mr. Ketan K. Patel	Independent / Non-Executive Director	0.30	-	0.30

No sitting fee is being paid to the Directors for attending the Meeting of the Committees of the Board.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has constituted "Stakeholders Relationship Committee".

The Committee presently comprises of Mr. Ketan k. Patel, Chairman of the Committee, Mr. Arunkumar Biyani and Mrs. Farida Bomi Jambusarwalla, Directors of the Company, as the other members of the Committee.

During the year under review, four meetings of Stakeholders' Relationship Committee were held on May 25, 2019, August 13, 2019, November 13, 2019 and February 14, 2020. The attendance of the Members at the above meetings is as under:



Name of the Member	Designation	No. of Meetings	
		held	attended
Mr. Ketan k. Patel	Chairman	4	1
Mr. Arunkumar Biyani	Member	4	4
Mrs. Farida Bomi Jambusarwalla	Member	4	1
Mr. Raghavan Srinivas#	Member	4	3
Mr. Girdharlal S. Daga#	Member	3	1

#Mr. Girdharlal S. Daga and Mr. Raghavan Srinivas has resigned as a director of the company w.e.f. November 12, 2019 and February 12,2020 respectively and consequently ceased to be a member of the committee.

The Committee's responsibility is to overseas Share Transfers and addressing to and redressal of shareholders' grievances etc. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agents of the Company.

#### Terms of reference of the Committee

- Review statutory compliance relating to all security holders;
- Consider and resolve the grievances of security holders of the company including complaints related to transfer of securities, non-receipt of annual report;
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund;
- Overseeing and review all matters related to the transfer of securities of the Company;
- Approve issue of duplicate certificates of the Company;
- Review movements in shareholding and ownership structures of the Company;
- Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent;
- Recommend measures for overall improvement of the quality of investor services.

#### Status of Pending Complaints

The Company has received Nil Complaints during the Financial Year 2019-20. There were no complaints pending at the beginning and at the end of the Financial Year.

#### Compliance Officer

Mr. Subodh Kumar Soni, Company Secretary of the Company is the Compliance officer of the Company.

### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted Corporate Social Responsibility Committee (CSR) Committee as required under Section 135 of the Companies Act 2013. Presently, the Committee comprises of Mr. Arunkumar Biyani as Chairman, Mr. Ketan K. Patel and Mr. Anil D. Biyani as Members of the Committee. During the CSR Committee in its meeting held on May 25, 2019, November 13,2019 and February 14,2020.

Name of the Member	Designation	No. of Meetings	
		held	attended
Mr. Arunkumar Biyani	Chairman	3	3
Mr. Ketan K. Patel	Member	3	1
Mr. Anil D. Biyani	Member	3	3
Mr. Girdharlal S. Daga#	Member	3	1

#Mr. Girdharlal S. Daga has resigned as a director of the company w.e.f. November 12, 2019 and consequently ceased to be a member of the committee.

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



- a. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.
- b. To recommend the amount of expenditure to be incurred on the CSR activities and to monitor the implementation of the framework of the CSR Policy.
- c. To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities.
- d. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Mr. Subodh Kumar Soni, Company Secretary and Compliance Officer, acts as Secretary to the CSR Committee.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the year 2019-20 forms a part of the Board's Report.

### 3. GENERAL BODY MEETINGS

#### (i) ANNUAL GENERAL MEETINGS

Details of the location of the last three Annual General Meetings / Extra Ordinary General Meetings and the details of the resolutions passed or to be passed by Postal Ballot.

##### a. Particulars of previous three Annual General Meetings:

Meeting	Year	Venue	Date	Time
AGM	2019	Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002	August, 13, 2019	11.30 A.M.
AGM	2018	Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002	July, 28, 2018	11.30 A.M.
AGM	2017	Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002	August, 11, 2017	11.30 A.M.

##### b. Special Resolutions during previous three Annual General Meetings

Financial Year	Particulars of Special Resolutions Passed
August 13, 2019	Mr. Raghvan Srinivas, To Continue to be a Non- Executive Independent Director of the Company
	Acceptance of Fixed Deposits
July, 28, 2018	Acceptance of Fixed Deposits
August 11, 2017	Acceptance of Fixed Deposits

##### c. Postal Ballot

Details of resolutions passed by way of postal ballot during the year 2019-20 along with voting pattern are as follow:

**Date of Postal Ballot Notice** : February 7, 2020  
**Date of declaration of result** : March 18, 2020

**Voting Period** : February 17, 2020 to March 17, 2020  
**Date of Approval** : March 17, 2020



Date of Passing Resolution	Type of Resolution	Number of Valid Votes polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of Votes	%
Issue of equity shares to promoters and promoter group entities on preferential basis	Special Resolution	1056547	1053338	99.69	3209	0.30
Shifting of registered office of the company	Special Resolution	16464547	16456917	99.95	7630	0.04
Appointment of Mr. Ketan K. Patel (DIN: 08607454) as an Independent Director	Ordinary Resolution	16464547	16464545	100.00	2	0.00

- d. The Board had appointed Mr. Vishal N. Manseta, Practicing Company Secretary (ACS:25183, CP No. 8981) as Scrutinizer to conduct the Postal Ballot process in a transparent manner.

**e. Details of special resolution proposed to be conducted through postal ballot**

As of date, there is no proposal to pass any Special Resolution by Postal Ballot.

**f. Procedure of Postal Ballot**

In Compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the related rules, the Company provides electronics voting (E-voting) facility, in addition to physical ballot, to all its members. For this purpose, The company has engaged the services of CDSL.

Postal Ballot notices and forms are dispatched, along with postage prepaid business reply envelopes to registered members/ beneficiaries. The same notice is sent by e-mail to members who have opted to receive communication through the electronics mode. The Company also publishes a notice in the news paper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of E- voting.

The scrutinizer completes his scrutiny and submit his report to the chairman, and the consolidated results of the voting are announced by the chairman/authorized officer. The Results are also displayed on the Company website [www.damodargroup.com](http://www.damodargroup.com), besides being communicated to the stock Exchanges, depository and registrar and Share Transfer Agent. The last date for receipt of postal ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the required majority.

**(ii) No Extraordinary General Meeting of the Members was held during the year 2019-20.**

**4. MEANS OF COMMUNICATION**

- Website: The Company's website [www.damodargroup.com](http://www.damodargroup.com) contains separate section as "Investor Relation" where shareholder information is available. Full Annual Report is also available on the website in the user friendly and downloadable form. Apart from this, official news releases etc. are also displayed in the website.
- Financial Results: The Annual, half yearly and quarterly results are regularly uploaded by the company on the website. These are also submitted to the Stock Exchanges in accordance with Listing Regulations and published in an English Newspaper (Business Standard) and in a Marathi (Mumbai Lakshadeep) Newspaper.
- Annual Report: Annual Report containing inter alia Audited Annual Accounts, Director's Report, Auditor's Report and other important information is circulated to the members and others details thereto.



- Corporate Filing: Announcements, quarterly results, shareholding pattern etc. of the Company are regularly filed by the Company, also available on the website of the Stock Exchanges i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)
- Designated Exclusive Email ID: The Company has designated the Email ID [cs@damodargroup.com](mailto:cs@damodargroup.com) exclusively for investor servicing. This Email ID has been displayed on the Company's website [www.damodargroup.com](http://www.damodargroup.com).
- SEBI Complaints Redress System (SCORES): SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken the complaint and its current status. All complaints received through SCORES are resolved in a timely manner by the Company, similar to other complaints.
- NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre): NEAPS and BSE Listing Centre are web based application systems for enabling corporate to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc.

## 5. Other Disclosure

Particulars	Regulations	Details	Website link for details/ policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.	<a href="http://damodargroup.com/investors/policies/related_party_transaction_policy.pdf">http://damodargroup.com/investors/policies/related_party_transaction_policy.pdf</a>
Details of non -compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (C) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years.	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	<a href="http://damodargroup.com/investors/policies/DIL_Vigil_Mechanism_Policy.pdf">http://damodargroup.com/investors/policies/DIL_Vigil_Mechanism_Policy.pdf</a>
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	<ul style="list-style-type: none"> <li>• The auditors' report on financial statements of the Company are unqualified.</li> <li>• Internal auditors of the Company, make quarterly presentations to the audit committee on their reports.</li> </ul>	



Particulars	Regulations	Details	Website link for details/ policy
Subsidiary Companies	Regulation 24 of the SEBI Listing Regulations	The Company does not have any material unlisted Indian subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.	<a href="http://damodargroup.com/investors/policies/material_subsidary_policy.pdf">http://damodargroup.com/investors/policies/material_subsidary_policy.pdf</a>
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures.	<a href="http://damodargroup.com/investors/policies/ on Determination of Materiality for Disclosures. pdf">http://damodargroup.com/investors/policies/ on Determination of Materiality for Disclosures. pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	<a href="http://damodargroup.com/investors/policies/policy_for_preserva_of_documents.pdf">http://damodargroup.com/investors/policies/policy_for_preserva_of_documents.pdf</a>
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir- 16/2002 dated December 31, 2002.	A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL	<a href="http://damodargroup.com/investors/RSCAR.php">http://damodargroup.com/investors/RSCAR.php</a>
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a certificate by the Chief Financial Officer and Managing Director, on the compliance declarations received from Independent Directors and Senior Management.	<a href="http://damodargroup.com/investors/policies/CODE%20OF%20PRACTICES%20AND%20PROCEDURES%20FOR%20FAIR%20DISCLOSURE.pdf">http://damodargroup.com/investors/policies/CODE%20OF%20PRACTICES%20AND%20PROCEDURES%20FOR%20FAIR%20DISCLOSURE.pdf</a>
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/ re-appointment of Independent Directors are available on the Company's website	<a href="http://damodargroup.com/investors/policies/terms_and_Conditions_of_appointment_of_independent_directors.pdf">http://damodargroup.com/investors/policies/terms_and_Conditions_of_appointment_of_independent_directors.pdf</a>
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	<a href="http://damodargroup.com/investors/policies/familiarization_programmes_for_independent_director.pdf">http://damodargroup.com/investors/policies/familiarization_programmes_for_independent_director.pdf</a>
Disclosure under the Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal) Act, 2018		The details have been disclosed in the Board Report forming part of the Annual Report.	



- Commodity Price Risks and Commodity Hedging Activities**

The nature of business of the Company does not involve any such risks/hedging activities.

- A certificate has been received from Mr. Pramod Kumar Jain, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- Mr. Jitendra Mishra & Company, Chartered Accountants (FRN No. 125334W) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees is given below:

(Amt in ₹)

Particulars	Amount
Services as statutory auditors (including quarterly audits)	3,05,000
Tax audit	50,000
Certification Charges	45,000
<b>Total</b>	<b>4,00,000</b>

- Any Non-Compliance, Penalties or Strictures Imposed**

There has been no non-compliance by the Company nor were any penalties imposed or strictures passed against the Company by the Stock Exchange, Securities and Exchange Board of India or any other statutory authority on any matter related to capital market in the last three years

- The Company has complied with the mandatory requirements of the Listing Regulations.**

The disclosure of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations have been made under respective heads of this Corporate Governance Report.

## 6. GENERAL SHAREHOLDER INFORMATION

- Corporate Identification Number (CIN) of the Company: L17110MH1987PLC045575
- Annual General Meeting for FY 2019- 20  
Day & Date : Friday, September 18, 2020  
Time : 11.30 A.M.  
Venue : through video conferencing  
Book closure : Wednesday, 12th August, 2020 to Friday, 14th August, 2020
- Financial Calendar : 1st April to 31st March of the next calendar year

Adoption of Financial Results (Tentative Schedule, subject to change)

For the quarter ending 30th June, 2020 : Friday, 11th August, 2020

For the quarter and half year ending 30th September, 2020 : Friday, 6th November, 2020

For the quarter and nine months ending 31st December, 2020 : Friday, 5th February, 2021

For the fourth quarter and financial Year ending 31st March, 2021 : Friday, 14th May, 2021

Trading window closure for financial results from the 1st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available.

- Dividend and Dividend Payment Date Not Applicable.

Financial Year	Dividend Per Share	Date of Declaration	Last date for Claiming the unpaid dividend	Amount lying in the Unpaid Dividend Account
2012-13 (Final)	0.80	03.08.2013	07.09.2020	128352.80





Financial Year	Dividend Per Share	Date of Declaration	Last date for Claiming the unpaid dividend	Amount lying in the Unpaid Dividend Account
2013-14 (Interim)	1.00	07.02.2014	26.03.2021	207137.00
2013-14 (Final)	1.40	09.08.2014	13.09.2021	175324.00
2014-15 (Interim)	1.50	14.03.2015	17.04.2022	256398.00
2014-15 (Final)	1.00	07.08.2015	11.09.2022	168422.00
2015-16 (Interim)	1.20	02.02.2016	06.02.2023	298521.00
2015-16 (Final)	1.50	28.08.2016	24.09.2023	2,53,569.00
2016-17 (Final)	2.80	11.08.2017	15.08.2024	6,63,135.20
2017-18 (Final)	3.00	28.07.2018	02.09.2025	7,64,895.00
2018-19 (Final)	0.75	13.08.2019	18.09.2026	2,31,606.75

The details of the nodal officer appointed by the company under the provisions of IEPF and the web-address on which the said details are available should be is closed in the Report.

Mr. Subodh Kumar Soni (Nodal Officer) Company Secretary has being appointed by the Company under the Provisions of IEPF and the said details are available in the Company's website.

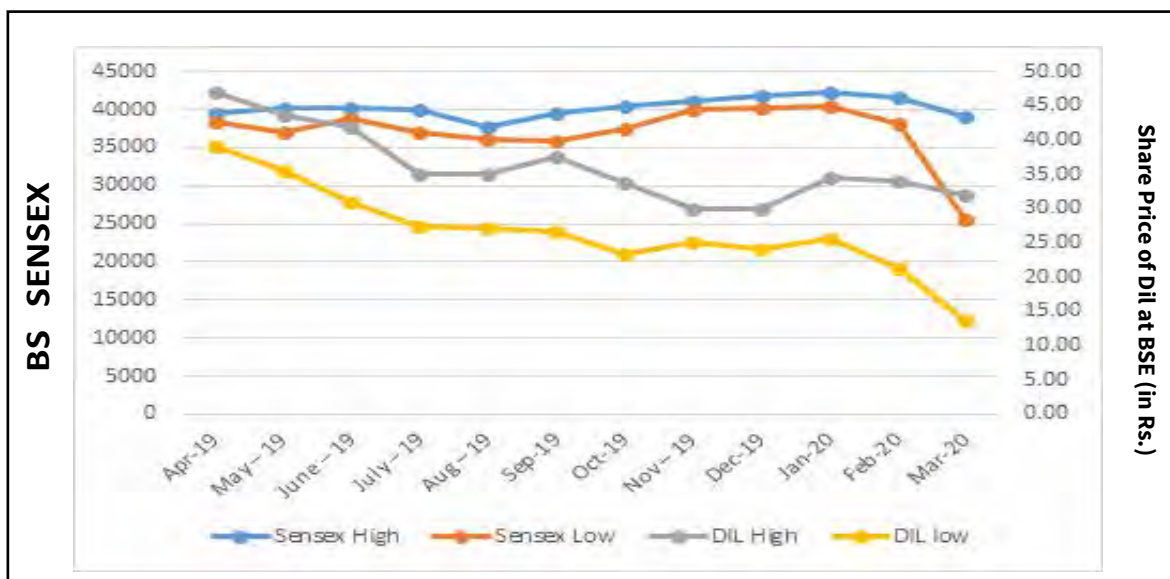
- Listing on Stock Exchanges** : **BSE Limited**  
 25<sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai 400 001  
  
**National Stock Exchange of India Limited**  
 Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051
- Stock Codes/Symbol** : BSE : 521220  
 NSE : DAMODARIND  
 ISIN : INE497D01022
- Payment of Listing Fees**  
  
 Listing fees for the financial Year 2019-20 has been paid, within the stipulated time to Stock Exchanges where the Company's Equity Shares are listed.
- CEO/CFO Certification**  
  
 As required under Regulation 17 (8) of the Listing Regulations, 2015, Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended March 31, 2020.
- Certificate of Corporate Governance**  
  
 As required by Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Certificate on corporate Governance of the Practicing Company Secretaries is annexed to this report.
- Code of Conduct**  
  
 In compliance with Regulation 26 (3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and pursuant to the provision of the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and ethics. The code of conduct is applicable to the members of the Board, and senior management personnel and all employee of the Company. These codes have being posted on the company's Website [www.damodargroup.com](http://www.damodargroup.com)
- Stock Market Data**  
  
 The details of Monthly high and low quotation of shares traded on BSE Limited and National Stock Exchange of India during the financial year as 2019-20 were under:



Month	BSE Limited			National Stock Exchange of India Ltd. ("NSE")		
	Share Price		Volume(nos)	Share Price		Volume (nos)
	High(in ₹)	Low(in ₹)		High(in ₹)	Low(in ₹)	
Apr -19	47.00	39.00	15795	43.90	39.05	85204
May - 19	43.80	35.60	14510	42.50	36.55	74967
June - 19	41.85	31.10	23423	40.30	32.00	91093
July - 19	35.00	27.50	24993	34.50	28.15	70964
Aug - 19	35.00	27.05	19990	34.25	26.55	58733
Sep- 19	37.60	26.70	32929	34.55	29.05	176559
Oct -19	33.80	23.45	11631	32.65	24.15	61603
Nov - 19	29.90	25.25	4031	31.70	25.15	51255
Dec- 19	29.90	24.00	6088	28.60	23.50	62864
Jan -20	34.50	25.55	52583	34.50	24.85	195889
Feb -20	33.90	21.30	14571	30.75	23.70	78225
March -20	32.00	13.65	72742	28.00	15.00	118421

- Share Price performance in comparison to BSE-SENSEX

Our Share Price vis-a-vis BSE-SENSEX





## Share Transfer System

The Board of Directors has delegated the power of share transfer to the M/s Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company. Share Transfer Agent attends to share transfer formalities once in a fortnight.

### • Shareholding as on March 31, 2020

#### a. Distribution of Equity Shareholding as on March 31, 2020

Slab of shares	Number of Shareholders	Percentage of shareholders	Number of shares	Percentage of shareholding
1 -500	3758	75.27	687939	2.95
501 -1000	518	10.37	406082	1.74
1001 -2000	322	6.45	487444	2.09
2001 -3000	98	1.97	243943	1.05
3001 -4000	75	1.50	275107	1.18
4001 -5000	42	0.84	196232	0.84
5001 -10000	74	1.48	552362	2.37
Above 10000	106	2.12	20450891	87.78

#### b. Categories of equity shareholding as on March 31, 2020:

Category	Nos. of shareholders	Total No. of shares	% to total no of shares
Promoter & Promoter Group	19	16456376	70.63
Financial Institutions / Banks	1	1750	0.01
Individuals	4589	4970929	21.32
Hindu Undivided Family	165	820391	3.52
Non Resident Indians (Non Repatriable)	14	3341	0.01
Non Resident Indians (Repatriable)	15	43251	0.19
Clearing Member	11	13025	0.06
Bodies Corporate	64	833553	3.58
IEPF Authority MCA	1	157284	0.68
Trust	1	100	0.00
<b>TOTAL</b>	<b>4880</b>	<b>23300000</b>	<b>100.00</b>

#### c. Top ten equity shareholders of the Company as on March 31, 2020:

Sr. No.	Name of the Shareholder	Number of Equity	Percentage of holding
1.	M/s. Dindayal Biyani Equities Pvt. Limited	250000	1.07
2.	M/s. Omkarnath Damodar Malpani (HUF)	240000	1.03
3.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	157284	0.68
4.	Mr. F. L. Dadabhoy	150000	0.64
5.	Mrs. Pushpadevi Sitaram Biyani	147404	0.63
6.	Mr. Maheshkumar Tejraj Inani	120326	0.52
7.	Mr. Dilipkumar H. Parmar	120240	0.52
8.	Mrs. Bina Girdharlal Daga	116000	0.50
9.	M/s Vijaylaxmi Exports Private Limited	113810	0.49
10.	Tejraj Motilala Inani HUF	110970	0.48



- Dematerialization of shares**

As on March 31, 2020, 93.66% of the total number of shares are in dematerialized form as compared to 97.46% of the total number of shares as on March 31, 2019.

Shares of the Company are actively traded on the BSE Limited and National Stock Exchange of India Limited as is evident from the volume of shares indicated in the table containing stock market data and hence ensures good liquidity to the investors.

The Company's shares are compulsorily traded in dematerialized form and are admitted in both the Depositories in India -National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited. (CDSL).

Particulars of Shares	Equity Shares of ₹ 5/- each	
	Number	% of total
Dematerialized		
CDSL	15892810	68.21
NSDL	5928794	25.45
<b>Sub - Total</b>	<b>21821604</b>	<b>93.66</b>
Physical Form	1478396	6.34
<b>TOTAL</b>	<b>23300000</b>	<b>100.00</b>

- Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

1. The Company has not issued any GDR/ADR/Warrant/Convertible Instrument.
2. There is no outstanding GDR/ADR/Warrant/Convertible Instrument.

- Investor Services and Investor Grievance Handling Mechanism**

All share related transactions viz. transfer, transmission, transposition, nomination, dividend, change of name/address/ signature, registration of mandate/power of attorney, replacement/split/ consolidation of share certificates/demat/remat of shares, issue of duplicate share certificates etc. are being handled by the RTA which discharges its functions effectively, efficiently and expeditiously.

Investors are requested to correspond directly on all share related matters with RTA i.e. Link Intime India Pvt. Limited, C-101, 247, Park, L.B.S. Marg, Vikhroli (W), Mumbai – 400083. Tel. No.:022-49186000, Fax No. 022-49186060, E-mail: rnt.helpdesk@linkintime.co.in, and for any other query to the Company Secretary & Compliance Officer at the Registered office address or Investor can also send the inquiries on cs@damoargroup.com.

- Credit Rating**

We are pleased to inform that the CARE Rating Ltd. has re-affirmed the credit rating “BBB-/Stable” for long term debt instruments/ facilities, “A3” for the short term debt instruments/ facilities. The rating “BBB-” indicates stable and rating “A3” indicates “The rating of the Company is tempered by high gearing levels, decline in profitability in H1FY20 with losses at PAT level, project stabilization risk, susceptibility of margins to raw material price volatility and foreign exchange fluctuation, geographical concentration risk in case of exports and fragmented and cyclical nature of industry. Further the CARE Rating has re-affirmed the credit rating “BBB-/Stable” for Fixed Deposits.

- Proceeds from Public Issues, Rights Issue, Preferential Issue, Bonus Issue etc.**

During the year, the Company has raised any money through Preferential Issue.

- CERTIFICATE PURSUANT TO CLAUSE 40(9) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

The Company has obtained half yearly Certificates pursuant to Clause 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from M/s. Pramod Jain and Co, Practicing Company Secretaries and the same were placed before the Committee for review. The certificates obtained during the year 2019-20 did not contain any reservation or qualification.



- **Transfer of Equity Shares to Investor Education and Protection Fund Authority**

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

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website [www.Damodargroup.com](http://www.Damodargroup.com). In light of the aforesaid provisions, the Company has during the year under review, transferred 61884 Equity Shares and amount of Unpaid/Unclaimed dividend ₹ 2,45,922/- to Investor Education and Protection Fund Authority (IEPF). Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

- **Plant Location**

1. Survey No. 265/10/1,2,3  
Demni Road, Village Dadra, Silvassa Dadra & Nagar Haveli (U.T.) 396 230 Ph. 0260-3264788 Fax: 0260-2668929
2. Plot No. 165/67/68, Dabhel Ind. Co.-Op. Soc.  
Dabhel, Nani Daman (U.T.) - 396210  
Ph.: 0260-3253356
3. T-26, Add. Textile Park (MIDC Amravati)  
Amravati, Maharashtra - 444605

- **Address for Correspondence**

Registrars and Transfer Agents	Company Secretary & Compliance Officer	Registered office of the Company
Link Intime India Pvt. Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai – 400083. Telephone : 022-49186000,022-49186060 e-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.com">www.linkintime.com</a>	Mr. Subodh Kumar Soni Damodar Industries Limited 19/22&27/30, Madhu Estate, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra – 400 013 Telephone : 022- 66610301 Designated e-mail address for Investor Services : <a href="mailto:cs@damodargroup.com">cs@damodargroup.com</a> Website: <a href="http://www.damodargroup.com">www.damodargroup.com</a>	Damodar Industries Limited 19/22&27/30, Madhu Estate, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra – 400 013 Telephone : 022- 66610301 Designated e-mail address for Investor Services : <a href="mailto:cs@damodargroup.com">cs@damodargroup.com</a> Website: <a href="http://www.damodargroup.com">www.damodargroup.com</a>



**CEO & CFO Certificate to the Board**  
**(Pursuant to Regulation 7(8) of the Listing Regulations)**

**The Board of Directors**  
**Damodar Industries Limited**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Damodar Industries Limited ("The Company") to best of our knowledge and belief certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2020 and that:
- 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) to the best of our knowledge and belief, no transactions entered into by the Company during the year are 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 they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditor any:
- (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 they 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.

For **Damodar Industries Limited**

Sd/-

**Ajay Biyani**

(Managing Director)

DIN:00014896

Sd/-

**Sheetal Prashad Singhal**

(Chief Financial Officer)

Place : Mumbai

Date : July 31, 2020



## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,  
The Members,  
**DAMODAR INDUSTRIES LIMITED**

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all Board members and senior management personnel of the Company have affirmed the compliance of the Code of Conduct for the year ended March 31, 2020.

For **Damodar Industries Limited**

Place : Mumbai  
Date : July 31, 2020

Sd/-  
**Ajay Biyani**  
Managing Director  
DIN: 00014896

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## CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members  
**DAMODAR INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by M/s. Damodar Industries Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance 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 **PRAMOD JAIN & CO.**  
Company Secretaries

Place: Indore  
Date: July 31, 2020  
UDIN: F006711B000537659

**(Pramod Kumar Jain)**  
Proprietor  
FCS No. 6711 CP No. 11043



## 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  
**DAMODAR INDUSTRIES LIMITED**  
19/22 & 27/30, Madhu Estate,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Damodar Industries Limited** having CIN **L17110MH1987PLC045575** and having registered office at **19/22 & 27/30, Madhu Estate, Pandurang Budhkar Marg, Worli,, Mumbai 400013** (hereinafter referred to as 'the Company'), produced before me/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 ending on 31<sup>st</sup> March, 2020 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, Maharashtra, Mumbai or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Arunkumar Biyani	00016519	01/04/2010
2.	Ajay Biyani	00014896	25/04/2014
3.	Anil Damodarlal Biyani	00016554	28/03/1992
4.	Farida Bomi Jambusarwalla	07139945	30/03/2015
5.	Ketan Kishore Patel	08607454	13/11/2019
6.	Pankaj srivastava	06716582	11/05/2020

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 **PRAMOD JAIN & CO.**  
Company Secretaries

Place: Indore  
Date: July 31, 2020  
UDIN: F006711B000537661

(Pramod Kumar Jain)  
Proprietor  
FCS No. 6711 CP No. 11043





## MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

### Overview, Industry Structure & Developments, Outlook:

We achieved our goal satisfactorily in the first 6 months of the FY 2019- 20. We have seen our growth lower as compared to the previous year. There are many factors which have affected the business; slow economic activity, liquidity which impacted overall demand in the industry, unfavorable market conditions. Apart from macro market conditions competition from unorganized sector plays a vital role in this industry, and in the final phase of the year the unpredicted pandemic outbreak and imposed lockdown. These disruptions' impacted the performance of the company for the year but we still managed to secure industry level growth and started earning on surplus funds available with the company.

**Opportunities:** Due to the current scenario it seems that the demand will increase as imports of goods is reduced due to the negative sentiments. Being a reputed manufacturer of world class quality products, and thanks to social drive "Vocal for Local" we are optimistic of the future. Volume of business is expected to increase as consumers are more attracted towards local good quality products which are more reliable and come with warranty rather than using imported products. The company has in-house R & D team and surplus funds available for investment which will help us in exploring various opportunities in exports and other products.

**Threats:** Covid- 19 plays a very crucial role this year due to which we saw a down size of business in the last quarter and also will have to face the same for some more time. The priority of people has changed which will take a longer time for the market to come back to the normal condition. Demand plays a very important role and Covid -19 would leave a deep cut in economy and corporate financials this year due to this the income of people have been affected largely and there is a lot of hesitation in buying things other than essentials and the demand had reduced to a great extent. But we ensure that we do not make compromise in our long term business objectives and brand strength. The company has also taken steps to curtail the overall expenses to overcome the situation.

**Research & Development:** Research and development department plays an integral role in the development of new products. The role of R & D Team is to keep improving on existing product, Quality Control Check, Innovation and Staying Ahead of Trends, Developing New Products. The company keeps an eye on developing trends in India and overseas and on what the competition is doing, also analyses and understand the current conditions within a specific goal. The company continues to initiate appropriate, significant and result oriented products in the market, which are innovative, Futuristic with Modernized Technology. Each product designed is deliberately executed in-house and undergoes a series of rigorous checks.

**Risk Management:** The Company is exposed to various potential risks like Economical Risk, Compliance Risk, Operational Risk, Environmental Risk and Financial Risk. The key risk areas are regularly and systematically reviewed by senior management while the Risk Management committee also reviews and provides input to mitigate the risk.

**Internal Control:** At the Company level, internal control objectives relate to the reliability of financial reporting. The Company's resources are directed, monitored, and measured on regular intervals which help in detecting and preventing fraud and protecting the organization's resources, both physical and intangible. The Company has always implemented appropriate controls to make sure that it's operational; Compliance and reporting objectives are achieved. The company has detailed policies and standard operating procedure for all existing and future growing needs. These policies and procedures play a key role in the deployment of internal controls. They are regularly reviewed to ensure the relevancy, comprehensiveness and compliance is embedded into the management review process. To strengthen the process, Controls of the key processes are reviewed by the internal audit team with timely suggestions.

**Disclosure On Accounting Treatment:** In the preparation of financial statements for FY2019-20, there is no treatment of any transaction different from that prescribed in the Accounting Standards notified by the Government of India under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014; guidelines issued by the Securities and Exchange Board of India and other accounting principles generally accepted in India.

### Key Financial Ratios:

Particulars	F.Y. 2019-20	2018-19	Change (%)
OPERATING PROFIT MARGIN (%)	2.95	3.40	-13.38%
NET PROFIT MARGIN (%)	-0.90	1.08	-183.33%
DEBT/EQUITY RATIO	3.29	2.95	11.51%
CURRENT RATIO	1.17	1.26	-7.23%
INTEREST COVERAGE RATIO	0.67	1.88	-64.47%
INVENTORY TURNOVER RATIO	8.84	12.18	-27.42%
DEBTORS TURNOVER RATIO	8.4	8.66	-3.03%
Return on Net Worth (%)	-6.73	7.67	-187.72%



#### **Detailed explanation of ratios:**

1. Net Profit Margin: Net Profit Margin has been mainly decreased due to Net Loss during the year 2019-20.
2. Interest Coverage Ratio: Interest Coverage Ratio has been decreased due to increased finance cost in the year 2019-20.
3. Return on Net Worth: The Company incurred a loss during the year 2019-20, hence no net income.

#### **Human Resources and Industrial Relations:**

Employees are biggest source for any Company's success and expansion. Our Human Resource Team based on their strengths, potential and determination towards work evaluates the employees. It is very important to keep the employees encouraged to take decisions and initiatives towards the betterment of their work. The company encourages and provides them a safe and motivating work environment. Furthermore various training and educational seminars and events are organised with proper importance given on health and safety issues. The Company has always followed process of Appraisal from time on time, to recognise talents and ensure that employees remain devoted to the organisation on a long-term.

**Cautionary Statement:** The content provided for Management Discussion and Analysis Report may vary with the anticipation made in the discussion statements. It describes the Company's objectives, projections and estimates progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Taxation laws, Economic Development, Cost of Raw Materials, Interest and Power Cost are among the few extraneous variables that influence the Company's operations.



## INDEPENDENT AUDITOR'S REPORT

**To the Members of M/s. DAMODAR INDUSTRIES LIMITED**

### **Report on the Financial Statements**

#### **Opinion**

We have audited accompanying Ind AS financial statements of Damodar Industries Limited ("the Company"), which comprise of the balance sheet as at March 31, 2020, the statement of Profit and Loss (Including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirement that are relevant to our audit of the financial statements under the provisions of the Act and the rules made there under, 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 opinion on Ind As financial statements.

#### **Emphasis of Matter**

We draw attention to Note 40 to Financial Statement, which describes the uncertainties and the impact of Covid -19 pandemic on the Company's operations and results as assessed by the management. 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 Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.



Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Package Scheme of Incentives by Government of Maharashtra: Under the Policy, the Company is eligible to claim government grant in the form of reimbursement of State Goods and Service Tax (SGST) collected on end product sold /intermediate product to the extent of the eligible capital investments in specified period. For measurement of such government grants, significant estimates and judgements are made by the management. The estimates, inputs and judgements used by the management includes:</p> <ul style="list-style-type: none"> <li>• Future sales growth rate;</li> <li>• SGST rates on the products;</li> <li>• Period of eligibility.</li> </ul> <p>During the current year Company has calculated amount to claim reimbursement of SGST under the Policy, which has been factored by the management for computation of government grant. Considering the above, this is determined as key audit matters</p>	<p>We performed following procedures, among others:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the government grants, including the controls in respect of measurement of the grants.</li> <li>• We compared the inputs used in the computation of government grant to external data, including the modalities to claim the reimbursement of SGST under the Policy.</li> <li>• We have checked the Memorandum of Understanding between Company and Government of Maharashtra</li> <li>• We evaluated the arithmetical accuracy of the computation of government grant.</li> </ul>
2	<p>Information System and Controls:</p> <p>The Company has migrated to sap a new enterprise resource planning (ERP) system to process all accounting transactions. The new system is fully integrated financial accounting and reporting system.</p> <p>The said system implemented from current year. There is shift in processing of accounting data and is thus a key audit matters</p>	<p>We have performed procedures to ensure the migration of financial data between old system and new system.</p> <p>Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing around the new ERP system. We have assessed appropriateness of system built in the ERP system for proper authorizations of transactions and posting of accounting entries.</p> <p>The combination of these tests of controls and procedures performed gave us a sufficient evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the financial statements.</p>

#### Information other than financial statements and Auditors report thereon

The company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors report thereon.

Our opinion on financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statement or other information obtained during the course of our audit or otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and those charged with governance for the Financial Statements

The Company's 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance



of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Jitendra Mishra & Company**

Chartered Accountants

Firm's registration number: 125334W

**Jitendra Mishra**

Proprietor

Membership number: 116676

UDIN:20116676AAAABQ5219

Place : Mumbai

Date : July 31, 2020



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1, under Report on other Legal and Regulatory Requirements in the Independent Auditor's Report of even date to the members of Damodar Industries Limited (the company) on the financial statements for the year ended March 31, 2020, we report that:

- i. In respect of its Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information
  - (b) The Fixed Assets were physically verified during the year by the management in according with a regular programme of verification which, in our opinion provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanation given to us and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the company
- ii. In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified by the management at regular intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.
  - (b) The discrepancies noticed on verification between the physical stocks and book records were not material.
- iii. The company has not granted any loans, secured or unsecured to the companies, firms, Limited liability partnership or other parties covered in the register maintained under section 189 of the companies Act, 2013. Accordingly, provisions of paragraph 3 (iii) of the Companies (Auditor Report) ordered 2016 were not applicable to the Company.
- iv. The Company has not made investments and granted any loans or provided any guarantees or security to the parties covered under section 185 and 186 of the Companies Act, 2013. Accordingly, provisions of paragraph 3 (iv) of the Companies (Auditor Report) order 2016 were not applicable to the Company
- v. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder with regard to the deposits accepted from the public (Refer note 17 of Financial Statements). As per information given to us, no order under the aforesaid sections has been passed by the company Law Board or National Company Law Board or Reserve Bank of India or any court or any other tribunal, on the company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government under sub section 1 of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
  - (a) According to information and explanations given to us and on the basis of our examination of the records of the company has been regular in depositing undisputed statutory dues including Provident Fund, investor education and production fund employer state insurance Income-Tax, Goods & Services Tax (GST), Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to me, there are no dues in respect of Wealth-Tax, Excise Duty, Service Tax or Cess outstanding on account of any dispute. The details of dues which have not been deposited on account of dispute are given below:



Sr. No.	Name of the Statute		Amount (₹ in Lacs)	Period to which the amount relates	Forum where disputes pending
1	DEPB Entitlement Refund	Custom	81.18	F.Y. 2010- 11	DGFT
2	Income Tax	TDS with Interest Tax	1.87	F.Y. 2018-19 & Prior years	Income Tax Department

- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions and bank as at the Balance sheet date.
- ix. In our opinion and according to the information and explanations given to us, during the year the company did not raised any money by way of initial public offer or further public offer (including debt instruments) and the term loans availed during the year have been applied for the purpose for which they were raised.
- x. 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 audit.
- xi. According to the information and explanations given to us, and based on our examination of records of the company, the company has paid/ provided for managerial remuneration in accordance with requisite approvals mandated by the provision of Section 197 read with Schedule V of the Companies Act.
- xii. In our opinion and according to the information and explanations given to us the Company is not a nidhi company, accordingly paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, and based on our examination of records of the company, transaction with the related parties are in compliance with Section 177 & 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, and based on our examination of records of the company, during the year company has made preferential allotment of 10,48,376 equity shares of ₹ 5/- each at premium of ₹ 25/-each (Issue price ₹ 30/- each) amounting to ₹ 3,14,51,280/-and have been applied for the purpose for which they were raised. The Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year
- xv. According to the information and explanations given to us, and based on our examination of records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45 1A of the reserve bank of india Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **Jitendra Mishra & Company**

Chartered Accountants

Firm's registration number: 125334W

**Jitendra Mishra**

Proprietor

Membership number: 116676

UDIN:20116676AAAABQ5219

Place : Mumbai

Date : July 31, 2020





## **Annexure B To The Independent Auditors' Report**

The annexure referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Damodar Industries Limited on the financial statements for the year ended March 31, 2020.

### **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 Damodar Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning Of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any



evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Jitendra Mishra & Company**

Chartered Accountants

Firm's registration number: 125334W

### **Jitendra Mishra**

Proprietor

Membership number: 116676

UDIN:20116676AAAAABQ5219

Place : Mumbai

Date : July 31, 2020



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(Amount in ₹)

	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I Assets</b>			
<b>1) Non Current Assets</b>			
a) Property, Plant and Equipment	2	2,62,07,53,818	2,50,30,89,148
b) Capital Work-in-Progress	3	1,52,12,107	11,51,68,664
c) Intangible assets	2	77,20,799	1,01,19,030
d) Financial Assets			
(i) Other Non - Current Financial Assets	4	1,64,52,890	1,24,30,065
e) Other Non - Current Assets	5	74,56,064	74,09,647
<b>Total Non-Current Assets</b>		<b>2,66,75,95,678</b>	<b>2,64,82,16,554</b>
<b>2) Current Assets</b>			
a) Inventories	6	1,01,76,36,317	75,02,61,982
b) Financial Assets			
(i) Investments	7	-	4,100
(ii) Trade Receivables	8	98,47,35,961	84,34,38,028
(iii) Cash and Cash Equivalents	9	41,43,276	1,83,35,440
(iv) Bank Balance Other Than Cash & Cash Equivalents	10	31,47,361	34,08,431
(v) Loans	11	36,35,547	34,86,991
(vi) Other Current Financial Assets	12	48,91,875	3,37,76,500
c) Current Tax Assets (Net)	13	1,92,26,751	1,30,48,123
d) Other Current Assets	14	29,76,39,237	43,14,05,044
<b>Total Current Assets</b>		<b>2,33,50,56,325</b>	<b>2,09,71,64,639</b>
<b>TOTAL ASSETS</b>		<b>5,00,26,52,003</b>	<b>4,74,53,81,193</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
a) Equity Share Capital	15	11,65,00,000	11,12,58,120
b) Other equity	16	86,47,67,654	98,99,30,273
<b>Total Equity</b>		<b>98,12,67,654</b>	<b>1,10,11,88,393</b>
<b>2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	17	2,02,49,69,871	1,90,92,71,405
(ii) Other Financial Liabilities		-	-
b) Provisions		-	-
c) Deferred Tax Liabilities (net)	13	44,06,714	7,52,35,352
<b>Total Non-Current Liabilities</b>		<b>2,02,93,76,585</b>	<b>1,98,45,06,757</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	18	1,36,44,31,236	1,30,45,37,808
(ii) Trade Payables	19	37,02,42,997	22,22,50,601
(iii) Other Financial Liabilities	17,20	22,71,49,314	10,74,44,733
b) Other Current Liabilities & Provisions	21	3,01,84,217	2,54,52,901
<b>Total Current Liabilities</b>		<b>1,99,20,07,764</b>	<b>1,65,96,86,043</b>
<b>Total Liabilities</b>		<b>4,02,13,84,349</b>	<b>3,64,41,92,800</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,00,26,52,003</b>	<b>4,74,53,81,193</b>

### SIGNIFICANT ACCOUNTING POLICIES

1

Other Notes on accounts from No. 2 to 41 are an integral part of the Financial Statements

As per our report of even date attached

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No.: 125334W

**For and on behalf of Board of Directors**

**Arunkumar Biyani**

Chairman

(DIN: 00016519)

**Ajay Biyani**

Managing Director

(DIN: 00014896)

**(Jitendra Mishra)**

**Proprietor**

Membership No. : FCA 116676

**Subodh Kumar Soni**

Company Secretary

**Sheetal Prashad Singhal**

Chief Financial officer

Place : Mumbai

Date : 31<sup>st</sup> July, 2020



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

(Amount in ₹)

	Note No	Current Year	Previous Year
<b>I Income</b>			
Revenue from Operations	22	7,67,92,21,479	7,71,37,83,420
Other income	23	2,69,66,815	2,34,11,338
<b>Total Income</b>		<b>7,70,61,88,294</b>	<b>7,73,71,94,758</b>
<b>II Expenses</b>			
a) Cost of Consumption	24	3,90,90,35,260	3,26,31,76,959
b) Purchases of Stock in Trade	25	2,46,27,39,128	3,52,28,53,899
c) Changes in inventories of Work-in-Progress and Stock-in-Trade	26	(13,32,70,657)	(24,46,58,742)
d) Employee benefits expense	27	34,16,66,381	23,97,03,797
e) Finance cost	28	33,79,84,533	13,92,48,978
f) Depreciation and amortisation expense	2	23,03,83,151	12,40,62,130
g) Other expenses	29	66,92,99,049	56,95,73,755
<b>Total expenses</b>		<b>7,81,78,36,845</b>	<b>7,61,39,60,776</b>
<b>III Profit/(Loss) before tax</b>		<b>(11,16,48,551)</b>	<b>12,32,33,982</b>
<b>IV Less: Tax expense</b>			
a) Current tax		-	2,65,55,390
b) Deferred tax		(4,22,48,898)	3,95,78,783
c) MAT credit entitlement		-	(2,65,55,390)
		<b>(4,22,48,898)</b>	<b>3,95,78,783</b>
<b>V Profit/(Loss) for the year</b>		<b>(6,93,99,653)</b>	<b>8,36,55,199</b>
<b>VI Other Comprehensive Income</b>			
A. Item that will not be classified to Profit & Loss			
(i) Remeasurement of Defined benefit plan		(15,39,557)	(17,91,819)
(ii) Income tax related to Item (i) above		4,80,342	5,49,151
		<b>(10,59,215)</b>	<b>(12,42,668)</b>
B. Item that will be reclassified to Profit & Loss			
(i) Change in fair value of cash flow hedge		(8,88,93,331)	54,89,436
(ii) Income tax related to Item (i) above		2,80,99,398	(16,95,404)
		<b>(6,07,93,933)</b>	<b>37,94,032</b>
<b>Other Comprehensive Income (Net of Tax)</b>		<b>(6,18,53,148)</b>	<b>25,51,364</b>
<b>Total comprehensive income for the year</b>		<b>(13,12,52,801)</b>	<b>8,62,06,563</b>
<b>Basic &amp; Diluted Earning Per Share in( ₹)</b>	<b>30</b>	<b>(2.98)</b>	<b>3.76</b>

### SIGNIFICANT ACCOUNTING POLICIES

1

Other Notes on accounts from No. 2 to 41 are an integral part of the Financial Statements

As per our report of even date attached

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No.: 125334W

**(Jitendra Mishra)**

**Proprietor**

Membership No. : FCA 116676

Place : Mumbai

Date : 31<sup>st</sup> July, 2020

**For and on behalf of Board of Directors**

**Arunkumar Biyani**

Chairman

(DIN: 00016519)

**Subodh Kumar Soni**

Company Secretary

**Ajay Biyani**

Managing Director

(DIN: 00014896)

**Sheetal Prashad Singhal**

Chief Financial officer



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### A EQUITY SHARE CAPITAL

(Amount in ₹)

As at April 1, 2018	11,12,58,120
Changes in Equity Share Capital during the year	-
<b>As at March 31, 2019</b>	<b>11,12,58,120</b>
Changes in Equity Share Capital during the year	52,41,880
<b>As at March 31, 2020</b>	<b>11,65,00,000</b>

### B OTHER EQUITY

	Share Premium Account	General Reserve	Retaining Earning	OCI	Total
Balance as at April 1, 2018	17,90,93,650	18,00,00,000	57,75,38,995	73,29,341	94,39,61,986
Profit/(Loss) for the year	-	-	8,36,55,199	-	8,36,55,199
Remeasurement of Defined benefit plan	-	-	(12,42,668)	-	(12,42,668)
Change in fair value of Cash flow hedge	-	-	-	37,94,032	37,94,032
Transfer to General Reserve	-	2,00,00,000	(2,00,00,000)	-	-
Dividend	-	-	(3,33,77,436)	-	(3,33,77,436)
Tax on Dividend	-	-	(68,60,840)	-	(68,60,840)
<b>Balance as at March 31, 2019</b>	<b>17,90,93,650</b>	<b>20,00,00,000</b>	<b>59,97,13,250</b>	<b>1,11,23,373</b>	<b>98,99,30,273</b>
<b>Balance as at April 1, 2019</b>	<b>17,90,93,650</b>	<b>20,00,00,000</b>	<b>59,97,13,250</b>	<b>1,11,23,373</b>	<b>98,99,30,273</b>
Profit/(Loss) for the year	-	-	(6,93,99,653)	-	(6,93,99,653)
Remeasurement of Defined benefit plan	-	-	(10,59,215)	-	(10,59,215)
Change in fair value of Cash flow hedge	-	-	-	(6,07,93,933)	(6,07,93,933)
Premium on Preferential Shares issued during the year	2,62,09,400.0	-	-	-	2,62,09,400
Transfer to General Reserve	-	2,00,00,000	(2,00,00,000)	-	-
Dividend	-	-	(1,66,88,718)	-	(1,66,88,718)
Tax on Dividend	-	-	(34,30,500)	-	(34,30,500)
<b>Balance as at March 31, 2020</b>	<b>20,53,03,050</b>	<b>22,00,00,000</b>	<b>48,91,35,164</b>	<b>(4,96,70,560)</b>	<b>86,47,67,654</b>

As per our report of even date attached

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No.: 125334W

**(Jitendra Mishra)**

**Proprietor**

Membership No. : FCA 116676

Place : Mumbai

Date : 31<sup>st</sup> July, 2020

**For and on behalf of Board of Directors**

**Arunkumar Biyani**

Chairman

(DIN: 00016519)

**Ajay Biyani**

Managing Director

(DIN: 00014896)

**Subodh Kumar Soni**

Company Secretary

**Sheetal Prashad Singhal**

Chief Financial officer



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH , 2020

	Current Year		Previous Year	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(loss) Before Tax & Extra-ordinary Items		(11,16,48,551)		12,32,33,982
<b>Adjustment for :</b>				
Depreciation and amortisation	23,03,83,151		12,40,62,130	
Finance cost	33,79,84,533		13,92,48,978	
Investments written off	4,100		-	
Fixed Assets written off	-		22,03,200	
Loss/(Profit) on Sale of Fixed Assets	(1,27,118)		2,24,411	
Foreign Exchange (Gain)/ Loss (Net)	(1,01,14,235)		(1,95,06,087)	
		<b>55,81,30,431</b>		<b>24,62,32,632</b>
Operating Profit Before Working Capital Changes		44,64,81,880		36,94,66,614
<b>Adjustment for :</b>				
Trade & Other Receivable	(6,89,56,238)		(10,69,23,951)	
Inventories	(26,73,74,335)		(25,07,80,061)	
Trade Payable	15,16,86,268		12,34,38,190	
		<b>(18,46,44,305)</b>		<b>(23,42,65,822)</b>
Cash generated from Operations		26,18,37,575		13,52,00,792
Direct Tax paid(net)		(61,78,628)		(3,28,54,756)
Cash flow before Extra-Ordinary Items		25,56,58,947		10,23,46,036
Prior Years Tax Adjustments		-		-
Net Cash from Operating Activities      A		<b>25,56,58,947</b>		<b>10,23,46,036</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchases of Plant & Equipment/Intangible Assets & Capital Work in Progress	(17,76,97,340)		(1,61,13,22,989)	
Advance given for capital goods	-		4,53,36,116	
Sale proceeds of Property, plant & Equipment	50,45,326		21,77,000	
Fixed Deposits with Banks	(40,22,825)		1,02,46,544	
Net Cash used in Investing Activities      B		<b>(17,66,74,839)</b>		<b>(1,55,35,63,329)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of shares on preferential basis	3,14,51,280			
Proceeds from Borrowings & Fixed deposits	22,33,61,964		1,60,96,12,196	
Finance Cost	(33,79,84,533)		(13,92,48,978)	
Dividend	(1,66,88,718)		(3,33,77,436)	
Tax on Dividend	(34,30,500)		(68,60,840)	
Net Cash used in Financing Activities      C		<b>(10,32,90,507)</b>		<b>1,43,01,24,942</b>
Foreign Exchange Gain/( Loss) (Net)		1,01,14,235		1,95,06,087
Net increase in cash and cash equivalents (A+B+C)		(1,41,92,164)		(15,86,264)
Opening Balance of Cash & Cash Equivalents		1,83,35,440		1,99,21,704
Closing Balance of Cash & Cash Equivalents		<b>41,43,276</b>		<b>1,83,35,440</b>

Note :

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of Cash Flow.
- Additions to Property, Plant, equipments and intangible assets include movement of Capital work -in -progress and intangible assets under development respectively during the year

As per our report of even date attached

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No.: 125334W

**(Jitendra Mishra)**

**Proprietor**

Membership No. : FCA 116676

Place : Mumbai

Date : 31<sup>st</sup> July, 2020

**For and on behalf of Board of Directors**

**Arunkumar Biyani**

Chairman

(DIN: 00016519)

**Ajay Biyani**

Managing Director

(DIN: 00014896)

**Subodh Kumar Soni**

Company Secretary

**Sheetal Prashad Singhal**

Chief Financial officer



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 1) CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

#### i) CORPORATE INFORMATION

Damodar Industries Limited ("the Company") is a listed entity incorporated in India. The registered office of the Company is located at 19/22 & 27/30, Madhu Estate, Pandurang Budhkar Marg, Worli, Mumbai – 400 013, India. The Company is engaged activities of manufacturing, processing and merchant trading of Cotton yarn & Fancy Yarn.

#### ii) SIGNIFICANT ACCOUNTING POLICIES

##### A Basis of preparation

##### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards

(hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans – plan assets measured at fair value;

##### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### (iv) Adoption of Ind AS 116 - Leases

The Company has adopted Ind AS 116 with the date of initial application of April 01, 2019 .

The Company also elected to use the recognition exemptions for lease contracts that, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). During the year, it has no impact on operating results of company, assets and liabilities due to short term lease contract.

### B Use of estimates and judgments

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

### C Property, plant and equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence, regarded thereafter as historical cost. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### Depreciation:

- a) Depreciation is provided as per the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except as mentioned below
  - i) Plant & Machinery : useful life 10 years
  - ii) Premium on leasehold land is amortized over the residual period of the lease and proportionate amount of premium written off is being charged to Statement of Profit & Loss.

### Intangible Assets:

Intangible Assets representing Computer Software is amortized using Straight Line method over a period of five years.

### Asset Impairment:

The Company reviews the carrying values of tangible assets for any possible impairment at each balance sheet date.

Impairment loss, if any, is recognized in the year in which impairment takes place.

## D Investments and other financial assets

### (i) Classification

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

1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and 2) those measured at amortized cost.

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

## E Valuation of Inventories

Inventories are valued at lower of the cost and net realizable value.

## F Revenue recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes & Goods & services Tax and gain/ loss on corresponding hedge contracts. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

### Sale of goods

Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped onboard.

### Revenue from services

Revenue from services is recognized in the accounting period in which the services are rendered.





## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### Other operating revenue – Export incentives

Export Incentives under various schemes are accounted in the year of export.

### G Government grants and subsidies:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the government grant related to an asset, it is presented by deducting the grant in arriving at the carrying amount of the asset. Grants related to income are government grants other than those related to assets.

### H Foreign Exchange Transaction:

- i) Transactions in foreign currencies are accounted for at prevailing exchange rates, Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realizations in the statement of profit and loss.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and loss.

### I Borrowing Costs:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to the interest costs) incurred in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition / constructions of a qualifying asset are capitalised as part of the cost of such assets, up to the date, the assets are ready for their intended use. Other Borrowing costs are recognised as an expense in the period in which they are incurred.

### J Tax Expense:

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

#### - Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### - Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### K Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Company as a lessee The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### i) Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are fixed payments. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company has no lease liabilities presently due to short term lease contract.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term leases recognition exemption to its short-term leases ie lease contract for 12 months or less. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### iv) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

## L Provision, Contingent Liabilities and Contingent Assets:

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## M Derivatives:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculation purposes. The Company records the gain or loss on change in fair value of cash flow hedges in the Statement of Profit and Loss of that period through other comprehensive income.

## N Gratuity and other post-employment benefits

The Company recognizes contribution paid or payable to the provident fund as an expense.

Leave encashment is accounted for on the basis of accumulated leave to the credit of employees at the year end.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Gratuity which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. Gratuity benefit is vested to employee on completion of continuous service of five years. The Company contributes to a defined benefit gratuity plan through Life India Corporation, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

### **O Earnings Per Share**

#### **Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

#### **Diluted earnings per share**

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

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



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 2. PROPERTY, PLANT AND EQUIPMENTS

Particulars	Gross Block			Depreciation/Amortization			Net Block		
	As at 1 <sup>st</sup> , April 2019	Additions/ Adjustments during the year	Sales/Discard	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019	Depreciation for the year	Sales/Discard	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Tangible Assets</b>									
<b>Right-of-Use Assets:</b>									
Leasehold Land	2,03,30,580	-	-	2,03,30,580	3,86,458	2,03,201	-	1,97,40,921	1,99,44,122
<b>Own Assets</b>									
Freehold Land	1,70,91,600	-	-	1,70,91,600	-	-	-	1,70,91,600	1,70,91,600
Residential Flats	2,13,555	-	-	2,13,555	65,726	3,349	-	1,44,480	1,47,829
Buildings	96,62,84,934	17,51,35,170	-	1,14,14,20,104	11,54,52,070	3,09,81,006	-	99,49,87,028	85,08,32,864
Plant & Machinery	2,17,07,76,456	14,54,42,246	2,12,69,872.00	2,29,49,48,830	76,32,45,051	16,33,36,766	1,63,51,664	1,38,47,18,677	1,40,75,31,405
Electrical Installations	19,51,70,351	58,21,121	-	20,09,91,472	8,76,47,329	1,16,47,175	-	10,16,96,968	10,75,23,022
Furniture and Fixtures	2,01,15,147	33,80,335	-	2,34,95,482	77,57,743	16,65,149	-	1,40,72,590	1,23,57,404
Vehicles	3,97,12,268	32,42,600	-	4,29,54,868	1,43,20,030	44,52,184	-	2,41,82,654	2,53,92,238
Air Conditioners	58,87,912	10,96,767	-	69,84,679	37,44,830	6,28,286	-	26,11,563	21,43,082
Generators	17,09,646	-	-	17,09,646	16,77,607	3,861	-	28,178	32,039
Weighing Scale	15,98,309	71,912	-	16,70,221	8,63,031	1,10,944	-	6,96,246	7,35,278
Other Equipments	7,02,52,966	1,62,58,539	-	8,65,11,505	1,44,87,055	1,34,14,962	-	5,86,09,488	5,57,65,911
Computers	1,23,60,030	1,19,108	-	1,24,79,138	87,67,676	15,38,037	-	21,73,425	35,92,354
<b>Sub - Total (A)</b>	<b>3,52,15,03,754</b>	<b>35,05,67,798</b>	<b>2,12,69,872</b>	<b>3,85,08,01,680</b>	<b>1,01,84,14,606</b>	<b>22,79,84,920</b>	<b>1,63,51,664</b>	<b>2,62,07,53,818</b>	<b>2,50,30,89,148</b>
<b>Previous Year (A)</b>	<b>1,97,69,76,777</b>	<b>1,57,60,00,434</b>	<b>3,14,73,457</b>	<b>3,52,15,03,754</b>	<b>92,40,96,519</b>	<b>12,11,86,933</b>	<b>2,68,68,846</b>	<b>2,50,30,89,148</b>	
<b>Inangible Assets</b>									
Computer Software	1,98,24,792	-	-	1,98,24,792.00	97,05,762.00	23,98,231	-	77,20,799	1,01,19,030
Sub - Total (B)	1,98,24,792	-	-	1,98,24,792.00	97,05,762.00	23,98,231	-	77,20,799	1,01,19,030
<b>Previous Year (B)</b>	<b>1,44,26,556</b>	<b>53,98,236.00</b>	<b>-</b>	<b>1,98,24,792.00</b>	<b>68,30,565.00</b>	<b>28,75,197</b>	<b>-</b>	<b>1,01,19,030</b>	
<b>Grand Total (A + B)</b>	<b>3,54,13,28,546</b>	<b>35,05,67,798</b>	<b>2,12,69,872</b>	<b>3,87,06,26,472</b>	<b>1,02,81,20,368</b>	<b>23,03,83,151</b>	<b>1,63,51,664</b>	<b>2,62,84,74,617</b>	<b>2,51,32,08,178</b>
<b>Previous Year (A + B)</b>	<b>1,99,14,03,333</b>	<b>1,58,13,98,670</b>	<b>3,14,73,457</b>	<b>3,54,13,28,546</b>	<b>93,09,27,084</b>	<b>12,40,62,130</b>	<b>2,68,68,846</b>	<b>2,51,32,08,178</b>	

#### Notes :

- Buildings includes cost of Office Premises & factory building (cost includes 660 shares of face value of ₹100 each and 199 debentures of face value of ₹ 1,000) .
- Capitalised Borrowing Cost :**  
Borrowing cost capitalised during the year of ₹ Nil (Previous year ₹ 947.89 lakhs ) with respect to it's qualifying assets.
- Refer note no. 39 for EPCG benefit on Plant & Machinery



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

		(Amount in ₹)	
		As at March 31, 2020	As at March 31, 2019
<b>3 Capital Work in Progress</b>			
Balance as at		1,52,12,107	11,51,68,664
		<b>1,52,12,107</b>	<b>11,51,68,664</b>
<b>4 Other Non current Financial Assets</b>			
Fixed Deposits with Banks as Margin Money		1,64,52,890	1,24,30,065
		<b>1,64,52,890</b>	<b>1,24,30,065</b>
<b>5 Other Non Current Assets</b>			
1) Other Loans & Advances			
i) Security Deposit		74,56,064	74,09,647
		<b>74,56,064</b>	<b>74,09,647</b>
<b>6 Inventories</b>			
(As taken, valued and certified by Management)			
a) Raw Materials		36,13,76,492	23,59,47,799
b) Work-in Progress		8,88,16,288	7,55,15,284
c) Finished Goods		54,42,59,838	42,42,90,185
d) Stores and Spares		1,17,67,909	82,52,938
e) Packing Material		1,14,15,790	62,55,776
		<b>1,01,76,36,317</b>	<b>75,02,61,982</b>
<b>7 Investments (At Cost - Unquoted)</b>			
(Valued at cost unless stated otherwise)			
10 Equity Shares of ₹ 10/- each paid up in Mogaveera Co-op. Bank Ltd.		-	1,000
310 Equity Shares of ₹ 10/- each paid up in Bombay Mercantile Co-op. Bank Ltd.		-	3,100
		-	<b>4,100</b>
<b>8 Trade Receivables</b>			
a) Trade receivable from others		98,80,71,951	84,32,85,017
b) Receivable from Related Parties		1,44,610	1,53,011
		98,82,16,561	84,34,38,028
Less : Expected credit loss & provision		34,80,600	-
		<b>98,47,35,961</b>	<b>84,34,38,028</b>
<b>Breakup of security Details :</b>			
Secured, Considered Good :		-	-
Unsecured, Considered Good :		98,47,35,961	84,34,38,028
Considered Doubtful :		34,80,600	-
<b>Total</b>		<b>98,82,16,561</b>	<b>84,34,38,028</b>
<b>9 Cash and Cash Equivalents :</b>			
i) Balances with Banks in Current Account		61,634	1,86,830
ii) Cash on Hand		20,96,682	17,77,739
iii) Fixed Deposits with Banks as Margin Money		19,84,960	1,63,70,871
		<b>41,43,276</b>	<b>1,83,35,440</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

		(Amount in ₹)	
		As at March 31, 2020	As at March 31, 2019
<b>10 Bank Balances other than Cash and Cash Equivalents :</b>			
Unclaimed Dividend - Earmarked Balances with bank		31,47,361	34,08,431
		<b>31,47,361</b>	<b>34,08,431</b>
<b>11 Loans (Unsecured, Considered good) :</b>			
a) Loans to Employees		36,35,547	34,86,991
		<b>36,35,547</b>	<b>34,86,991</b>
<b>12 Other Current Financial Assets</b>			
Derivative/Cash flow hedge		-	1,66,97,750
Receivable on account of canalised forward contract		48,91,875	1,70,78,750
		<b>48,91,875</b>	<b>3,37,76,500</b>
<b>13 Current Tax Assets and Deferred Tax :</b>			
a) Income Tax paid/TDS (Net of Provision for current Tax)		1,92,26,751	1,30,48,123
b) Tax expenses recognised in the statement of Profit & Loss			
Current Tax			
Current Tax on Taxable Income for the year		-	2,65,55,390
<b>Total Current Tax Expenses</b>		<b>-</b>	<b>2,65,55,390</b>
Deferred Tax			
Deferred Tax charge/(Credit)		(4,22,48,898)	3,95,78,783
MAT credit entitlement		-	(2,65,55,390)
<b>Total Deferred Tax Expenses/(Income)</b>		<b>(4,22,48,898)</b>	<b>1,30,23,393</b>
<b>Total Income Tax Expenses/(income)</b>		<b>(4,22,48,898)</b>	<b>3,95,78,783</b>
c) A Reconciliation of the income Tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below			
Expected Income Tax rate in India applicable to Company		31.20	34.94
Profit Before Tax		(11,16,48,551)	12,32,33,982
Expected Income Tax expenses at statutory Income Tax Rate		-	4,30,57,953
Income exempt from tax/items not deductible/additional depreciation allowances etc.		-	(4,30,57,953)
Income Tax Expenses reported in the statement of Profit and Loss (MAT)		-	2,65,55,390
MAT credit entitlement		-	(2,65,55,390)
Deferred Tax Expense/(Income) Reported in the statement of Profit & Loss		(4,22,48,898)	3,95,78,783
<b>Total Tax Expense/(Income) recognised in statement of Profit &amp; Loss</b>		<b>(4,22,48,898)</b>	<b>3,95,78,783</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### d) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020

Particulars	As at 1 <sup>st</sup> April 2018 Deferred Tax Assets/ (Liabilities)	Credit/ (Change) in statement of Profit & Loss	Charged in OCI	As at 31 <sup>st</sup> March 2019 Deferred Tax Assets/ (Liabilities)	Credit/ (Change) in statement of Profit & Loss	Charged in OCI	As at 31 <sup>st</sup> March 2020 Deferred Tax Assets/ (Liabilities)
Depreciation	(5,85,73,014)	(7,79,42,745)	0	(13,65,15,759)	4,11,62,951	0	(9,53,52,808)
Unabsorbed Depreciation (Asset)	0	3,83,63,961	0	3,83,63,961	0	0	3,83,63,961
Expenses / provisions (Asset)	13,86,282	0	5,49,151	19,35,433	10,85,947	4,80,342	35,01,722
Fair value of Cash flow hedge	(38,78,973)	0	(16,95,404)	(55,74,377)	0	(2,80,99,398)	2,25,25,021
<b>Total</b>	<b>(6,10,65,705)</b>	<b>(3,95,78,784)</b>	<b>(11,46,253)</b>	<b>(10,17,90,742)</b>	<b>4,22,48,898</b>	<b>(2,76,19,056)</b>	<b>(3,09,62,104)</b>
MAT Credit Entitlement	0	0	0	2,65,55,390			2,65,55,390
	<b>(6,10,65,705)</b>	<b>(3,95,78,784)</b>	<b>(11,46,253)</b>	<b>(7,52,35,352)</b>	<b>4,22,48,898</b>	<b>(2,76,19,056)</b>	<b>(44,06,714)</b>

(Amount in ₹)

#### 14 Other Current assets (Unsecured, Considered Good) :

i) Advances for supply of Capital Goods	-	7,29,13,901
ii) Balances with Revenue Authorities*	26,28,82,951	28,17,13,253
iii) Prepaid Expenses	80,60,817	2,50,81,809
iv) Others*	2,66,95,469	5,16,96,081
	<b>29,76,39,237</b>	<b>43,14,05,044</b>

\* Includes incentive, duty subsidy & GST refundable.

#### 15 Share Capital :

##### Authorised :

30,000,000 Equity Shares of Rs 5/- each (Previous Year 15,000,000 Shares of ₹ 10 each) fully paid-up	15,00,00,000	15,00,00,000
	<b>15,00,00,000</b>	<b>15,00,00,000</b>

##### Issued :

2,33,00,000 Equity Shares of ₹ 5/- each (Previous Year 2,22,51,624 Shares of ₹ 5/- each) fully paid-up #	11,65,00,000	11,12,58,120
<b>Subscribed and Fully Paid-up Equity Shares :</b>		
2,33,00,000 Equity Shares of ₹ 5/- each (Previous Year 2,22,51,624 Shares of ₹ 5/- each) fully paid-up #	11,65,00,000	11,12,58,120
	<b>11,65,00,000</b>	<b>11,12,58,120</b>

#During the year 10,48,376 Equity Share of the Face value of ₹ 5/- each at premium of Rs 25/-each (issue price per share ₹ 30/-) has been allotted on preferential basis.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### a) The reconciliation of the number of Shares outstanding at the beginning and end of the year:

Particulars	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	No. of Shares	Rs	No. of Shares	Rs
At the beginning of the year( Pre Split)	2,22,51,624	11,12,58,120	1,11,25,812	11,12,58,120
Adjustment for Sub-Division of Equity Shares (b(iii))	-	-	1,11,25,812	-
Outstanding as at the beginning of the year (Post-split)	2,22,51,624	11,12,58,120	2,22,51,624	11,12,58,120
Issued on preferential basis during the year	10,48,376	52,41,880	-	-
At the end of the year	2,33,00,000	11,65,00,000	2,22,51,624	11,12,58,120

### b) Terms / rights attached to equity shares

- The Company has one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of the liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

### c) Details of Shareholders holding more than 5% shares in the company :

Name of Share Holder	31 <sup>st</sup> March,2020		31 <sup>st</sup> March,2019	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Arunkumar Biyani - Director	26,50,000	11.37	26,50,000	11.91
Mr. Anil D. Biyani - Director	31,00,000	13.30	29,50,000	13.26
Mr. Ajay D. Biyani - Director	34,00,000	14.59	34,00,000	15.28
Mrs. Manju Biyani - Director	13,40,000	5.75	13,40,000	6.02

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(Amount in Rs)

### 16 Other Equity

	As at March 31, 2020	As at March 31, 2019
Securities Premium	20,53,03,050	17,90,93,650
General Reserve	22,00,00,000	20,00,00,000
Retained Earning	48,91,35,164	59,97,13,250
OCI	(4,96,70,560)	1,11,23,373
	<b>86,47,67,654</b>	<b>98,99,30,273</b>

- Securities Premium Reserve : Securities Premium Reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provision of the Act.
- General Reserve : the has transferred a portion of Net Profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act 2013.
- Retained Earnings : Retained Earnings are the profit, the company has earned till date, less any transfer to general reserve, dividend or other distributions paid to shareholders.





## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 17 Non Current Borrowings :

Particulars	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	Non Current	Current	Non Current	Current
<b>Secured (A) :</b>				
Term Loans - from Banks	1,33,99,36,871	9,83,98,372	1,43,33,78,405	4,84,29,302
<b>Unsecured :</b>				
i) Unsecured Loans *				-
From Directors	21,15,00,000	-	15,83,00,000	-
From Intercompany	23,00,00,000	-	9,90,00,000	-
	44,15,00,000	-	25,73,00,000	-
ii) Fixed Deposits from Public **	24,35,33,000	5,34,08,000	21,85,93,000	5,56,07,000
<b>Total (B = i + ii)</b>	<b>68,50,33,000</b>	<b>5,34,08,000</b>	<b>47,58,93,000</b>	<b>5,56,07,000</b>
<b>Total (A + B)</b>	<b>2,02,49,69,871</b>	<b>15,18,06,372</b>	<b>1,90,92,71,405</b>	<b>10,40,36,302</b>

\* As stated by Directors taken on Long term basis

\*\* As per section 73 of the companies Act, 2015 the company has designated its cash credit account as Deposit repayment reserve account for the purpose of deposit mature in the financial year and maintains 20% of the amount of its deposit maturing in the financial year.

The Term Loans of ₹ 14,313.75 lacs are secured by first pari passu charge on office premises situated at Mumbai and respective plant & Machinery together with spares, tools and accessories and other movables, both present and future at Dadra & Amravati and personal guarantees of three Directors. Term Loan of ₹ 69.61 lacs are secured by hypothecation of vehicles.

There are no defaults in repayment of loan and interest thereon as on March 31, 2020 for the loan under this head.

#### Maturity Profile of Secured Loan (Non Current Portion) :

	1 - 2 years	2 - 3 years	3 - 4 years	4 - 10 years
Term Loan	20,66,15,939	20,03,00,000	20,14,00,000.00	72,89,27,818
Vehicle Loan	22,93,098	4,00,014	-	-

(Amount in ₹)

### 18 Current Borrowings :

#### Secured :

##### a) Working Capital Loans from Banks :

- i) Cash Credit/Demand Loans/Short term Loans
- ii) Packing Credit

As at March 31, 2020	As at March 31, 2019
90,88,60,229	84,92,06,340
45,55,71,007	45,53,31,468
<b>1,36,44,31,236</b>	<b>1,30,45,37,808</b>

Working Capital loans are secured by hypothecation of all fixed assets, present and future stock of raw materials, stock in process, finished goods, stores and spares, packing materials, book debts & personal guarantees of three directors.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Amount in ₹)

### 19 Trade Payables :

	As at March 31, 2020	As at March 31, 2019
a) Micro, Small and medium Enterprises *	4,82,827	7,78,632
b) Trade Payables for Raw material	24,15,43,762	11,11,15,023
c) Trade Payables - others	10,98,05,807	11,03,56,946
d) Trade Payables for capital goods	1,84,10,601	-
	<b>37,02,42,997</b>	<b>22,22,50,601</b>
* Principal amount outstanding to MSME supplier	4,72,094	7,19,132
*Interest due on principal amount	10,733	59,500
	<b>4,82,827</b>	<b>7,78,632</b>

The above disclosure is based on the information available with Company

### 20 Other Current Financial Liabilities :

Unpaid Dividend	31,47,361	34,08,431
Derivative/Cash flow hedge	7,21,95,581	-
Current Maturities of Long term Debt (Refer note No. 17)	15,18,06,372	10,40,36,302
	<b>22,71,49,314</b>	<b>10,74,44,733</b>

### 21 Other Current Liabilities

a) Other Current Liabilities		
i) Employees Dues	1,91,59,726	1,83,55,336
iii) Others*	58,59,479	23,22,141
iv) Provisions	51,65,012	47,75,424
	<b>3,01,84,217</b>	<b>2,54,52,901</b>

\* Includes statutory dues

\*There are no amount due and outstanding to be credited to Investor Education and Protection Fund.

### 22 Revenue from Operations

Sale of products	7,67,92,21,479	7,71,37,83,420
<b>Revenue from Operations</b>	<b>7,67,92,21,479</b>	<b>7,71,37,83,420</b>

### 23 Other Income

Commission income	1,37,083	41,18,474
Profit/(Loss) on Sale of Fixed Assets	1,27,118	-2,24,411
Exchange Rate Difference	1,01,14,235	1,95,06,087
Subsidy under Package Scheme of Incentive	1,65,88,379	-
Other Income	-	11,188
	<b>2,69,66,815</b>	<b>2,34,11,338</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

	Current Year	Previous Year
<b>24 Cost of Raw Material consumed</b>		
Inventory at the beginning of the year	23,59,47,799	23,85,72,324
Add: Purchases	4,03,44,63,953	3,26,05,52,434
	<b>4,27,04,11,752</b>	<b>3,49,91,24,758</b>
Less: Inventory at the end of the year	36,13,76,492	23,59,47,799
<b>Cost of raw material and components consumed</b>	<b>3,90,90,35,260</b>	<b>3,26,31,76,959</b>
<b>25 Purchase of Traded Goods</b>		
Yarn	2,46,27,39,128	3,52,28,53,899
	<b>2,46,27,39,128</b>	<b>3,52,28,53,899</b>
<b>26 (Increase)/Decrease in Inventories</b>		
<b>Closing Stock</b>		
Work-in-Progress	8,88,16,288	7,55,15,284
Finished Goods	54,42,59,838	42,42,90,185
	<b>63,30,76,126</b>	<b>49,98,05,469</b>
<b>Opening Stock</b>		
Work-in-Progress	7,55,15,284	4,14,94,222
Finished Goods	42,42,90,185	21,36,52,505
	<b>49,98,05,469</b>	<b>25,51,46,727</b>
	<b>(13,32,70,657)</b>	<b>(24,46,58,742)</b>
<b>27 Employee Benefit Expenses</b>		
Salaries, Wages and Bonus and other benefits	31,98,49,224	22,23,39,740
Contribution to Provident Gratuity & Other Funds	1,22,28,733	97,87,592
Staff Welfare Expenses	95,88,424	75,76,465
	<b>34,16,66,381</b>	<b>23,97,03,797</b>
<b>28 Finance Costs</b>		
Interest	29,15,88,628	22,32,96,875
Other Borrowing Cost	2,62,70,409	2,70,04,088
Exchange Rate translation Loss/(Gain)	2,01,25,496	-1,62,62,498
	33,79,84,533	23,40,38,465
Less : Borrowing Cost Capitalised	-	9,47,89,487
	<b>33,79,84,533</b>	<b>13,92,48,978</b>
<b>29 Other Expenses</b>		
Consumption of Stores and spares	6,19,83,742	4,29,95,584
Consumption of Packing Material	6,98,24,153	4,69,24,300
Job Work Charges	64,29,959	2,53,06,112
Power and Fuel	27,52,80,493	17,94,90,897
Lease Rent	71,88,000	91,48,579
Rates and Taxes	19,53,383	11,64,275
Insurance	1,72,31,418	1,20,92,178
Repairs and Maintenance		
Plant and Machinery	61,96,718	29,33,871
Buildings	2,01,698	13,00,959
Others	11,80,457	19,77,710
Legal and Professional fees	52,62,018	43,58,399



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

	Current Year	Previous Year
Directors' Sitting Fees	1,40,000	1,60,000
Payment to Auditor (Refer details below)*	4,00,000	3,25,000
Directors Remuneration	2,01,60,000	1,87,20,000
Sundry Balances/Investments written off	4,100	26,94,385
Provision for Doubtful debts	34,80,600	-
Vehicle Expenses	21,21,537	31,94,945
Freight and Forwarding Charges	13,38,62,650	14,18,99,961
Advertising and Sales Promotion	36,97,334	57,97,609
Sales Commission	3,16,17,209	4,37,75,737
Travelling and Conveyance	59,03,418	62,43,539
Communication Costs	32,84,402	38,08,066
Printing and Stationery	14,83,720	21,51,116
Furniture & Fixtures written off	-	22,03,200
General Expenses	91,03,732	81,94,993
Corporate Social Responsibility Expenses	13,08,308	27,12,342
	<b>66,92,99,049</b>	<b>56,95,73,755</b>
<b>*Payment to Statutory Auditor</b>		
Audit Fees	3,05,000	1,70,000
Tax Audit Fees	50,000	40,000
Certification charges	45,000	15,000
	<b>4,00,000</b>	<b>2,25,000</b>
<b>30 Earnings per Share (EPS)</b>		
Net profit after tax as per Profit & Loss attributable to Equity Shareholders (in ₹)	(6,93,99,653)	8,36,55,199
Number of Equity Shares	2,33,00,000	2,22,51,624
Basic and Diluted Earning per share (in ₹)	-2.98	3.76
Face Value per Equity share (in Rs)	5.00	5.00
<b>During the current year, the Company has issued 10,48,376 shares of ₹ 5/- each at premium of Rs 25/-each (issue price per share ₹ 30/-) on the Preferential basis. Resulting to this, Equity Share Capital of the Company stood at ₹ 11,65,00,000 divided into 2,33,00,000 Equity Shares of ₹ 5/- each as on March, 2020.</b>		
<b>31 Dividend on Equity Shares</b>		
Proposed dividend on equity share not recognised as liability :		
Final Dividend of ₹ Nil - per share for F.Y. 2019-2020 (Previous Year ₹ 0.75/- per share)	-	1,66,88,718
Dividend Distribution Tax	-	34,30,500
<b>32 Contingent Liabilities</b>		
Counter Guarantees given to Banks	4,80,84,000	4,32,15,000
Letter of Credit/Bill Discounting with Banks	14,22,00,626	47,06,19,839
DEPB Entitlement Refund Claim by DGFT	81,81,321	81,81,321
Disputed Income Tax (F.Y. 2009-2010)	-	5,57,711
Disputed Income Tax (F.Y. 2010-2011)	-	16,99,110
TDS with Interest (F.Y. 2018--2019 & Prior years)	1,86,640	2,97,355
<b>33 Managerial Remuneration</b>		
Salary	2,01,60,000	1,87,20,000



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

**34** The Company is engaged only in Textile business and there are no separate reportable segments as per Ind AS 108.

### **35 Related Party Disclosures**

As per Accounting Standard 24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below.

List of related parties where control exists and related parties with whom material transactions have taken place and relationships:

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

Shri Arunkumar Biyani - Chairman & Director  
 Shri Ajay D. Biyani - Managing Director  
 Shri Anil D. Biyani - Whole-Time Director  
 Shri Subodh Soni - Company Secretary  
 Shri R. Kumar -Chief Financial officer ( Resigned on 8<sup>th</sup> May, 2020)  
 Shri Sheetal Prashad Singhal -Chief Financial officer ( Appointed with effect from 31<sup>st</sup> July, 2020)

#### **(b) Relatives of Key Management Personnel (KMP) :**

Mrs. Kanta Biyani, Mr. Aman Biyani, Mr. Akshay Biyani, Mrs. Manju Biyani, Mrs. Sanju Biyani, Ms. Risha Biyani, Mrs. Payal Biyani, Mrs. Bhawna Biyani, Mrs. Savitridevi D Biyani, Mr. Aditya Biyani, Ms. Reiya Biyani, Ms. Jia Biyani, Ms. Kiara Biyani, Mrs. Radhika Biyani & Mr. Abhishek Biyani

#### **(c) Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders)**

M/s. Shri Damodar Yarn Manufacturing Pvt.Ltd., M/s. Suam Overseas Pvt. Ltd., M/s. Damosuam carriers Pvt. Ltd., Ajay Biyani HUF, Arun Kumar Biyani HUF & Shri Damodar Foundation.

Name of Party	Nature of Transaction	Amount (₹)	Amount (₹)
		2019-2020	2018-2019
Arunkumar Biyani	Interest on Unsecured Loan	14,36,550	78,03,094
	Directors Remuneration	67,20,000	62,40,000
	Unsecured Loan Balance	4,63,00,000	3,60,00,000
Ajay D Biyani	Interest on Unsecured Loan	18,14,345	39,98,223
	Directors Remuneration	67,20,000	62,40,000
	Unsecured Loan Balance	5,27,00,000	4,56,00,000
Anil D Biyani	Interest on Unsecured Loan	29,34,267	60,03,552
	Directors Remuneration	67,20,000	62,40,000
	Unsecured Loan Balance	11,25,00,001	7,67,00,000
Shri Damodar Yarn Mfg Pvt Ltd	Sales of Goods/materials	78,17,145	1,59,02,274
	Purchases Goods/materials	4,50,32,078	2,26,584
	Job Work	29,43,341	2,38,823
Damosuam carriers Pvt. Ltd.	Transportation charges	46,33,244	-
	Trade Payables	-	57,330
	Advance given for Transportation charges	1,91,121	-
Suam Overseas Pvt Ltd	Sales of Goods/materials	20,70,60,619	13,63,53,080
	Purchases Goods/materials	11,10,19,497	13,44,25,481
	Assets Purchased	-	2,00,000
	Job Work Sales	-	89,34,821
	Job Work Purchases	52,78,103	-
	Trade receivables	-	1,53,011



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Name of Party	Nature of Transaction	Amount (₹)	Amount (₹)
		2019-2020	2018-2019
Shri Damodar Foundation	Rent	9,60,000	9,60,000
	Trade Payables	19,43,000	10,79,000
Arunkumar Biyani HUF	Fixed Deposit Balance	13,00,000	-
	Interest on FD	66,536	-
Ajay D Biyani HUF	Fixed Deposit Balance	7,00,000	-
	Interest on FD	30,350	-
Kanta Biyani	Fixed Deposit Balance	2,34,00,000	1,20,00,000
	Interest on FD	23,33,061	9,84,211
Abhishek Biyani	Interest on FD	19,51,440.00	9,09,312
	Fixed Deposit Balance	1,68,00,000	1,06,00,000
Akshay Biyani	Interest on FD	18,95,887	4,32,419
	Fixed Deposit Balance	1,54,00,000	1,73,63,000
	Employee Remuneration	21,00,000	14,40,000
Manju Biyani	Interest on FD	29,18,744	22,49,924
	Fixed Deposit Balance	2,95,00,000	2,11,00,000
Sanju Biyani	Interest on FD	21,66,825	4,39,705
	Fixed Deposit Balance	2,00,00,000	1,80,00,000
Bhawna Biyani	Interest on FD	6,12,679	3,164
	Fixed Deposit Balance	45,00,000	55,00,000
Reiya Biyani	Interest on FD	24,472	3,424
	Fixed Deposit Balance	4,00,000	42,000
Risha Biyani	Interest on FD	25,413	5,478
	Fixed Deposit Balance	4,00,000	67,000
Savitridevi Biyani	Interest on FD	1,67,932	2,53,320
	Fixed Deposit Balance	4,50,000	16,19,000
Aman Biyani	Interest on FD	22,41,728	20,17,856
	Fixed Deposit Balance	2,14,00,000	1,75,00,000
	Employee Remuneration	30,00,000	21,00,000
Aditya Biyani	Interest on FD	22,63,060	20,57,779
	Fixed Deposit Balance	2,06,00,000	1,82,00,000
	Employee Remuneration	30,00,000	21,00,000
Payal Biyani	Interest on FD	3,15,062	1,45,531
	Employee Remuneration	-	12,00,000
	Fixed Deposit Balance	21,20,000	14,20,000
Kiara Biyani	Interest on FD	31,422	25,399
	Fixed Deposit Balance	2,80,000	2,32,000
Radhika Biyani	Interest on FD	50,089	26,483
	Fixed Deposit Balance	-	2,40,000
	Employee Remuneration	-	10,80,000
Jia Biyani	Interest on FD	26,300	23,996
	Fixed Deposit Balance	2,50,000	2,10,000
Subodh Soni	Employee Remuneration	10,38,000	9,54,000
R. Kumar	Employee Remuneration	16,53,372	15,33,372

Parties identified by the management and relied upon by the Auditors.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 36 Defined Benefit Plan :- Gratuity (Funded)

The employees' gratuity fund scheme managed by Life Insurance Corporation. The present value of the obligation is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	As at March 31, 2020	As at March 31, 2019
<b>I) Reconciliation of Opening and Closing balances of Defined Benefit Obligation of the year</b>		
Defined Benefit Obligation at Beginning of the year	1,27,59,382	79,74,490
Liability transferred in/ Acquisitions	-	-
Current Service Cost	8,60,421	3,20,666
Interest Cost	8,72,920	6,06,061
Actuarial (Gain)/loss	14,92,750	17,28,439
Benefit Paid	(7,68,616)	(6,07,551)
Past service cost	-	27,37,277
Defined Benefit Obligation at the end of the year	1,52,16,857	1,27,59,382
<b>II) Reconciliation of Opening and Closing balances of Fair value of plan Assets</b>		
Defined Benefit Obligation at Beginning of the year	1,39,63,233	88,90,068
Expected return on Plan Assets	10,61,206	6,75,645
Assets transferred in/ Acquisitions	-	-
Actual Enterprise's contribution	17,09,579	50,68,451
Benefit Paid	(7,68,616)	(6,07,551)
Actuarial Gain/(loss)	(46,807)	(63,380)
Fair value of Plan Assets at year end	1,59,18,595	1,39,63,233
Actual return on Plan Assets		
<b>III) Reconciliation of fair value of Assets and Obligations</b>		
Fair value of Plan Assets	1,59,18,595	1,39,63,233
Present value of Obligation	1,52,16,857	1,27,59,382
Amount Recognised in Balance Sheet [Surplus/(Deficit)]	7,01,738	12,03,851
<b>IV) Expenses recognised during the year</b>		
In Income Statement		
Current Service Cost	8,60,421	3,20,666
Interest Cost	8,72,920	6,06,061
Return on Plan Assets	(6,75,645)	(6,75,645)
Past Service Cost	-	27,37,277
Net Cost	10,57,696	29,88,359
In Other Comprehensive Income		
Actuarial (Gain)/ Loss	14,92,750	17,28,439
Return on Plan Assets	46,807	63,380
Net (Income)/Expense for the period recognised in OCI	15,39,557	17,91,819
<b>V) Investment Details</b>		
Insurance Fund	1,59,18,595	1,39,63,233
<b>VI) Actuarial Assumption</b>		
Financial Assumptions		
Discount rate	6.65%	7.60%
Salary Escalation Rate #	4.00%	4.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### VI) Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 37 Details of corporate social responsibility (CSR) expenditure:

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount required to be spent as per Section 135 of the Act	32.57	34.32
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above*	13.08	27.12
<b>Total as shown in note no. 30</b>	<b>13.08</b>	<b>27.12</b>
* CSR paid to Related Party Shri Damodar Foundation	12.50	15.50

### 38 Fair value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values :

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values."

The Company uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation technique.

Level 1 : Quoted (unadjusted) price in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(₹ In Lakhs)

Financial Assets and Liabilities	As at 31 <sup>st</sup> March 2020				As at 31 <sup>st</sup> March 2019			
	Carrying amount	Level of Input used in			Carrying amount	Level of Input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets and Liabilities</b>								
- Loans	36.36	-	-	36.36	34.87	-	-	34.87
- Trade Receivable	9,847.36	-	-	9,847.36	8,434.38	-	-	8,434.38
- Other Financial Assets	213.45	-	-	213.45	295.09	-	-	295.09
- Cash & Cash Equivalents	41.43	-	-	41.43	183.35	-	-	183.35
- Other Bank Balance	31.47	-	-	31.47	34.08	-	-	34.08
	<b>10,170.07</b>	-	-	<b>10,170.07</b>	<b>8,981.77</b>	-	-	<b>8,981.77</b>
<b>At FVTPL</b>								
Financial Assets	-	-	-	-	-	-	-	-
At FTOCI								





## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Financial Assets and Liabilities	As at 31 <sup>st</sup> March 2020				As at 31 <sup>st</sup> March 2019			
	Carrying amount	Level of Input used in			Carrying amount	Level of Input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets	-	-	-	-	166.98	166.98	-	-
<b>Total</b>	<b>10,170.07</b>	<b>-</b>	<b>-</b>	<b>10,170.07</b>	<b>9,148.75</b>	<b>166.98</b>	<b>-</b>	<b>8,981.77</b>
At Amortised Cost								
Borrowings	33,894.01	-	-	33,894.01	32,138.09	-	-	32,138.09
Other Financial Liabilities	1,549.54	-	-	1,549.54	1,074.45	-	-	1,074.45
Trade Payables	3,702.43	-	-	3,702.43	2,222.51	-	-	2,222.51
	<b>39,145.98</b>	<b>-</b>	<b>-</b>	<b>39,145.98</b>	<b>35,435.05</b>	<b>-</b>	<b>-</b>	<b>35,435.05</b>
<b>At FVTPL</b>								
Financial Liabilities	-	-	-	-	-	-	-	-
<b>At FTOCI</b>								
Financial Liabilities	721.95	721.95	-	-	-	-	-	-
<b>Total</b>	<b>39,867.93</b>	<b>721.95</b>	<b>-</b>	<b>39,145.98</b>	<b>35,435.05</b>	<b>-</b>	<b>-</b>	<b>35,435.05</b>

### Financial risk management objectives and policies

In the course of business, the company is exposed to certain financial risk that could have considerable influence on the Company's business and its performance. These include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk. The Board of Directors review and approves risk management structure and policies for managing risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides service to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

#### a) Market Risk- Foreign currency risk.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Company manages its foreign Currency risk by hedging transaction that are expected to occur within a maximum 12 month periods for hedge of forecasted sales and purchases in foreign currency.

The hedging is done through foreign currency forward contracts.

#### Derivative instruments and unheged foreign currency exposure

Market Risk - Foreign Currency Risk

#### a) The following table shows foreign currency exposures in USD and EUR on financial instruments at the end of the reporting period.

##### Foreign Currency Exposure

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	USD	Euro	USD	Euro
Loans	4,934.04	3,062.45	4,553.31	2873.84
Trade and other Payables	65.43	-	179.21	-
Trade and other Receivables	4,898.15	-	2,634.10	-

#### b) Sensitivity analysis of 5% change in exchange rate at the end of reporting period.

##### Foreign Currency Exposure

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	USD	Euro	USD	Euro
5% Depreciation in INR				
Impact on P & L	5.07	153.12	104.92	143.69
<b>Total</b>	<b>5.07</b>	<b>153.12</b>	<b>104.92</b>	<b>143.69</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	USD	Euro	USD	Euro
5% appreciation in INR Impact on P & L	(5.07)	(153.12)	(104.92)	(143.69)
<b>Total</b>	<b>(5.07)</b>	<b>(153.12)</b>	<b>(104.92)</b>	<b>(143.69)</b>

### c) Derivative contracts outstanding as at 31<sup>st</sup> March, 2020

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	USD	Euro	USD	Euro
Forward Contracts to sell	14935.22		12415.39	-

### b) Market Risk - Interest rate risk :

Interest rate risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(₹ in Lakhs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Total Borrowings	35412.07	33178.46
% of Borrowings out of above bearing variable rate on interest	79.15	83.63

### c) Equity Price Risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the company to equity price risks. At the reporting date, the company do not hold any equity securities.

### d) Credit Risk

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Trade receivables consist of a large number of customers, spread across geographical areas. Outstanding customer receivables are regularly monitored.

The average credit period is in the range of 30 -180 days. However in select cases credit is extended which is backed by security deposit/bank guarantee/letter of credit and other firms. The Company's Trade receivables consist of a large number of customers, across geographies hence the Company is not exposed to concentration risk.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates.

### Ageing of Account receivables considered good

(₹ in Lakhs)

	As at 31 st March, 2020	As at 31 st March, 2019
Not Due	4,933.75	4,576.10
0 - 3 Months	2,483.41	2,364.53
3 - 6 Months	1,037.60	389.92
6 Months to 12 Months	508.04	355.64
Beyond 12 Months and less than 3 years	884.56	748.19
<b>Total</b>	<b>9,847.36</b>	<b>8,434.38</b>

Financial Assets are considered to be part of good quality and there is no significant increase in credit risk.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### e) Liquidity Risk :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from various banks. Furthermore, the Company access to funds from debt markets through short term working capital loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	(₹ in Lakhs)		
Particulars	Within 1 year	More than 1 year	Total
As at 31 <sup>st</sup> March, 2020			
Borrowings	15162.38	20249.70	35412.07
Trade and other payables	3702.43	-	3702.43
Other Financial Liabilities	753.43	-	753.43
As at 31 <sup>st</sup> March, 2019			
Borrowings	14085.74	19092.71	33178.46
Trade and other payables	2222.51	-	2222.51
Other Financial Liabilities	34.08	-	34.08

### 39 Export Promotion Capital Goods (EPCG) :

The Companies (Indian Accounting Standards) second amendment rules 2018 on "Accounting for Government Grants and Disclosure of Government Grant Assistance" gives the option of presentation of amount of Government Grant related to asset, including non-monetary grants at fair value in the balance sheet either by setting up the amount of grant as deferred income or deducting the amount of grant in arriving at the carrying amount of the assets. The Company had during the quarter ended March, 2020 made the accounting policy choice of deducting the net grant amount in arriving at the carrying amount of assets which were earlier presented as deferred government grant. As a result of above change, the net block of Plant and Machinery under the head "Property Plant and Equipment" has decreased by ₹ 37.61 Lacs as at April 1, 2017, ₹ 33.90 Lacs as at April 1, 2018 & ₹ 1705.49 Lacs as at April 1, 2019, Deferred Government Grant (Non-Current) under the head "Other Non-Current Liabilities" has decreased by ₹ 33.90 Lacs as at April 1, 2017, ₹ 30.18 Lacs as at April 1, 2018 & ₹ 1541.26 Lacs as at April 1, 2019, and Deferred Government Grant (Current) under the head "Other Current Liabilities" has decreased by 3.71 Lacs as at April 1, 2017, ₹ 3.71 Lacs as at April 1, 2018 & ₹ 164.23 Lacs as at April 1, 2019 in the Ind As financial statements. However, there is no impact on the profit before tax/after tax for the year ended March 31, 2018, March 31, 2019 and March 31, 2020.

40 Covid-19 has Impacted the normal business operations of the Company since March 2020 by way of interruption in production, sales and other activities. The Company is closely monitoring the impact on various aspects of its business including its Customers / Vendors / Employee and other business partners. The Company has made assessment of liquidity position for the F.Y. 2020-21 including recoverability of carrying value of its assets such as loans, Investment, Inventories, receivables etc. The Company expects to fully recover the carrying amount of these assets. The impact assessment of Covid-19 is an ongoing process and may be different from that envisaged as at the approval of these financial results given the uncertainties associated with its nature and duration and the Company will continue to monitor all material changes to the entity's environment.

41 The previous period figures have been regrouped reclassified, wherever considered necessary.

As per our report of even date attached

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No.: 125334W

**(Jitendra Mishra)**

**Proprietor**

Membership No. : FCA 116676

Place : Mumbai

Date : 31<sup>st</sup> July, 2020

**For and on behalf of Board of Directors**

**Arunkumar Biyani**

Chairman

(DIN: 00016519)

**Subodh Kumar Soni**

Company Secretary

**Ajay Biyani**

Managing Director

(DIN: 00014896)

**Sheetal Prashad Singhal**

Chief Financial officer





## **DAMODAR INDUSTRIES LIMITED**

**Registered Office:-**

Madhu Estate, 19 / 22 & 27 /30,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400 013

**Tel.:** +91 - 022 - 6661-0301/02 +91 - 022 - 6661-0308

**Email:** [cs@damodargroup.com](mailto:cs@damodargroup.com)

**Website:** [www.damodargroup.com](http://www.damodargroup.com)